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**Market Intelligence Report**  
**South African Olive Industry**  
**2024**

# Market Intelligence Report: SA Olive Industry, 2024

**Western Cape Government**

**Department of Agriculture**

**Programme: Agricultural Economics Services**

**Division for Macro & Resource Economics**

Muldersvlei Road

Eisenburg

7607

South Africa

**Author(s):**

**Dr Lungelo Prince Cele**

Senior Ag. Economist: Macro & Resource Economics

**E-mail:** [Lungelo.cele@westerncape.gov.za](mailto:Lungelo.cele@westerncape.gov.za)

**Tel:** +27 21 808 7754

**Editorial and review:**

Mr Tshupo Morokong

Deputy Director: Macro and Resource Economics

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# Table of Contents

Table of Contents .....	iii
List of Figures .....	iv
List of Tables .....	iv
Executive Summary .....	v
1. Introduction .....	1
2. Global and SA Production Analysis .....	4
2.1 Production of Global Olives.....	4
2.2 Production of SA or WC Olives .....	4
3. Global and SA Trade Analysis .....	8
3.1 Olive Exports, Markets and Prices .....	8
3.2 Olive Oil Import and Export Markets.....	10
3.2.1 Global and Regional Ranking of Importers .....	10
3.2.2 Global and Regional Ranking of Exporters.....	11
3.2.3 SA Olive Oil Imports.....	12
3.2.4 SA Olive Oil Exports .....	13
3.2.5 SA Extra Virgin Olive Oil Export Markets.....	16
3.3 Olive Oil Trade Prices and Tariffs .....	16
3.3.1 Olive Oil Trade Prices .....	16
3.3.2 Tariff Rates Applied by SA and to SA.....	19
4. Olive Oil Substitute Imports and Exports .....	20
5. World Olive Oil Competitions .....	23
6. Conclusions and Recommendations .....	25
7. References.....	27

## List of Figures

Figure 1.1. The olive oil value chain .....	3
Figure 2.1. Production value of olives and Africa contribution in the world.....	4
Figure 2.2. WC land allocation and estimated value of olives produced by district .....	6
Figure 2.3. Distribution of olive and wine cellars for tourism by district .....	7
Figure 3.1. World export of olives .....	8
Figure 3.2. SA export markets for olives .....	9
Figure 3.3. SA export prices for olives.....	10
Figure 3.4. Trends in olive oil imports by SA .....	13
Figure 3.5. SA import market share in value terms .....	13
Figure 3.6. SA export markets for olive oil.....	14
Figure 3.7. SA share of exports to Africa markets for olive oil .....	14
Figure 3.8. SA share of exports to world markets for olive oil .....	14
Figure 3.9. Share of imports from SA in Africa target markets for olive oil.....	15
Figure 3.10. Share of imports from SA in world target markets for olive oil .....	15
Figure 3.11. SA export markets for Extra Virgin Olive Oil (EVOO) .....	16
Figure 3.12. Prices of olive oil imports by SA.....	17
Figure 3.13. Prices of olive oil exports by SA.....	18
Figure 3.14. Trade prices of olive oil .....	18
Figure 3.15. Consumer Google search trends related to olive oil in SA .....	19
Figure 4.1. Trends in sunflower and crude sunflower imports by SA.....	20
Figure 4.2. Trends in sunflower and crude sunflower imports prices by SA .....	21
Figure 4.3. Trends in sunflower and crude sunflower oil exports by SA .....	21
Figure 4.4. Trends in sunflower and crude sunflower export prices by SA.....	22
Figure 5.1. Performance of SA brands in world competitions .....	24

## List of Tables

Table 2.1. Orchard ranking by area (ha) in the WC .....	5
Table 2.2. Orchard ranking based on production estimates (Tons) .....	5
Table 2.3. Orchard ranking based on production value estimates (Rand) .....	5
Table 2.4. Orchard ranking based on price estimates (Rands per ton) .....	6
Table 3.1. List of importers of olive oil (1000 ZAR) .....	10
Table 3.2. Global and regional ranking based on EVOO in 2022.....	11
Table 3.3. Global ranking based on olive oil .....	11
Table 3.4. Regional ranking based on olive oil.....	12
Table 3.5. Global ranking based on EVOO .....	12
Table 3.6. Tariffs applied by SA to exporting countries.....	19
Table 3.7. Tariffs applied to SA by importing countries .....	19

# Executive Summary

The South African (SA) olive sector has experienced substantial growth over the past few decades, positioning itself as a noteworthy player in the global olive oil market despite relatively low production volumes compared to other Mediterranean regions in countries like Spain and Morocco. In the Western Cape (WC), this growth is primarily attributed to the favourable climate and soil conditions, high product quality, and strong brand visibility supported by international competition wins. However, the sector faces significant challenges such as global oversupply dominated by European Union (EU) countries which are subsidised, substantial olive oil imports, competition within the Southern African Development Community (SADC) region, and potential protectionist measures by trade partners.

## Key Trends and Statistics

### 1. Export Market Trends:

- SA olive oil exports increased by 131% from R37 million in 2013 to R86 million in 2023.
- Main export markets include Namibia, Botswana, and Zambia, with growth rates of 137%, 216%, and 404%, respectively.
- The USA emerged as a significant market with a 549% growth rate from R903 thousand in 2013 to R5 million in 2023.

### 2. Import Market Trends:

- Imports were worth R2 billion for Africa in 2022 and contributing 1.2% in the world.
- SA remains a net importer of olive oil (2<sup>nd</sup> largest importer in Africa after Morocco), with imports growing by 84% from R158 million in 2013 to R291 million in 2023.
- Spain is the dominant supplier, with a 251% growth in imports from R57 million in 2013 to R200 million in 2023.
- Imports from Italy and Portugal have declined by 0.6% and 32.2%, respectively.

### 3. Pricing Trends:

- Import prices from Türkiye and Spain were the lowest, with Türkiye showing the highest growth rate of 208% (reaching R43 thousand/ton) from 2012 to 2022.
- Export prices to the UK and USA were the highest at R109 thousand/ton and R78 thousand/ton, respectively, from 2010 to 2022.
- Export prices within SADC were highest in Botswana at R67 thousand/ton and lowest in Zimbabwe at R49 thousand/ton in 2022.

### 4. Regional and Global Position:

- SA was ranked 28<sup>th</sup> globally for olive oil exports, with a 1785% increase from R4 million in 2004 to R78 million in 2022.
- Within Africa, SA ranked 3<sup>rd</sup>, after Tunisia and Morocco in 2022.



- For extra virgin olive oil (EVOO), SA was the 2<sup>nd</sup> largest exporter in Africa (21<sup>st</sup> in the world) at R49 million in 2022, targeting mainly the SADC region.

#### 5. Challenges:

- Dependence on the EU for olive oil imports (59% from Spain and 34% from Italy) makes SA vulnerable to global market fluctuations.
- Increased competition in SADC (i.e. Mozambique) from countries like Portugal.

#### 6. Key Recommendations for Decision-Makers

- **Diversify Markets:** Expand SA olive oil exports to non-SADC markets.
- **Enhance Research:** Conduct detailed market research to understand consumption patterns of various substitute oils, price sensitivity, and importer dynamics.
- **Combat Fraud:** Implement food fraud vulnerability assessments to protect against cheap vegetable oils and maintain product integrity.
- **Promote Quality:** Leverage international awards and recognitions to boost SA's reputation as a high-quality olive oil producer.
- **Support and Investment:** Increase investment in product development, branding strategies, and exploring olive oil tourism. Olive oil tourism and the establishment of geographical indicators for WC products/brands can enhance sector growth.

The SA olive sector's future growth hinges on strategic planning, market diversification, and leveraging trade agreements, ensuring sustained success and economic benefits for the country and the WC.

# 1. Introduction

Olives are renowned for their antioxidant, anti-inflammatory, and anti-cancer properties, making them valuable as functional additives in pharmaceuticals and cosmetics (Torrecillas and Martínez, 2022). Colombo and Perujo-Villanueva (2017) identified South Africa (SA) as a 'new olive oil producing country', along with countries like Argentina, Australia, Chile, China, Mexico, New Zealand, and the United States of America (US). However, the establishment of the olive sector dates to 1900s<sup>1</sup> in SA with the first mill established in 1935 (FCRJ, 2018).

The SA National Development Plan (NDP) Employment Matrix classifies the olive sector as having high growth potential and being labour-intensive, particularly in Mediterranean-type climates such as the Western Cape (WC) (Taylor and Atkinson, 2013; DTI, 2013). This aligns with the WC Government's goals to enhance producer incomes and create job opportunities. However, the olive oil agri-food systems face challenges, including an increase in production that is outpacing consumption, a limited number of milling companies, market concentration among few retailers or countries, price volatility, climate change impacts, quality testing issues, and evolving agri-trade policies related to subsidies (Karanikolas *et al.*, 2021).

From 2013 to 2022, the sector has grown from about 140 to 198 growers, 13 nurseries, 63 olive oil processors, an estimated 12 000 farm/factory workers, 28 to 40 importers/retailers, and about 80 olive oil brands (DTI, 2013; NAMC 2013; 2023). In 2021, 81 growers were producing olives in less than 5 ha (4% of total area) and only 7 growers were producing olives in more than 100 ha (41% of total area) (SA Olive, 2021).<sup>1</sup> Based on the 2021 enterprise budget, a new small-scale farmer on one hectare needs about R94 thousand to cover variable costs in the first year and can expect to make a positive gross margin above specified costs in the 3<sup>rd</sup> year at R274 and at R11 thousand in the 9<sup>th</sup> year. Major cost factors in primary production include fertilizer and labour.

In 2013, the Department of Trade and Industry (DTI) published an olive sector development plan addressing issues like olive oil adulteration, EU agricultural subsidies, and surplus harvests from Spain affecting the SA market (DTI, 2013; USITC, 2013). The statutory measures were introduced for the lucerne, fynbos, and olive industries (NAMC 2010). A statutory levy for olive products was set at 40 c/l for olive oil and 8 c/kg for table olives in 2012/13, reviewed every

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<sup>1</sup> In Spain, Italy, and Greece, the average size of olive farms is 5.8 hectares, 1.8 hectares, and 1.5 hectares, respectively. Small farms under 5 hectares constitute 52% in Spain, 69% in Italy, 70% in Portugal, and 84% in Greece (Karanikolas *et al.*, 2021). The pricing of olives is largely influenced by a few large groups (Colombo and Perujo-Villanueva, 2017).

four years (next review due in September 2024) (DTI, 2013; NAMC, 2013).<sup>2</sup> Levy income represented 1.7% of R75.7 million in 2022, down from 2.5% of R43.6 million in 2013 (NAMC, 2013; 2022). Between 2013 and 2022, about R6.6 million was collected from levies, mainly allocated to consumer education/promotion (40%), transformation (22%), information and industry liaison (17%), and research/cultivar development (13%). However, the sector faces challenges in identifying companies importing olive products and is considering implementing levies on imports in collaboration with South African Revenue Service (SARS) (NAMC, 2022).

The SA olive sector plan followed the EU's 2012 action plan aimed at boosting olive oil production in Europe and consumption globally by addressing structural challenges in the industry (USITC, 2013).<sup>3</sup> The US also struggles with the lack of enforced grading standards, leading to mislabelling issues. For example, in 2007, over 10,000 cases of containers labelled as extra virgin olive oil (EVOO) in the US were found to contain soybean oil and low-quality olive oil. Olive oil is one of the most frequently fraud-reported commodities, particularly EVOO imitation (Yan *et al.*, 2020; WTO, 2024). In 2012, the US imported 97% of its olive oil, primarily from Italy and Spain.<sup>4</sup> In 2023, the US maintained countervailing and antidumping tariffs on Spanish olives to protect domestic growers [Mexico and Argentina as well in 2012] (Fitchette, 2023).<sup>5</sup>

According to the Olive Oil Times (2023) and Telegraph Hill (2023), real olive oil prices increased by 65% from \$5,145 per ton in 2022 to \$8,891 per ton in 2023, influenced by droughts, disease outbreaks, and variable harvest yields in Spain and Europe. EU27 olive oil exports to third countries declined by 33% from 250,422 tons in 2021 to 188,080 tons in 2023. Consumer price inflation for olive oil in the EU rose by 50% in 2023 (EU, 2024). From 2022 to 2023, SA increased EVOO exports to Spain and other EU markets such as Belgium (29% growth) and the Netherlands (57% growth), with a significant 369% increase in exports to the US. SA olive oil brands are highly regarded globally. For instance, De Rustica Estate won the Absolute Best award at the 2024 International Quality Awards for EVOO in Spain, showcasing SA's global impact in the olive sector (EVOOLEUM, 2024).

The purpose of this report is to provide a comprehensive overview of the olives and olive oil industry (via market tracking and analysis), with a focus on the WC, and to highlight current

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<sup>2</sup> Olives and olive oil are classified as agricultural products under the Marketing of Agricultural Products Act No. 47 of 1996 (MAP Act). According to this act, a statutory levy on these products must not exceed 5% of the price achieved at the first point of sale. The levy aims to enhance market access, boost export earnings, and promote the products.

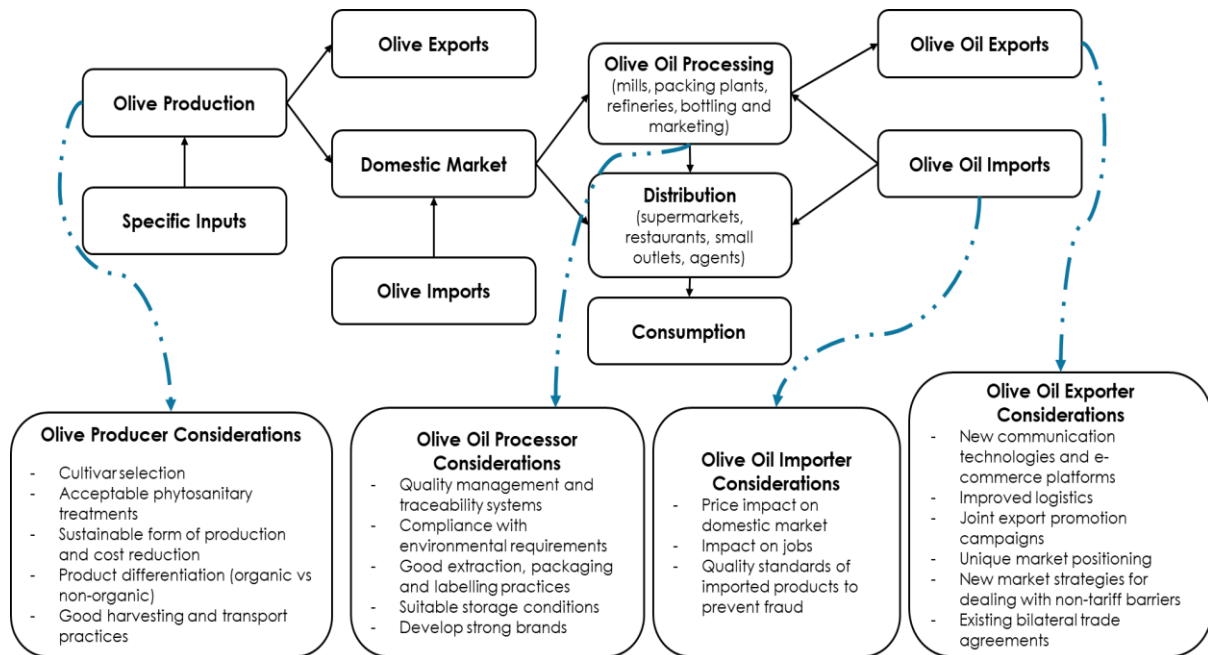
<sup>3</sup> Andalusia, the main olive-producing region in Spain developed a master plan to modernize and enhance competitiveness in the olive sector. This plan, implemented from 2014 to 2020, had a budget of €304 million, with 38% allocated to subsidizing investments in physical assets (Millán-Vazquez de la Torre *et al.*, 2017).

<sup>4</sup> In the US, over 90% of olives are cultivated in California by approximately 620 small-scale olive growers, each farming on plots ranging from 0.2 to 2 hectares. These growers are represented by the Olive Growers Council of California. In 2013, there were about 40 olive oil mills in the state (USITC, 2013).

<sup>5</sup> The World Trade Organization highlighted that fraud and budget constraints led to the 1998 reform of the oils and fats market regime, which ended the aid per tree system and price supports. In 2004, the olive farming sector was integrated into the single farm payment scheme, eliminating production-based subsidies in the EU. EU subsidies for the olive oil sector grew significantly from EUR 160 million in 1975 to over EUR 2.3 billion annually between 1998 and 2003 (Scheidel and Krausmann, 2011).



challenges and opportunities.<sup>6</sup> The report analyses production and trade performance using annual data from 2004 to 2023 from multiple sources. It offers insights on trends over the decade before and after the publication of SA olive sector plan in 2013 to help improve the olive value chain illustrated in Figure 1.1. Given that only countries in North Africa are represented in the International Olive Council, representation of Southern part of Africa by SA can help bring a unique perspective to the global discussions.<sup>7</sup>



**Figure 1.1. The olive oil value chain**

Source: Adapted from Bouhaddane and Mili (2018)

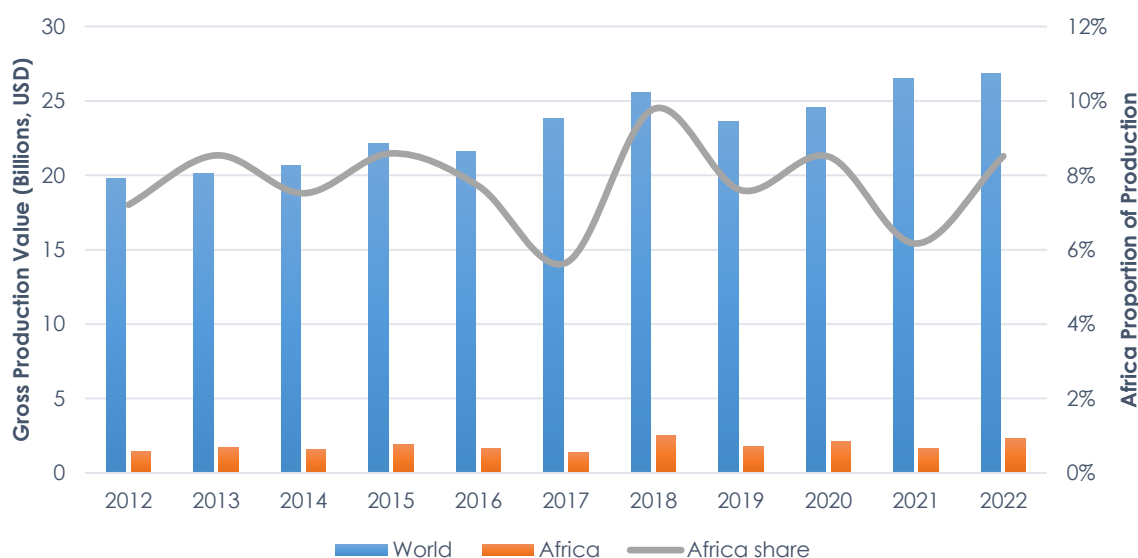
<sup>6</sup> Olive oil is categorized under HS1509, while extra virgin olive oil falls under HS150920. Sunflower-seed oil is classified as HS151219, with crude sunflower-seed oil listed as HS151211.

<sup>7</sup> South Africa participates in the advisory committee of the International Olive Council as an observer not as a member.

## 2. Global and SA Production Analysis

### 2.1 Production of Global Olives

Figure 2.1 illustrates the total gross production value of olives worldwide. In 2022, the global gross production value of olives amounted to \$26.8 billion, with Spain, particularly the Andalusia region, emerging as the leading producer. African production accounted for 8.5% of this value, totalling \$2.2 billion, with Morocco and Tunisia as the primary contributors on the continent. Africa's contribution to the global production value peaked at 9.8% in 2018 within the span of a decade. Notably, Africa experienced a substantial growth rate of 60% from 2012 to 2022, surpassing the world growth rate of 36% during the same period.



**Figure 2.1. Production value of olives and Africa contribution in the world**

Source: Own compilation based on FAOSTAT, 2024

### 2.2 Production of SA or WC Olives

In SA, olive cultivation occurs mainly in the WC, accounting for 95% of the land under olive cultivation in 2022 (SA Olive, 2022). About 90% of all harvested olives are turned into olive oil, while about only 10% is used as table olives (AfrLogic, 2016). Table 2.1 presents the rankings of orchards in the WC, revealing that the land designated for olives ranked 7<sup>th</sup> highest among other orchards in the region. Olive cultivation increased by 1% from 6.1 thousand hectares in 2013 to 6.2 thousand hectares in 2023. As depicted in Table 2.2, olive production also saw a 16% increase from 61.6 thousand tons to 71.8 thousand tons, ranking 10<sup>th</sup> in terms of orchard production.<sup>8</sup> However, despite the production increase, the gross production value of olives

<sup>8</sup> [Please note: data from Hortgro indicates that production grew from about 2 thousand ha in 2013 to about 3.6 thousand ha in 2020. SA Olives (2022) reported 3.7 thousand ha in 2020 with the sector contributing about R125 million.

experienced a 33% decline from R940.4 million to R631.8 million, ranking 12<sup>th</sup> in terms of the gross value of orchards (Refer to Table 2.3).

**Table 2.1. Orchard ranking by area (ha) in the WC**

Rank	Orchards	2013	2017	2023	Growth %
1	Winegrapes	108 070	91 221	80 593	-25%
2	Apples	21 043	21 523	22 842	9%
3	Table grapes	12 863	13 095	14 718	14%
4	Pears	11 328	10 711	11 023	-3%
5	Naartjies	3 066	6 315	9 380	206%
6	Oranges	7 625	7 704	8 964	18%
7	<b>Olives</b>	<b>6 167</b>	<b>6 207</b>	<b>6 244</b>	<b>1%</b>
8	Peaches	7 809	6 848	5 769	-26%
9	Plums	5 767	5 644	5 651	-2%
10	Lemons	831	2 042	2 874	246%

Data source: WCDOA (Flyover data), 2024<sup>9</sup>

**Table 2.2. Orchard ranking based on production (potential) estimates (Tons)**

Rank	Orchards	2013	2017	2023	Growth %
1	Winegrapes	2 089 150	1 401 309	1 446 979	-31%
2	Apples	1 211 646	796 368	1 187 771	-2%
3	Pears	457 426	404 762	496 102	8%
4	Oranges	259 187	240 574	313 748	21%
5	Naartjies	113 200	236 118	269 459	138%
6	Table grapes	274 904	237 220	213 680	-22%
7	Peaches	210 853	150 103	136 827	-35%
8	Plums	143 327	141 088	113 022	-21%
9	Lemons	37 243	90 900	105 177	182%
10	<b>Olives</b>	<b>61 671</b>	<b>40 036</b>	<b>71 802</b>	<b>16%</b>

Data source: WCDOA (Flyover data), 2024

**Table 2.3. Orchard ranking based on production value (potential) estimates (Rand)**

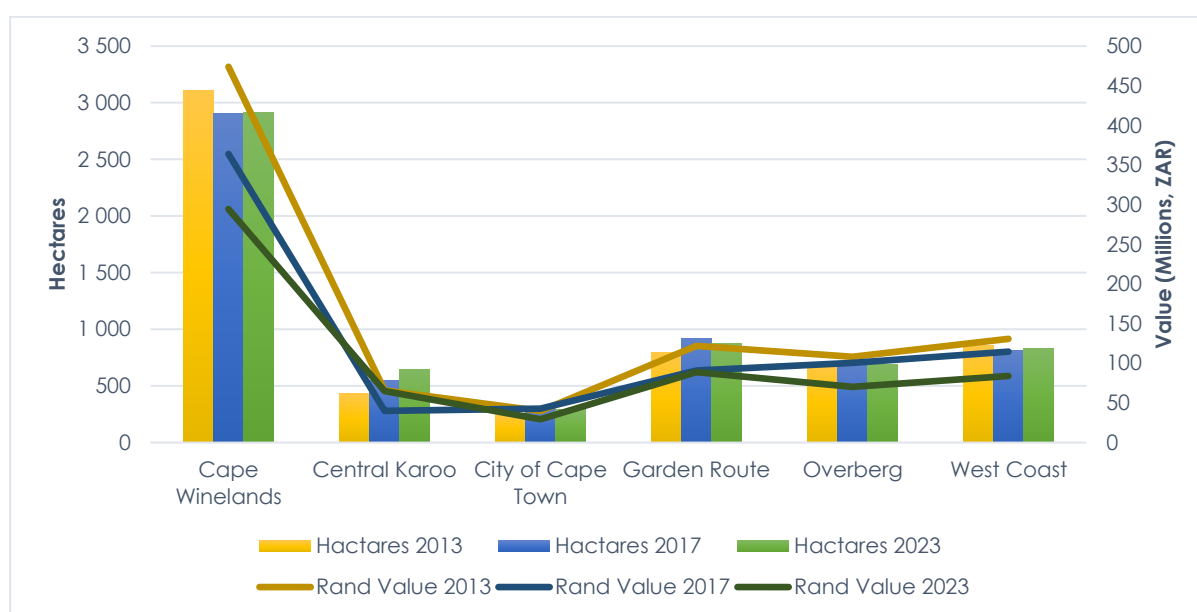
Rank	Orchards	2013	2017	2023	Growth %
1	Apples	5 452 366 500	5 407 335 389	8 441 151 632	55%
2	Table grapes	2 587 125 450	2 932 042 028	6 172 785 541	139%
3	Winegrapes	5 300 172 421	4 006 536 304	5 787 914 382	9%
4	Pears	1 998 952 188	2 883 931 878	3 708 358 909	86%
5	Naartjies	769 759 320	3 305 649 130	3 624 761 177	371%
6	Oranges	1 134 461 718	1 924 592 358	2 202 825 059	94%
7	Blueberries	334 627 200	615 950 250	2 080 790 458	522%
8	Plums	1 261 278 040	2 172 750 157	1 789 814 280	42%
9	Peaches	839 194 900	1 014 693 300	1 270 162 330	51%
10	Lemons	163 868 100	1 445 479 632	817 754 441	399%
11	Strawberries	264 973 500	284 983 920	705 389 584	166%
12	<b>Olives</b>	<b>940 476 650</b>	<b>752 681 797</b>	<b>631 853 939</b>	<b>-33%</b>

Data source: WCDOA (Flyover data), 2024

FCRJ (2018) estimated the sector to be 9 thousand ha in 2018 and producing 4.7 thousand tons. AfriLogic (2016) found that SA had 6 thousand ha in 2014 with 80-90% of the trees being of Italian cultivars.]

<sup>9</sup> National statistics are available at Fruits SA, 2023.

Figure 2.2 illustrates the trends in land allocation and the gross value of olives in the WC by district. Most olive cultivation occurs in the Cape Winelands district, accounting for approximately 47% in 2023, while the City of Cape Town has the lowest cultivation rates. According to DTI (2013), it takes about 10 tons of olives to produce approximately 2 tons or 2 thousand litres of olive oil. In 2017, the land productivity across all districts was adversely affected by heat waves and drought, a phenomenon observed in other countries as well, impacting global production (Olive Oil Times, 2017). As indicated in Table 2.4, the price per ton of olives in the WC was at its highest in 2017 due to the global production decline, and conversely, it was at its lowest in 2023 in the past decade. Additionally, the price per ton of olives remained relatively low compared to other orchards, standing at R8.8 thousand/ton in 2023, ranking 26<sup>th</sup>.



**Figure 2.2. WC land allocation and (potential) estimated value of olives produced by district**

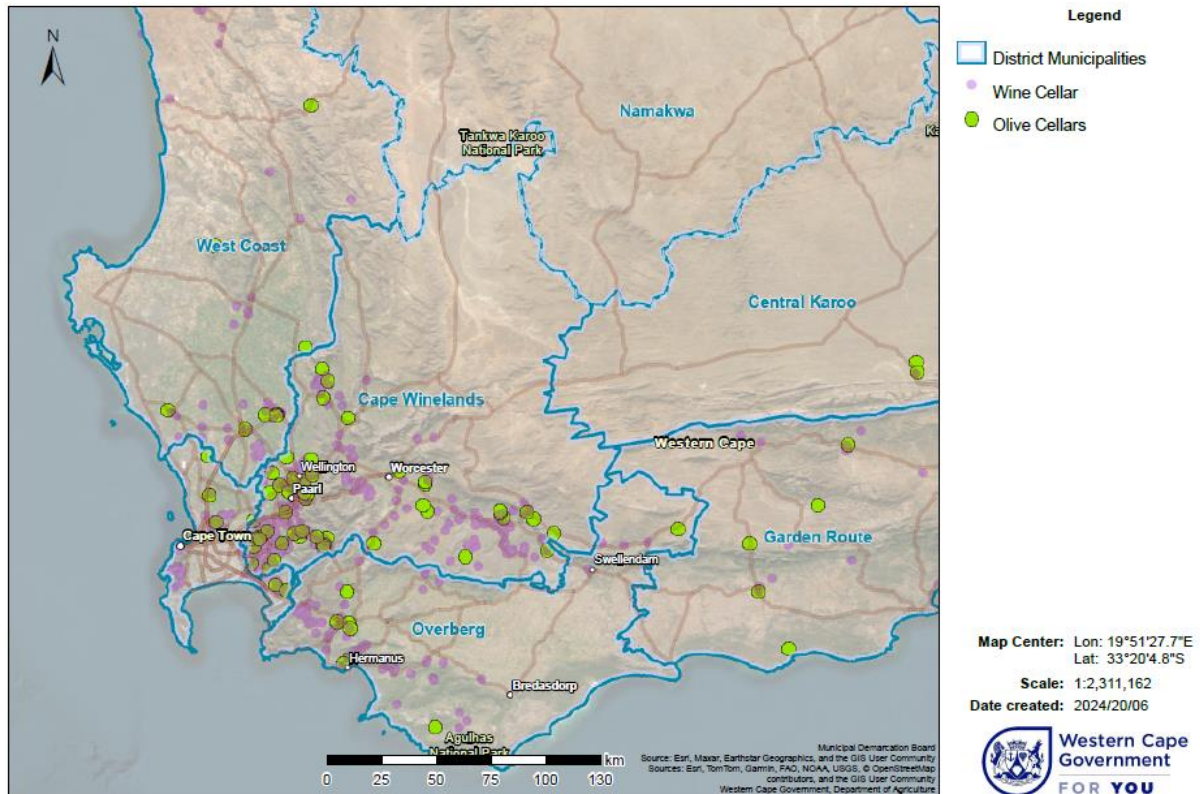
Source: Own compilation based on WCDOA (Flyover data), 2024

**Table 2.4. Orchard ranking based on price estimates (Rands per ton)**

Rank	Orchards	2013	2017	2023
1	Almonds		62 000	77 100
2	Raspberries	50 000	42 700	73 736
3	Gooseberries			70 000
4	Cherries		53 850	69 999
5	Blueberries	45 000	50 000	66 471
6	Dates	40 000	83 800	60 000
7	Blackberries	52 500	50 000	55 000
8	Strawberries	29 150	40 500	45 288
9	Pecan nuts		62 000	44 586
10	Kiwifruit			43 000
26	<b>Olives</b>	<b>15 250</b>	<b>18 800</b>	<b>8 800</b>

Data source: WCDOA (Flyover data), 2024

Figure 2.3 shows the distribution of olive (green dots) and wine (purple dots) cellars by district for tourism in the WC. Most of the olive and wine cellars are located in the Cape Winelands and City of Cape Town districts. Notably, many olive cellars are situated near wine cellars, presenting an excellent opportunity for collaborative campaigns to boost tourism, especially given that successful olive farmers are established wine farmers (Taylor and Atkinson, 2013; WESGRO, 2021).



**Figure 2.3. Distribution of olive and wine cellars for tourism by district**

Source: Cape Farm Mapper 3, 2024

# 3. Global and SA Trade Analysis

## 3.1 Olive Exports, Markets and Prices

Figures 3.1 (a-d) depict the trends of olive exports globally, with a specific focus on the role of SA. The quantity of olives exported in the global market increased by 45% from 55 thousand tons in 2012 to 80 thousand tons in 2022, while SA's exported quantity surged by 267% during the same period, rising from 8 tons to 29 tons. Conversely, the quantity exported by African countries experienced a sharp decline of 99.8%, dropping from 34 thousand tons to 78 tons. Over the span of ten years, the value of olive exports globally decreased by 13%, from \$97 million to \$85 million, while Africa saw a staggering 99% decline, plummeting from \$50 million to \$449 thousand. In contrast, the value of SA's olive exports surged by 172%, climbing from \$25 thousand to \$68 thousand during the same period. SA's share of olive exports in the global market rose from 0.03% in 2012 to 0.08% in 2022.

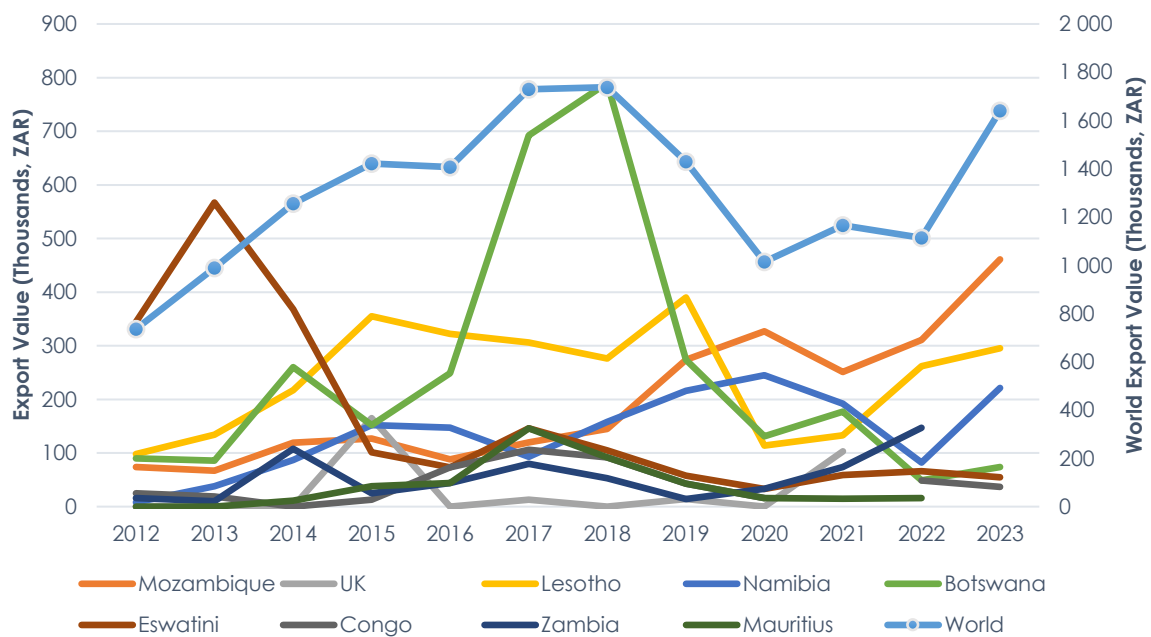


**Figure 3.1. World export of olives**

Source: Own compilation based on FAOSTAT, 2024

Figure 3.2 illustrates the shifts in export markets for SA olives. In recent years, Mozambique has emerged as the primary importer of SA olives, experiencing a remarkable growth rate of 523%

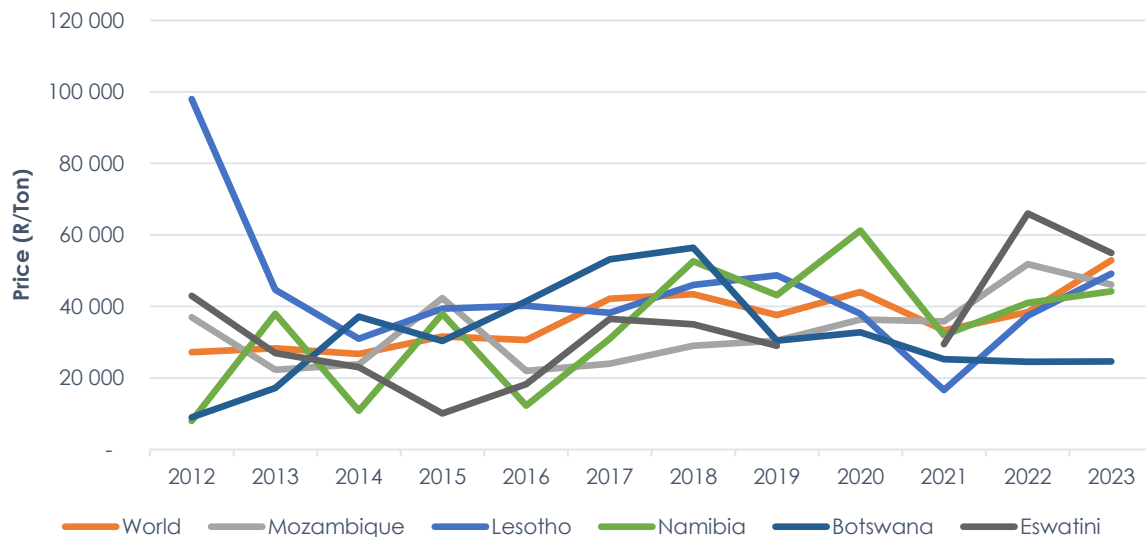
from R74 thousand in 2012 to R461 thousand in 2023. Lesotho follows suit with a growth rate of 201%, rising from R98 thousand to R295 thousand in the same period. Namibia ranks 3<sup>rd</sup> in import volume, boasting the highest growth rate of 2,663% from R8 thousand in 2012 to R221 thousand in 2023. Over the last decade, SA has notably decreased its olive exports to Eswatini, dropping from R567 thousand in 2013 to R73 thousand in 2017, and to Botswana, decreasing from R790 thousand in 2018 to R49 thousand in 2022. The UK exhibits irregularities in importing SA olives, with significant imports recorded in 2015 at R165 thousand, in 2021 at R103 thousand, and in 2023 at R405 thousand, while other years show minimal imports ranging from zero to R14 thousand within the past decade.



**Figure 3.2. SA export markets for olives**

Source: Own compilation based on ITC Trade Map, 2024

Figure 3.3 showcases the trends in SA olive export prices. The average export prices of SA olives to the global market have risen from R27 thousand per ton in 2012 to R52 thousand per ton in 2023. In 2023, the export prices to Eswatini exceeded the average SA export price to the world at R55 thousand per ton, while the lowest prices were observed for Botswana at R24.6 thousand per ton.



**Figure 3.3. SA export prices for olives**

Source: Own compilation based on ITC Trade Map, 2024

## 3.2 Olive Oil Import and Export Markets

### 3.2.1 Global and Regional Ranking of Importers

Table 3.1 presents a list of olive oil importers in Africa, categorized by rank and their respective shares of imports. Africa has witnessed a substantial increase in import value, soaring by 491% from R350 million in 2004 to R2 billion in 2022. However, despite this growth, Africa's share of global imports has remained stagnant at 1.2%. SA, which was the primary importer in 2004, absorbing 23.6% of imports at R82.7 million, has now been relegated to the second position. In 2022, SA accounted for 18.3% of imports, totalling R379.5 million, with Morocco claiming the top spot, absorbing 24.4% of imports at R506.2 million within the continent. Furthermore, Table 3.2 outlines the importers of EVOO in Africa, with SA ranking 1<sup>st</sup> at R323.8 million in 2022.

**Table 3.1. List of importers of olive oil (1000 ZAR)**

Ranking	2004			Ranking	2022		
	Importers	2004	Africa Share		Importers	2022	Africa Share
	World	29 040 974	1,2%		World	171 522 551	1,2%
	Africa	350 340	<b>Share in Africa</b>		Africa	2 071 843	<b>Share in Africa</b>
<b>1</b>	<b>South Africa</b>	<b>82 758</b>	<b>23,6%</b>	1	Morocco	506 206	24,4%
<b>2</b>	Côte d'Ivoire	60 904	17,4%	<b>2</b>	<b>South Africa</b>	<b>379 560</b>	<b>18,3%</b>
<b>3</b>	Seychelles	40 688	11,6%	3	Angola	186 357	9,0%
<b>4</b>	Morocco	28 775	8,2%	4	Seychelles	123 223	5,9%
<b>5</b>	Mali	25 215	7,2%	5	Libya	95 742	4,6%
<b>6</b>	Angola	24 940	7,1%	6	Mauritius	92 564	4,5%
<b>7</b>	Cabo Verde	18 110	5,2%	7	Egypt	87 078	4,2%
<b>8</b>	Tunisia	10 959	3,1%	8	Ghana	77 415	3,7%
<b>9</b>	Algeria	8 444	2,4%	9	Cabo Verde	62 872	3,0%
<b>10</b>	Zimbabwe	6 337	1,8%	10	Mozambique	50 770	2,5%

Data source: ITC Trade Map, 2024



**Table 3.2. Global and regional ranking based on EVOO in 2022**

Rank	Import Value (1000 ZAR)	2022	Rank	Import Value (1000 ZAR)	2022
1	Italy	30 472 861		<b>World</b>	<b>116 142 047</b>
2	United States of America	21 102 132	1	<b>South Africa</b>	<b>323 861</b>
3	Spain	7 699 033	2	Morocco	58 107
4	France	7 246 709	3	Mauritius	48 624
5	Brazil	5 944 877	4	Kenya	23 321
6	Germany	5 617 986	5	Egypt	22 453
7	Portugal	4 571 379	6	Gabon	13 855
8	United Kingdom	4 002 350	7	Libya	12 643
9	Japan	3 952 956	8	Zambia	10 350
10	Canada	3 099 354	9	Ghana	9 630
<b>28</b>	<b>South Africa</b>	<b>323 861</b>	10	Ethiopia	8 402

Data source: ITC Trade Map, 2024

### 3.2.2 Global and Regional Ranking of Exporters

Tables 3.3 and 3.4 present the global and regional rankings of olive oil exporters based on export value. Despite maintaining its global ranking at 28<sup>th</sup> since 2004, SA has witnessed a remarkable 1785% increase in the export value of olive oil, soaring from R4 million in 2004 to R78 million in 2022. Spain, Italy, and Portugal continue to dominate the global market as the top three exporters in 2022. Within Africa, SA has advanced its export ranking from 4<sup>th</sup> to 3<sup>rd</sup> place, trailing behind Tunisia and Morocco with export values of R13 billion and R849 million, respectively, in 2022. Regarding EVOO, as depicted in Table 3.5, SA secured the 21<sup>st</sup> global ranking, contributing a 0.05% share of the world market. However, regionally, it claimed the 2<sup>nd</sup> position with an export value of R49 million, equivalent to approximately 823 tons or 823 thousand litres, following Morocco with an export value of R331.9 million in 2022.

**Table 3.3. Global ranking based on olive oil**

Rank	Export Value (1000 ZAR)	2004	Rank	Export Value (1000 ZAR)	2022
	<b>World</b>	<b>27 719 095</b>		<b>World</b>	<b>163 251 230</b>
1	Spain	11 915 288	1	Spain	69 380 047
2	Italy	7 718 274	2	Italy	30 634 423
3	Tunisia	3 641 020	3	Portugal	16 106 663
4	Syrian Arab Republic	993 637	4	Greece	13 814 955
5	Greece	981 449	5	Tunisia	13 119 608
6	Türkiye	851 614	6	Türkiye	5 542 765
7	Portugal	516 631	7	Syrian Arab Republic	2 883 878
8	Morocco	316 579	8	Argentina	1 518 323
9	France	131 768	9	Chile	1 149 686
10	Argentina	115 310	10	France	1 141 563
<b>28</b>	<b>South Africa</b>	<b>4 167</b>	<b>28</b>	<b>South Africa</b>	<b>78 562</b>

Data source: ITC Trade Map, 2024

**Table 3.4. Regional ranking based on olive oil**

Rank	Export Value (1000 ZAR)	2004	Rank	Export Value (1000 ZAR)	2022
	<b>World</b>	<b>27 719 095</b>		<b>World</b>	<b>163 251 230</b>
1	Tunisia	3 641 020	1	Tunisia	13 119 608
2	Morocco	316 579	2	Morocco	849 867
3	Egypt	12 144	3	<b>South Africa</b>	<b>78 562</b>
4	<b>South Africa</b>	<b>4 167</b>	4	Egypt	55 585
5	Zimbabwe	307	5	Algeria	25 696
6	Namibia	243	6	Kenya	1 818
7	Mauritius	230	7	Tanzania	1 343
8	Algeria	58	8	Congo, DR	1 065
9	Eswatini	26	9	Ghana	753
10	Kenya	13	10	Botswana	426

Data source: ITC Trade Map, 2024

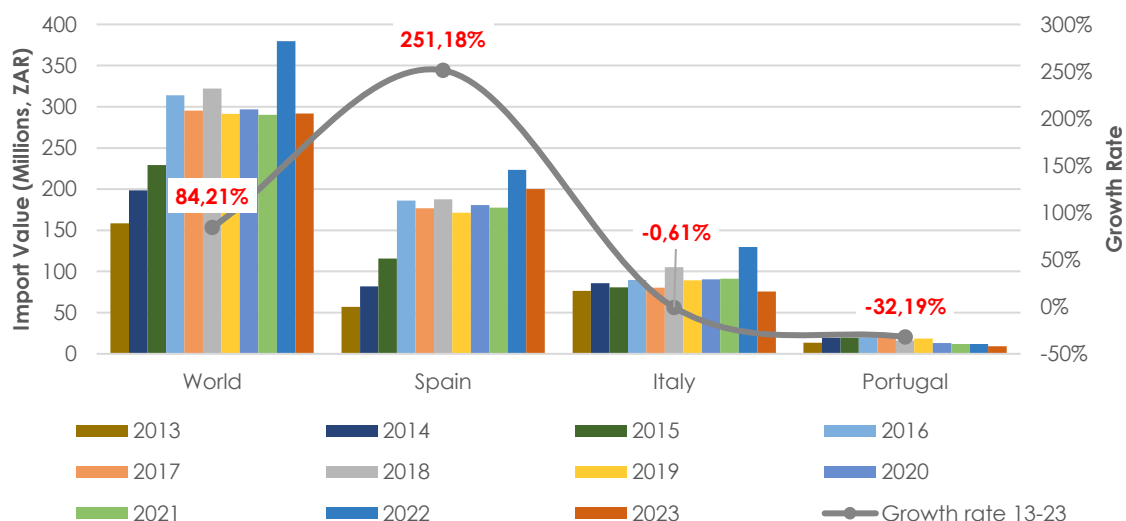
**Table 3.5. Global ranking based on EVOO**

Rank	Export Value (1000 ZAR)	2022
	<b>World</b>	<b>104 164 347</b>
1	Spain	47 217 813
2	Italy	25 968 695
3	Portugal	12 665 956
4	Greece	12 006 426
5	Syrian Arab Republic	1 472 892
6	Chile	1 109 005
7	France	709 137
8	Belgium	582 671
9	Germany	359 252
10	Morocco	331 984
21	<b>South Africa</b>	<b>49 378</b>

Data source: ITC Trade Map, 2024

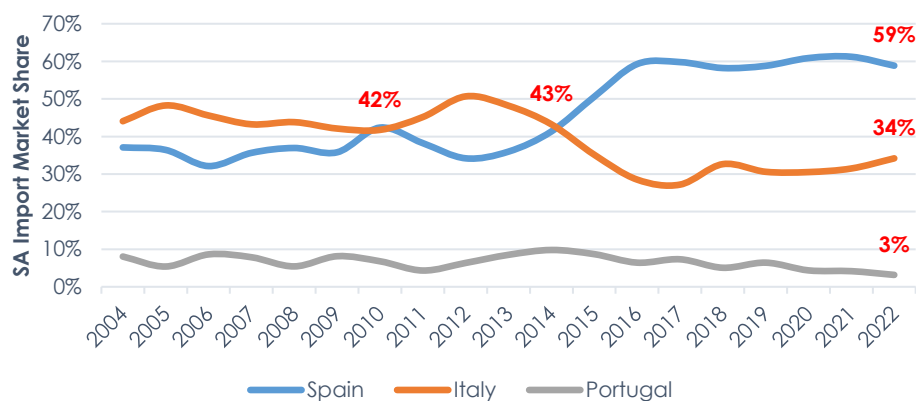
### 3.2.3 SA Olive Oil Imports

Figure 3.4 illustrates the patterns in olive oil imports in SA from its primary supplying nations, confirming SA's status as a net importer of olive oil. SA's imports from the global market have surged by 84%, escalating from R158 million in 2013 to R291 million in 2023. The bulk of these imports originated from Spain, experiencing a notable growth rate of 251% from R57 million in 2013 to R200 million in 2023. Conversely, imports from Italy and Portugal witnessed declines of 0.6% and 32.2%, respectively. The trends of the major importers in SA are delineated in Figure 3.5. While Italy held the highest market share in SA from 2004 to 2014, Spain emerged as the dominant player from 2014 to 2022, commanding a 59% market share.



**Figure 3.4. Trends in olive oil imports by SA**

Source: Own compilation based on ITC Trade Map, 2024

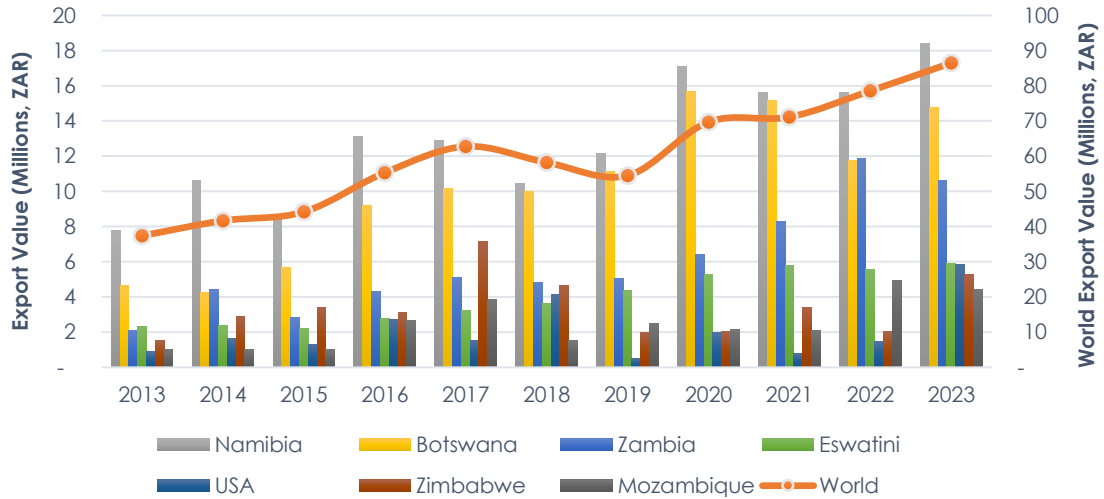


**Figure 3.5. SA import market share in value terms**

Data source: ITC Trade Map, 2024

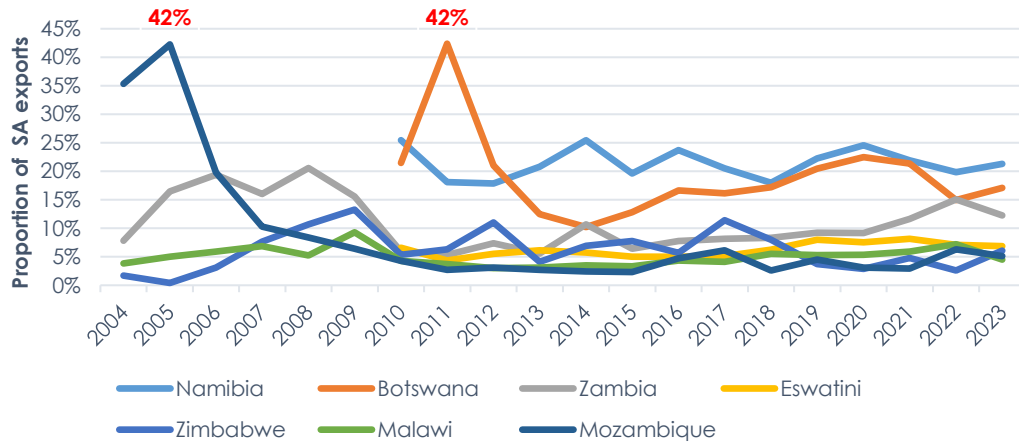
### 3.2.4 SA Olive Oil Exports

In the last decade, SA olive oil exports have experienced a notable surge, increasing by 131% from R37 million in 2013 to R86 million in 2023, as depicted in Figure 3.6. The primary markets for SA olive oil exports were Namibia, Botswana, and Zambia, which witnessed growth rates of 137%, 216%, and 404%, respectively, reaching R18 million, R14 million, and R10 million, respectively, in 2023. Additionally, the US emerged as the 4<sup>th</sup> largest importer, experiencing a substantial growth rate of 549% from R903 thousand in 2013 to R5 million in 2023. Figures 3.7 and 3.8 illustrate the distribution of SA exports across target markets over time. The share of SA exports to Mozambique and Botswana has notably declined from their peak points in 2005 and 2011, dropping to 5% and 17%, respectively, in 2022. Similarly, the share of exports to markets outside Africa has decreased from peaks of 9% and 7% to approximately 2% for the UK, US, and Taipei China in 2022.



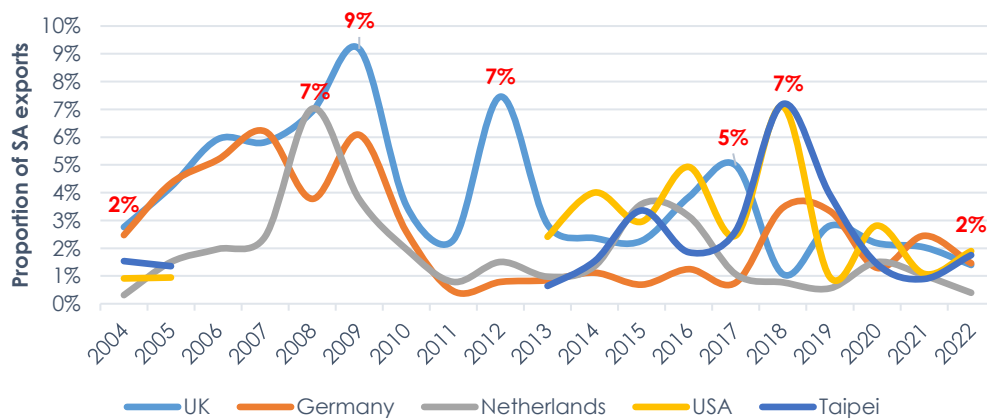
**Figure 3.6. SA export markets for olive oil**

Source: Own compilation based on ITC Trade Map, 2024



**Figure 3.7. SA share of exports to Africa markets for olive oil**

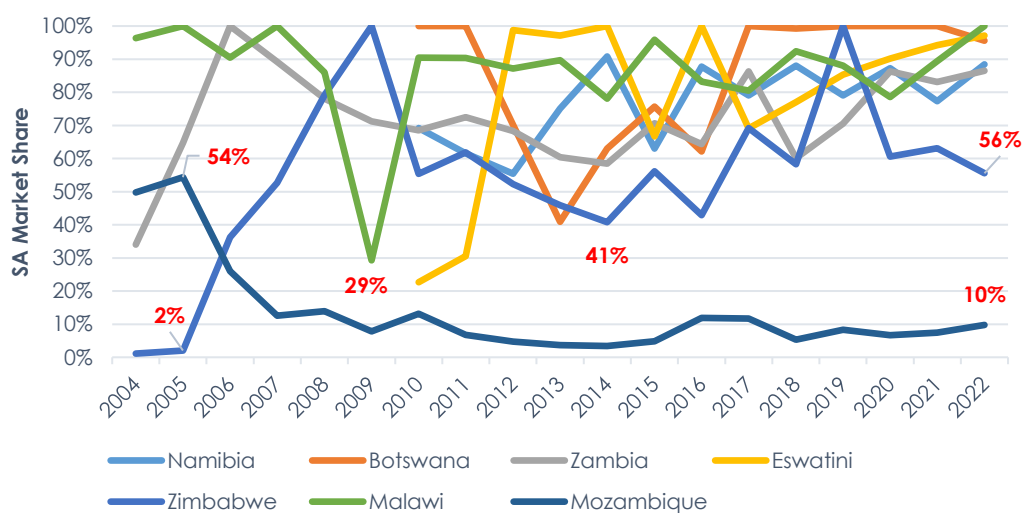
Source: Own compilation based on ITC Trade Map, 2024



**Figure 3.8. SA share of exports to world markets for olive oil**

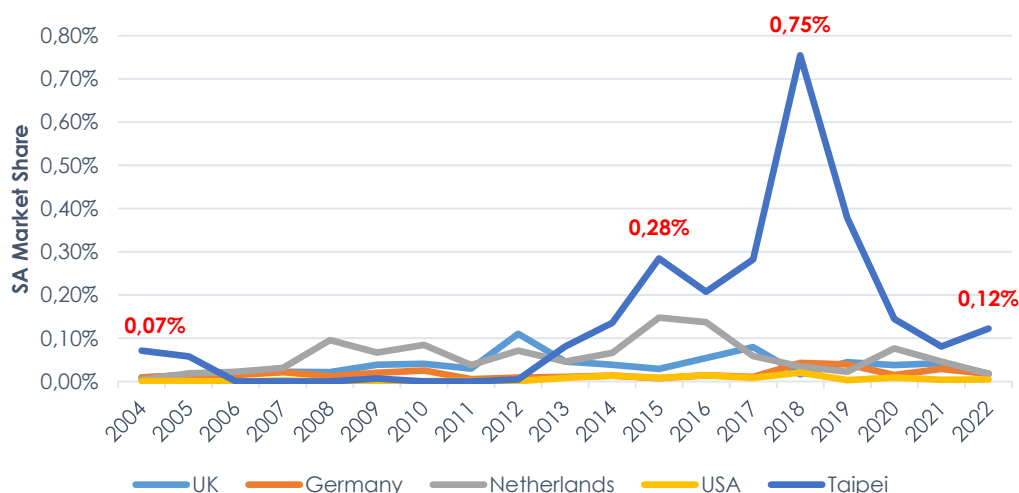
Source: Own compilation based on ITC Trade Map, 2024

Figures 3.9 and 3.10 depict the proportion of imports from SA in target markets compared to competitors in those markets. Nations such as Namibia, Botswana, Zambia, Eswatini, Zimbabwe, and Malawi rely on SA for 50% to 100% of their olive oil imports, whereas Mozambique has decreased its reliance on SA from 54% in 2005 to 10% in 2022, indicating an increase in supply from competitors. Conversely, the share of imports from SA in global markets such as the UK, Germany, the Netherlands, the US, and Taipei has consistently remained below 0.5%, with Taipei reaching its peak imports from SA at 0.75% in 2018. Competitors primarily originate from the EU within the Southern African Development Community (SADC). Changes in import trends in global markets like the UK, Germany, and the USA may reflect shifting consumer preferences, health awareness, or marketing strategies.



**Figure 3.9. Share of imports from SA in Africa target markets for olive oil**

Source: Own compilation based on ITC Trade Map, 2024

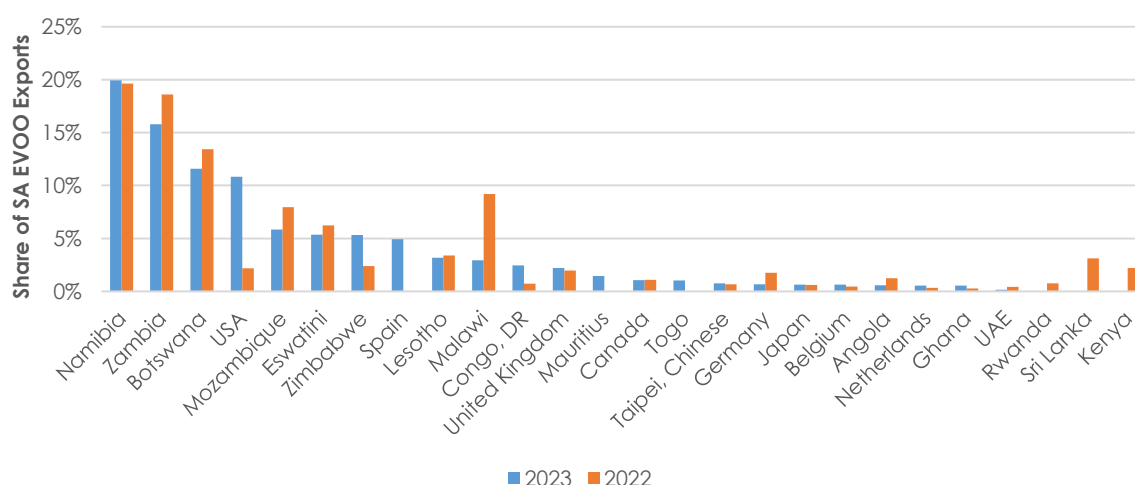


**Figure 3.10. Share of imports from SA in world target markets for olive oil**

Source: Own compilation based on ITC Trade Map, 2024

### 3.2.5 SA Extra Virgin Olive Oil Export Markets

Figure 3.11 illustrates the patterns in SA's export markets for EVOO. Despite being a net importer of EVOO, with imports totalling R274 million in 2022 and R212 million in 2023, SA ranked as the second-largest exporter of EVOO in Africa, with exports amounting to R49 million in 2022, trailing behind Morocco with exports valued at R331 million. Unlike Morocco and Tunisia, SA primarily targets the African market, specifically SADC, rather than the EU (CBI, 2024). The WC, which accounts for 95% of olive oil production in South Africa, predominantly produces EVOO (SA Olive, 2022). Namibia and Zambia emerged as the main importers of SA EVOO, accounting for 20% and 16% of SA exports, respectively, in 2023. Notably, the US and the Democratic Republic of Congo (DRC) experienced the highest growth rates in the past two years, with growth rates of 369% from R1 million to R5 million and 218% from R360 thousand to R1 million, respectively.



**Figure 3.11. SA export markets for Extra Virgin Olive Oil (EVOO)**

Source: Own compilation based on ITC Trade Map, 2024

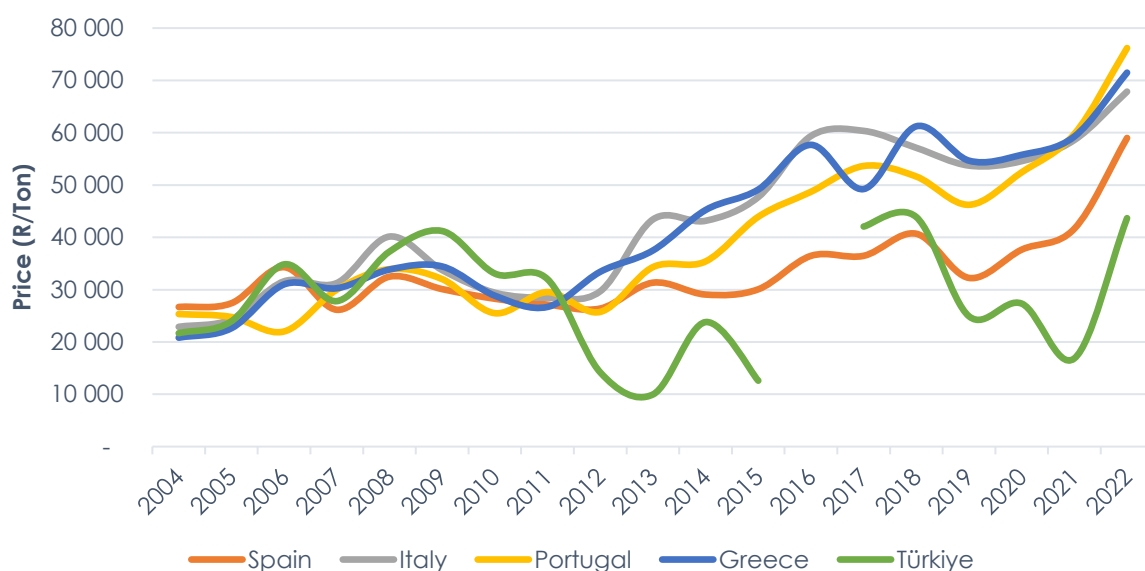
## 3.3 Olive Oil Trade Prices and Tariffs

### 3.3.1 Olive Oil Trade Prices

As per the US International Trade Commission (USITC) in 2013, olive oil prices are primarily influenced by factors such as production, consumption, and stock levels in major markets. Agricultural prices, including those of olive oil, can be affected by a myriad of factors including farm production decisions, weather conditions, disease outbreaks, harvested acreage, food imports, consumer income levels, taste preferences, demographic factors, exports, value-adding activities, cost dynamics, procurement strategies, and government policies. These policies may include price support mechanisms, supply control measures, trade regulations, or other overarching policies, as outlined by Siskos *et al.* (2001). In response to market fluctuations, the EU introduced Private Storage Aid (PSA) Trigger Prices in 1998. These trigger prices serve as

thresholds, below which market prices trigger funding to store excess olive oil. The PSA mechanism was activated five times by the end of 2013, specifically in 2001, 2010, 2011, February 2012, and May 2012. During these instances, up to 100 thousand tons of extra virgin and virgin olive oil were stored for periods of up to six months.

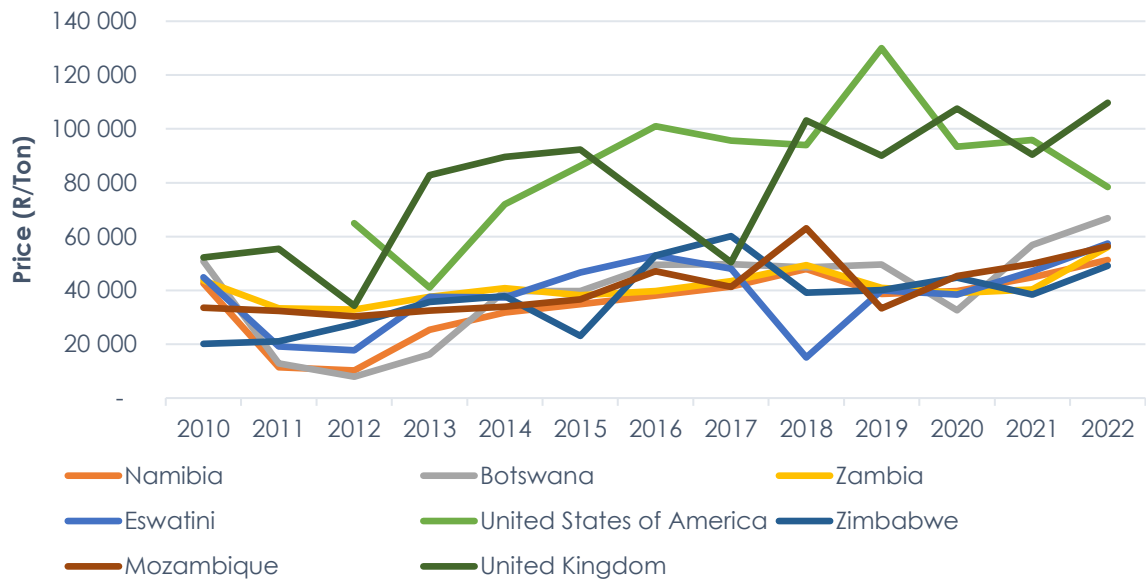
Figure 3.12 depicts the shifts in olive oil import prices by SA. Import prices from Spain and Turkey have deviated from those of Italy, Portugal, and Greece since 2011, with Turkey and Spain offering the most affordable import prices, potentially attributed to their higher production of lower-quality oil. Import prices from Turkey experienced the highest growth rate of 208%, reaching R43 thousand/ton, followed by Portugal at 196% (reaching R76 thousand/ton), making it the most expensive), Italy at 129% (reaching R67 thousand/ton), and Spain at 124% (reaching R59 thousand/ton) from 2012 to 2022.



**Figure 3.12. Prices of olive oil imports by SA**

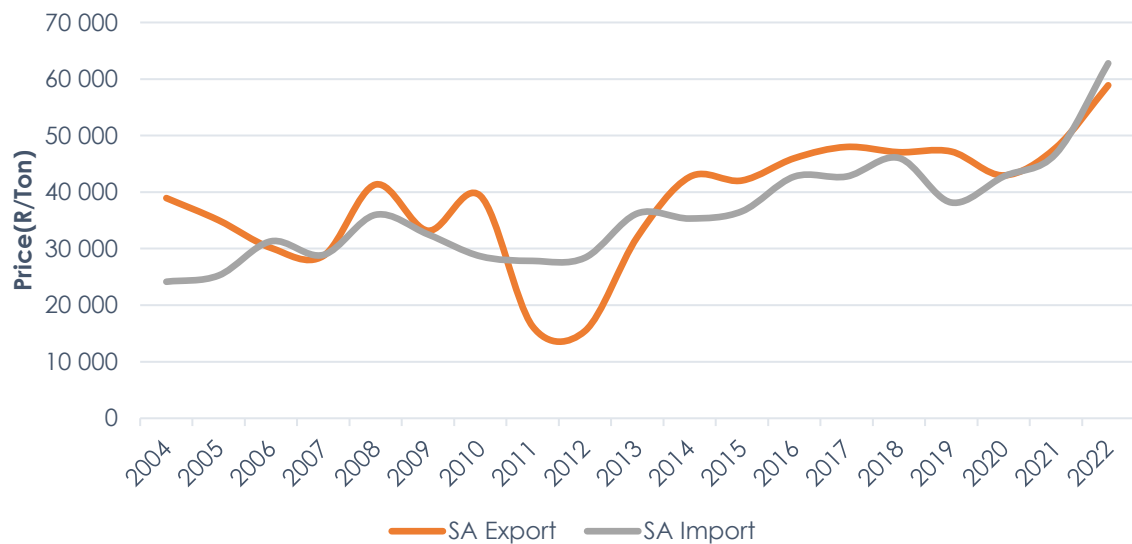
Source: Own compilation based on ITC Trade Map, 2024

In contrast, Figure 3.13 outlines the export prices charged by SA. Export prices were highest in the UK at R109 thousand/ton, up from R52 thousand/ton in 2010, and in the US at R78 thousand/ton. Within the SADC, SA export prices transitioned from being the lowest to highest in Botswana, escalating from R8 thousand/ton in 2012 to R67 thousand/ton in 2022. Zimbabwe recorded the lowest export prices at R49 thousand/ton in 2022. Based on Figure 3.14, SA export prices of olive oil fluctuate alongside SA import prices, exhibiting convergence between 2006-2007 and 2020-2021. This raises inquiries into the existence of causality between SA import and export prices.



**Figure 3.13. Prices of olive oil exports by SA**

Source: Own compilation based on ITC Trade Map, 2024

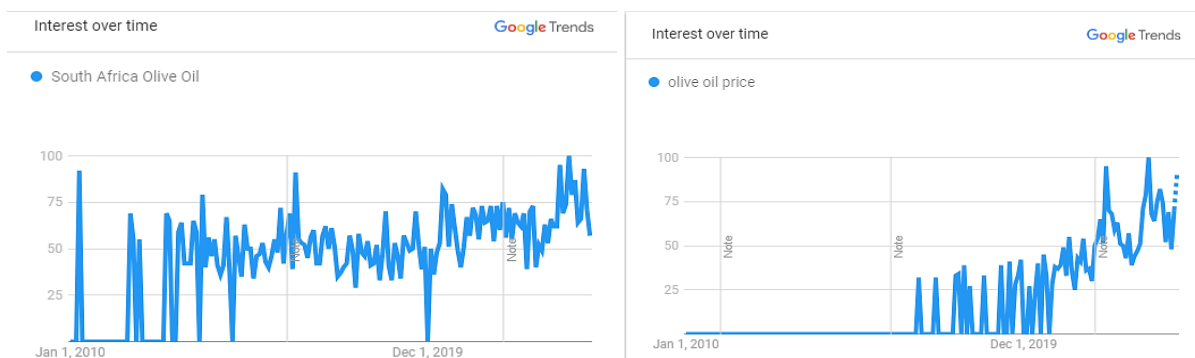


**Figure 3.14. Trade prices of olive oil**

Source: Own compilation based on ITC Trade Map, 2024

Figure 3.15 depicts Google search trends related to olive oil in SA from 2010 to 2024. Consumers from countries including Zimbabwe, Lesotho, Namibia, Zambia, New Zealand, the UAE, Nigeria, the UK, Greece, Australia, the Netherlands, the US, India, Canada, Spain, Italy, and Germany have shown interest on SA olive oil. They searched for information on olive oil prices, the best olive oil types, using olive oil on hair, and the benefits of olive oil. Notably, searches for olive oil prices have been rising since the end of 2019, reflecting the global increase in olive oil prices.





**Figure 3.15. Consumer Google search trends related to olive oil in SA**

Source: Google Trends, 2024

### 3.3.2 Tariff Rates Applied by SA and to SA

Tables 3.6 and 3.7 outline the tariffs imposed by SA and applied to SA, respectively. The top four exporters to SA benefit from preferential trade agreements (PTAs) between SA and the EU. However, Turkey must adhere to the Most Favoured Nation (MFN) tariff of 10%, with a bound rate set at 81%. Similarly, SA benefits from PTAs with the main countries it exports olive oil to. However, in Malawi, SA incurs a tariff of 6.51%, which is below the MFN tariff of 16.51%, contrasting with the 0% tariff in other countries. The US and the EU countries impose the highest number of non-tariff measures (NTM) at 24 for imports from SA, compared to 16 NTMs applied by SA on imports to these countries. These measures are implemented to combat food fraud and prevent the dumping of poor-quality olive oils into SA.

**Table 3.6. Tariffs applied by SA to exporting countries**

Country	MFN tariffs	Effectively applied tariffs	Tariff year	Export value in 2022 (1000 USD)	# PTA	# NTM	Distance
Spain	10%	0%	2024	13 451	1	16	8 270
Italy	10%	0%	2024	7 855	1	16	8 111
Portugal	10%	0%	2024	752	1	16	8 461
Greece	10%	0%	2024	698	1	16	7 500
Türkiye	10%	10%	2024	25		16	7 647

Data source: ITC Market Access Map, 2024

**Table 3.7. Tariffs applied to SA by importing countries**

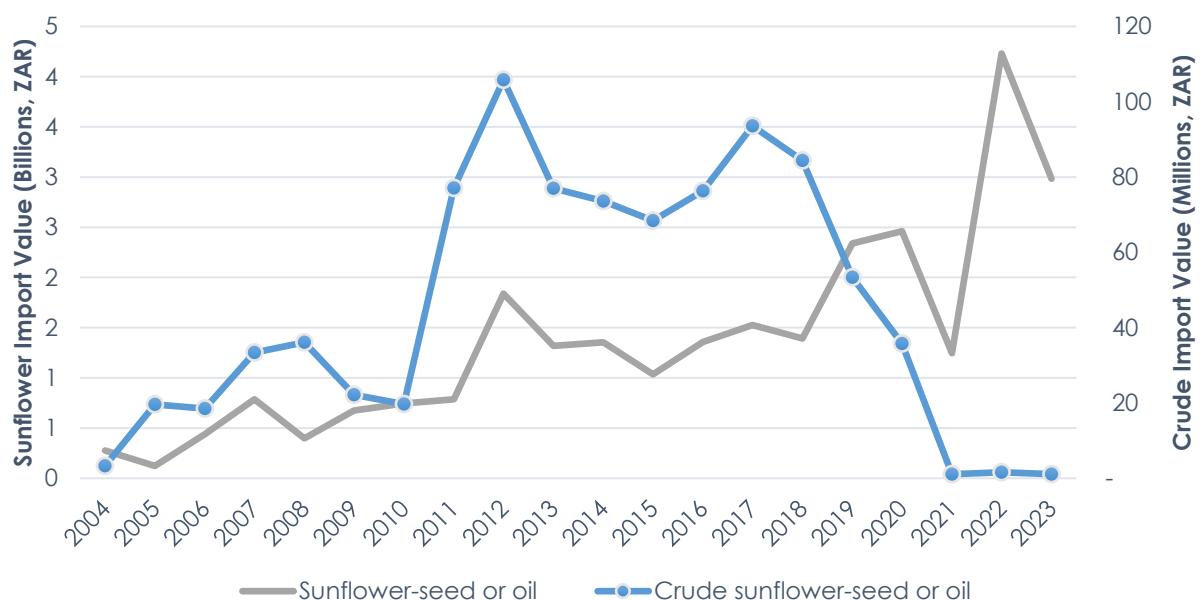
Country	MFN tariffs	Effectively applied tariffs	Tariff year	Export value in 2022 (1000 USD)	# PTA	# NTM	Distance
Namibia	10%	0%	2024	749	1	5	1 324
Botswana	10%	0%	2024	694	1		522
Zambia	25%	0%	2023	684	1		1 587
Eswatini	10%	0%	2024	342	1		428
USA	0.99%	0%	2023	120	3	24	14 275
Zimbabwe	17.60%	0%	2015	136	2	7	1 101
Mozambique	20%	0%	2023	306	1	8	879
UK	29.17%	0%	2023	192	1		N/A
Malawi	16.51%	6.51%	2022	40	1	1	1 726
Germany	30.24%	0%	2023	62	1	24	9 097
Netherlands	30.24%	0%	2023	21	1	24	9 270
Taipei, China	0%	0%	2024	171			11 674

Data source: ITC Market Access Map, 2024

## 4. Olive Oil Substitute Imports and Exports

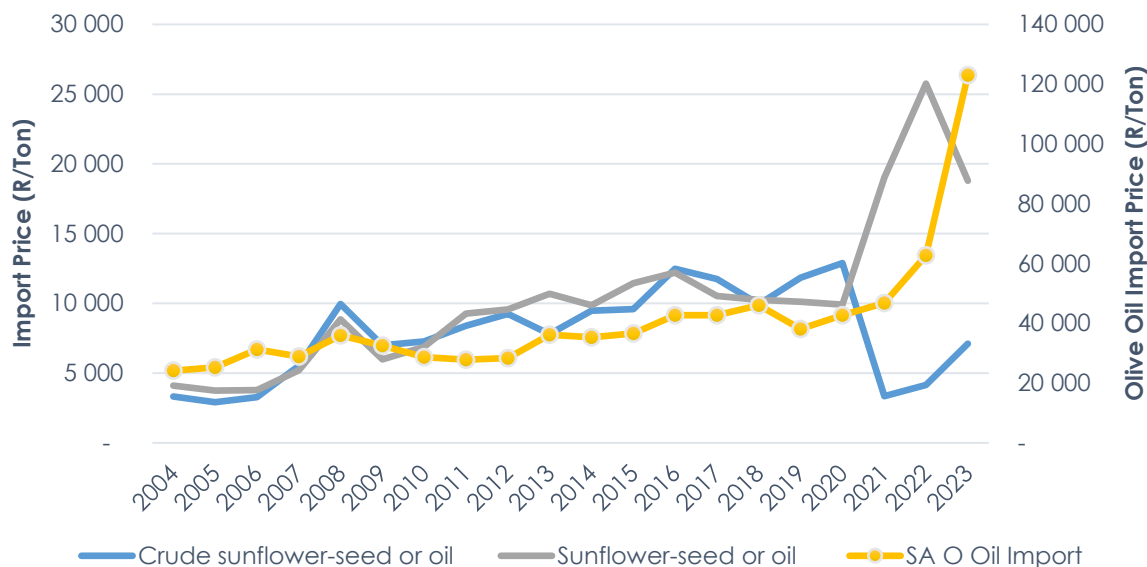
At the EU15 level, the consumption of edible oils is dominated by four main categories, namely sunflower seed oil, olive oil, rape-mustard oil, and soybean oil, collectively constituting approximately 80% of the total consumption of edible oils (Scheidel and Krausmann, 2011; USITC, 2013). Canola oil, although primarily produced in the WC in SA, lacks secondary trade data on the ITC trade map. Sunflower seed or oil, predominantly produced in provinces other than the WC, is traded within the WC through national retailers. According to Scheidel and Krausmann (2011) and Xiong *et al.* (2015), the prices of palm oil and sunflower oil tend to follow the trends of soybean or canola oil prices, while olive oil, being considerably more expensive, holds less significance in the food processing industry.

Figure 4.1 illustrates the trends in sunflower and crude sunflower seed oil imports by SA. Sunflower oil imports have witnessed a substantial increase of 981%, rising from R276 million in 2004 to R2.9 billion in 2023. Conversely, imports of crude sunflower oil have experienced a decline of 67%, decreasing from R3 million to R1 million over the same period. Sunflower oil import prices have followed a similar growth trajectory to SA olive oil import prices, albeit being more affordable. Figure 4.2 demonstrates that SA sunflower oil import prices surged by 359%, climbing from R4 million in 2004 to R18 million in 2023, while SA olive oil imports grew by 409%, increasing from R24 million to R123 million during the same timeframe.



**Figure 4.1. Trends in sunflower and crude sunflower imports by SA**

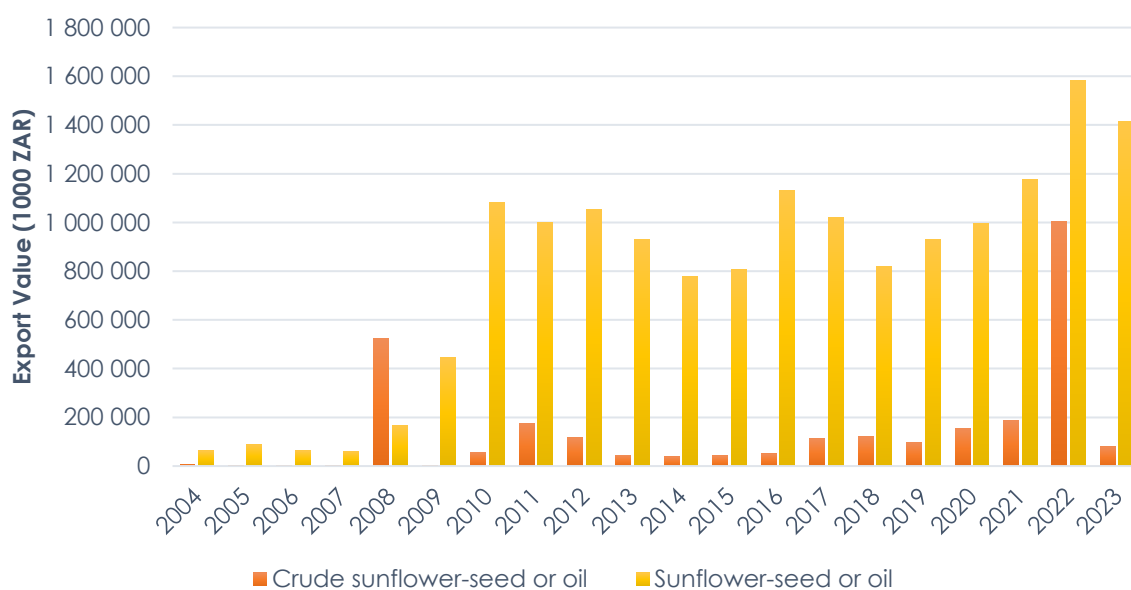
Source: Own compilation based on ITC Trade Map, 2024



**Figure 4.2. Trends in sunflower and crude sunflower imports prices by SA**

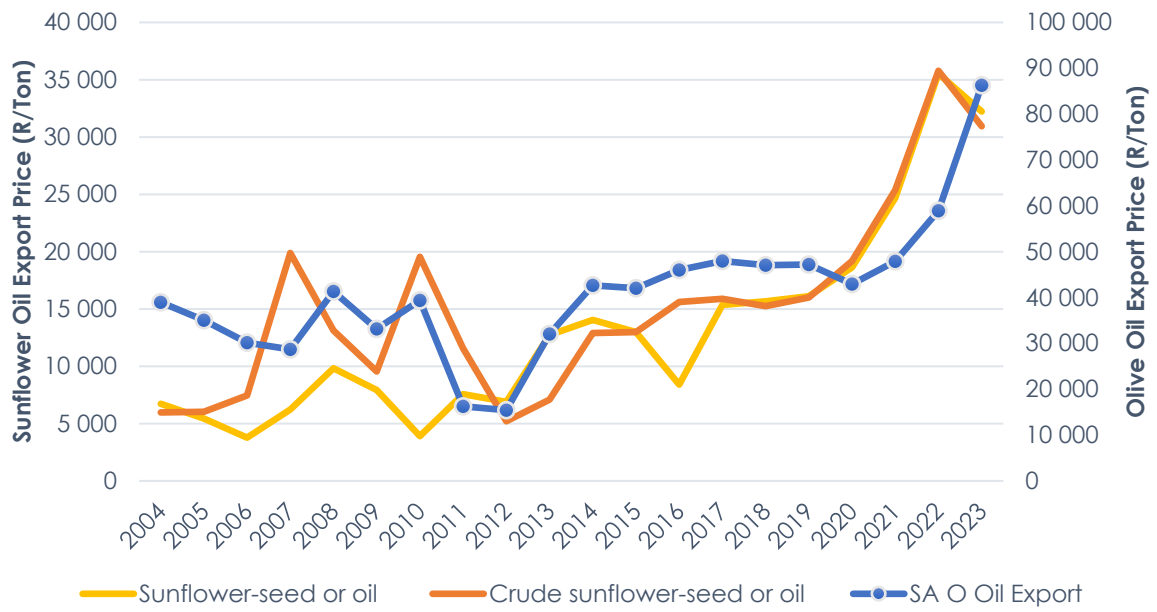
Source: Own compilation based on ITC Trade Map, 2024

Figure 4.3 illustrates the patterns in sunflower and crude sunflower oil exports by SA. Sunflower oil exports from SA have witnessed a remarkable surge, escalating by 2120% from R63 million in 2004 to R1.4 billion in 2023. Similarly, the export prices of SA sunflower oil displayed a parallel trend to that of SA olive oil export prices, as depicted in Figure 4.4. SA sunflower oil export prices experienced a growth of 379%, rising from R6.7 thousand/ton in 2004 to R32 thousand/ton in 2023. Conversely, SA olive oil export prices grew by 122%, increasing from R38.9 thousand/ton in 2004 to R86.3 thousand/ton in 2023.



**Figure 4.3. Trends in sunflower and crude sunflower oil exports by SA**

Source: Own compilation based on ITC Trade Map, 2024



**Figure 4.4. Trends in sunflower and crude sunflower export prices by SA**

Source: Own compilation based on ITC Trade Map, 2024

## 5. World Olive Oil Competitions

SA is often overlooked as a significant player in the global olive oil market due to its comparatively lower production capacity compared to Mediterranean countries. However, SA has experienced notable growth rates in olive oil exports worldwide. This growth can be attributed to several factors such as favourable climate and soil conditions for olive cultivation in the WC, high product quality, increased brand visibility through winning international competitions, favourable pricing, rising consumer awareness, and demand, particularly in emerging markets (USITC, 2013; Olive Times, 2023; EU, 2024).

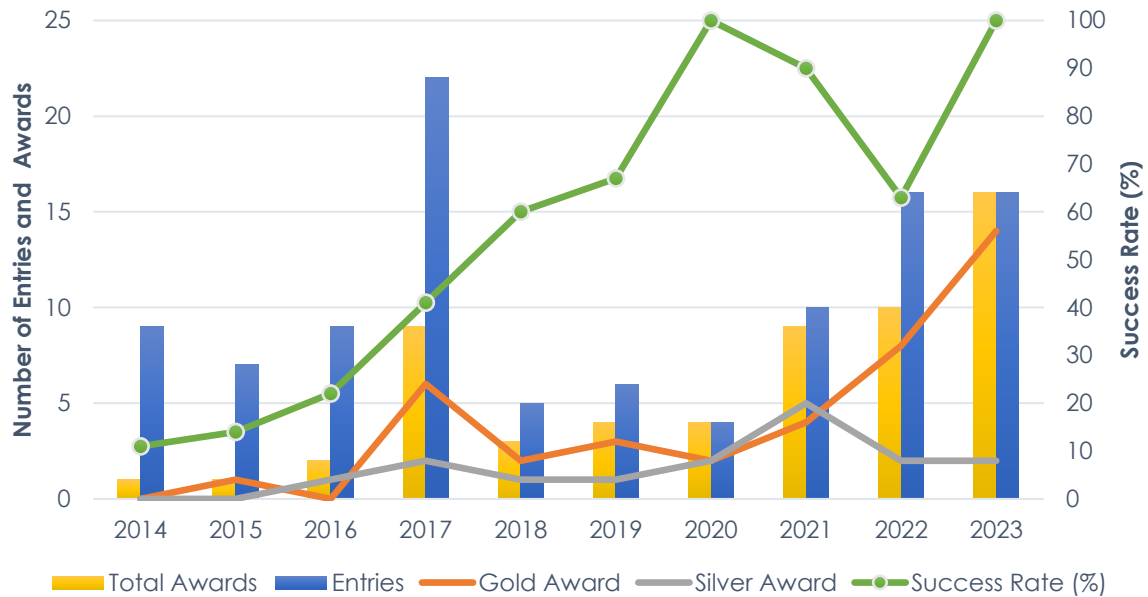
While SA, and specifically the WC, may be geographically small, its participation and accomplishments in global olive oil competitions underscore the sector's importance on a global scale, positioning itself as a producer of quality rather than quantity. Evaluation in global, regional, and national olive oil competitions relies on assessments by skilled tasters, adhering to International Olive Oil Council (IOC) and European regulations, which distinguish top-quality EVOOs from standard ones. Awards from these competitions not only raise consumer awareness of high-quality products but also benefit the entire olive sector, spanning agricultural production, processing, packaging, logistics, distribution, and suppliers (Rebufa *et al.*, 2021).

In addition to competitions, guides such as EVOOLEUM, Flos olei, GastrOleum, and Iber Oleum contribute to adding value to olive oils and educating consumers.<sup>10</sup> In 2023, SA received 49 awards in 13 contests for the EVOO World Ranking 2023, including 4 EVOO of the Year awards. Willow Creek Olive Estate secured the title of Best Society for EVOOWR 2023 with 11 awards in 8 contests and Best EVOO for EVOOWR 2023 with 7 awards in 7 contests (EVOOWR, 2023). Willow Creek Flavoured Jalapeno from Willow Creek Olive Estate was recognized as the Best Flavoured oil for EVOOWR 2023 with 1 award in 1 contest.

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<sup>10</sup> See Rebufa *et al.* (2021) for links to competitions and guides.

The success rate of SA in relation to competition entries has risen from 11% in 2014 to 100% in 2020 and 2023, as shown in Figure 5.1, primarily consisting of gold awards by Porterville Olives at Wereldsgeluk Olive Estate, ranked 20<sup>th</sup> in the world based on the number of awards at 15, with their brand Andante Intenso ranking 4<sup>th</sup> based on 8 awards.



**Figure 5.1. Performance of SA brands in world competitions**

Source: Own compilation based on Olive Oil Times, 2024

According to findings by Torrecillas and Martínez (2022), companies specializing in olive agricultural and food products often associate branding decisions with intellectual property protection through geographic indications like Registered Designation of Origin (RDO), Protected Designation of Origin (PDO), and Protected Geographical Indication (PGI). Their research revealed that SA and Chile possessed a commercial and technological edge in agrifood applications of olives ranging from 0 to -0.2, in contrast to Spain and Italy, which fell between 0.8 and 1 on this scale. Many enterprises employ marketing tactics that emphasize characteristics such as crop variety, country of origin, health benefits, brand quality, and pricing strategies (Siskos *et al.*, 2001; USITC, 2013). Italy stands out as a leader in PGI implementation, with PGIs offering producers not only a means of distinguishing their products but also opportunities for price premiums, enhanced incomes, and other marketing advantages, as outlined by Belletti *et al.* (2015).

## 6. Conclusions and Recommendations

The SA olive sector has experienced notable growth in recent decades, yet it remains susceptible to various threats, which can be reframed as opportunities for development. These threats include global oversupply of olive oil, particularly dominated by EU countries, the substantial imports of olive oil in SA, potentially affecting both export and domestic prices, competition within the SADC region (i.e. Portugal which specialises in EVOO exporting to Mozambique), and the possibility of protectionist measures by trade agreement signatories, influenced by tariffs or subsidies from the EU (DTI, 2013; CBI, 2024). SA presently relies on olive oil imports and is highly vulnerable to global disruptions in major exporting nations, especially within the EU, primarily Spain (59%) and Italy (34%). However, the increasing SA olive oil exports and improvements in the olive oil import levy mechanism present significant benefits for the country. Given SA's reliance on the EU for olive oil imports, understanding importer dynamics, utilization, and market distribution channels within the country, along with importer profiles by country and company, is crucial. There is substantial potential to transform SA into a net exporter of olive oil, thereby generating employment opportunities, particularly in the WC.

The journey of the SA olive sector underscores both challenges and opportunities, necessitating strategic planning involving multiple stakeholders for sustained success. Recent developments in SA's trade agreements offer an opportunity to develop a strategic marketing plan or conduct detailed market research. Diversifying the olive oil market beyond SADC countries can mitigate the threats of protectionism, facilitated by leveraging trade agreements like the African Continental Free Trade Area (AfCFTA), and African Growth and Opportunity Act (AGOA). Despite notable increases in SA olive oil imports by certain African countries, such as Mozambique, Lesotho, and Namibia, further research is needed to understand declines in dependency by some countries, particularly Mozambique (from 54% to 10%), amid the AfCFTA. Including provisions beneficial to the olive oil sector in trade agreements holds promise for advancing the sector.

The potential implications of EU olive oils subsidies on export prices calls for an impact assessment, especially in relation to SA olive oils that have seen import and export prices converge at various points in time. Olive and sunflower oil prices have displayed similar growth patterns, with sunflower oil prices remaining considerably lower. According to International Olive Council, research is needed to comprehend household consumption patterns for both oils, along with price sensitivity. An analysis of SA olive oil price sensitivity to vegetable oils has not been conducted, warranting future investigation in this area. Moreover, the impact of competition from vegetable oils on olive oil prices and demand, both in SA and globally, requires further examination. The unique advantages of olive oil compared to other oils need to be promoted

to consumers. Food fraud vulnerability assessment may also prove beneficial in SA to mitigate fraud vulnerability, particularly considering the prevalence of cheap vegetable oils used in olive oil-related food fraud (Yan *et al.*, 2020).

Despite challenges posed by climate change and global competition (country and product), the SA olive sector has demonstrated resilience, achieved without significant government support unlike its EU counterparts. The sector's expansion into markets like the US, Canada, and the UK underscores the quality of olive oil produced in SA, contributing to producer incomes through favourable foreign exchange rates. SA distinguishes itself by producing high-quality olive oil with internationally recognized brands, which can be leveraged to penetrate new markets. Investment and research can further expand the sector, utilizing internationally acclaimed brands to access new markets and bolster existing ones. In line with the multifunctional concept of agricultural systems, research into olive oil tourism and the establishment of geographical indicators for WC olive oil products/brands can enhance the sector (Millán-Vazquez de la Torre *et al.*, 2017). Given that the sector encourages establishment of olive oil brands for people that want to enter the industry before they become growers and as part of their transformation initiatives (NAMC, 2023). Workshops on product development and branding strategies, drawing from successful olive oil and wine brands in the WC, could promote expansion, inclusiveness and transformation within the sector.



## 7. References

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**Contact Person**

Email: [Lungelo.cele@westerncape.gov.za](mailto:Lungelo.cele@westerncape.gov.za)

Tel: +27 21 808 7754

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**Department of Agriculture**

**Programme: Agricultural Economics Services**

**Director: Bongiswa Matoti**

**[www.westerncape.gov.za](http://www.westerncape.gov.za)**



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