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SALE OF EXTRA VIRGIN OLIVE OIL IN THE WORLD

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Abstract: Olive farming in Brazil, occupying around seven thousand hectares, mainly in the South and Southeast regions, reveals a national market that is still incipient, with an annual per capita consumption of just 0.4 liters, contrasting with 13 liters in Greece. Despite this, the country shows potential for growth as a major importer of olive oil. Rio Grande do Sul emerges as the largest national producer, registering a significant increase in its production in the last five years. Globally, the demand for healthy products drives the external olive oil market, highlighting Brazilian participation in the International Agreement on olive oil and table olives in 2015. In 2023, the main destination markets included the United States, European Union, Brazil, Japan, Canada, China and Australia, representing 80% of world exports. The main olive oil exporting countries are Spain, followed by Portugal, the United States, Morocco, Tunisia and Turkey. For Brazil to become a major olive producer, it is crucial to provide access to technical information and encourage investments in olive farming. The commercialization of olive oil presents challenges and opportunities for the sector, making it essential to establish public policies and develop effective strategies for producers and exporters of extra virgin olive oil.

Keywords: Olive farming. Brazil. Olive oil. Exports. Development.

INTRODUCTION

The olive tree is a medium-sized evergreen tree, whose cultivation is mainly aimed at the production of olives, used in the manufacture of olive oil, a product with multiple culinary, cosmetic and medicinal applications. The global olive oil market has experienced growth, driven by the demand for healthy products and the appreciation of the quality of olive oils produced worldwide. The olive sector plays a significant role in the global economy, subject

to economic, environmental and social factors that influence its international trade.

Olive oil produced in Brazil, although internationally recognized for its quality, is still in its early stages. Its production meets a small percentage of the national market, which means that the country has to import a large amount of olive oil to meet its demand. However, in recent years, there has been notable growth in the national production of olive oil, driven by investments in technology and expansion of olive tree cultivation areas.

In Brazil, the planting of olive trees occurred at the beginning of the 20th century, through Portuguese and later Spanish and Italian immigrants. The pioneering state was Rio Grande do Sul, in 1900, in the region of Caxias do Sul, Rio Grande and Bagé, followed by Minas Gerais, in 1930, in the city of Maria da Fé.

In the state of Rio Grande do Sul, the introduction of olive tree cultivation brought challenges and opportunities. The state government and research institutions have invested considerably in projects to promote olive growing, resulting in an increasing production of high-quality olive oil.

The production of table olives involves the preparation of healthy fruits, subjected to treatments to eliminate their natural bitterness, which can be classified as green or black. According to the INTERNATIONAL OLEICO COUNCIL (IOC, 2004), harvesting generally takes place between November and February, with olives processed within 72 hours to avoid oxidation and fermentation. This process is essential to guarantee the quality of the final product.

Olives have a bitter component (oleuropein), low sugar content (2.6-6%) and high oil content (12-30%) depending on the time of year and variety. These characteristics make it a fruit that cannot be consumed directly from the tree and has to go through

a series of processes that vary considerably from region to region and which also depend on the variety. Some olives are, however, an exception to this rule because as they ripen they sweeten directly on the tree, in most cases due to fermentation. An example of this is the Thruolea variety in Greece (IOC, 2024).

Oleuropein, characteristic of olives, must be eliminated because it has a strong and bitter taste: however, it is not harmful to health. Depending on local methods and customs, the fruit is generally treated with sodium or potassium hydroxide, brine or successively rinsed in water (IOC, 2024).

In Brazil, olive oil consumption has grown, especially in the South and Southeast regions, where there is greater purchasing power and a significant presence of descendants of European immigrants, traditionally olive oil consumers (COUTINHO and JORGE, 2014). However, the country is still one of the world's largest importers of olive oil, due to the insignificant cultivation area compared to demand.

The production and marketing of olives and olive oil are topics of great relevance, involving economic, environmental and social aspects. The sustainable development of these sectors requires policies and practices that guarantee product quality, the conservation of natural resources and the fulfillment of consumer demands.

The global olive oil market has faced significant shortages due to extreme weather events and increased demand. As pointed out by CARRANÇA (2023), this situation highlighted the importance of environmental management in producing regions, as a way of ensuring the sustainability of production.

In the global context, the analysis of the commercialization of extra virgin olive oil is crucial, especially in the period from 2013 to 2023, to understand the changes in the main players in this market. The research aims

to examine the economic and commercial variables that influenced the olive oil trade balance, using statistical data, literature review and comparative analysis between the main producing countries.

METHODOLOGY

This research consisted of the use of secondary data. Secondary data, according to Malhotra (2001), are data that have already been collected for objectives that are not necessarily related to the problem at hand. They can be located quickly and cheaply. Compared to primary data, secondary data is collected quickly and easily, at a relatively low cost and in a short time.

The internet has emerged as the most extensive source of secondary information. Its usefulness for the market researcher is increased due to the easy access and retrieval of information and the easy cross-validation of information available in other sources (MALHOTRA, 2001).

One of the biggest sources of secondary data is government data. Table 1 describes the sources of secondary data used in the research.

Characterization of olives and olive oil	Data source
Production	Instituto Brasileiro de Geografia e Estatística - IBGE
Import	Olive Concil e Ministério do Desenvolvimento Industria, Comércio e Serviços - MDIC
Export	ComexStat, Ministério do Desenvolvimento Industria, Comércio e Serviços - MDIC

Table 1. Description of the information obtained and data source.

Source: Authors, 2023.

After collecting the data from the sources mentioned in Table 1, we proceeded with its analysis and synthesis in Tables and graphic representations. The analysis covered the period from 2013 to 2023, totaling a decade.

However, sometimes it was not feasible to analyze this entire range due to the lack of availability of this data in some databases.

RESULTS AND DISCUSSIONS

According to data from the Secretariat of Agriculture, Livestock, Sustainable Production and Irrigation - SEAPI (2023), there are 340 producers cultivating olive trees on 6,200 hectares in the State of Rio Grande do Sul, with 4,300 hectares at productive age. The largest plantations are concentrated in municipalities such as Encruzilhada do Sul, Pinheiro Machado, Canguçu and others (OLIVAPEDIA, 2023).

As for olive production, data from IBGE (2024) reveal a significant jump from 291 tons in 2012 to 4,588 tons in 2022, with a corresponding increase in the area destined for harvesting, indicating an accelerated development of olive farming in Brazil. Figure 1 shows the performance of extra virgin olive oil exports from Brazil in 2022 and 2023.

In the world market, olive production is growing, with countries such as Turkey, Egypt and Spain leading consumption (IOC, 2024). The analysis of this market is crucial, as olives are raw materials for the production of olive oil.

Table 2 summarizes the results for the production, import and export of extra virgin olive oil in Brazil.

As for imports and exports of extra virgin olive oil, the United States is the main supplier, while Brazil has emerged as a growing exporter since 2022, with a 161% increase in export value in 2023 (SISCOMEX, 2024).

FINAL CONSIDERATIONS

The Brazilian market is currently dependent on olive oil imports, and the country is just beginning to introduce this product. Although Brazil cannot compete in terms of quantity with the world's main producers, it

has demonstrated the ability to produce high quality olive oils, comparable even to those produced in Europe.

The trade balance, which results from the difference between exports and imports, is considered positive when the value of exports is greater than that of imports, generating a surplus. Brazil buys more olive oil than it sells, therefore, the Brazilian trade balance in relation to olive oil is negative, that is, it has a deficit. This information must support and guide public policies to develop more effective production-oriented strategies.

This study is relevant and timely, as it provides essential information to understand the dynamics of the olive oil market, highlighting the role of Brazil, especially the state of Rio Grande do Sul, and other countries in this context.

It is noteworthy that this study did not consider other types of olive oil. It is recommended that new studies be carried out to evaluate the commercialization of virgin olive oil and other types of oil.

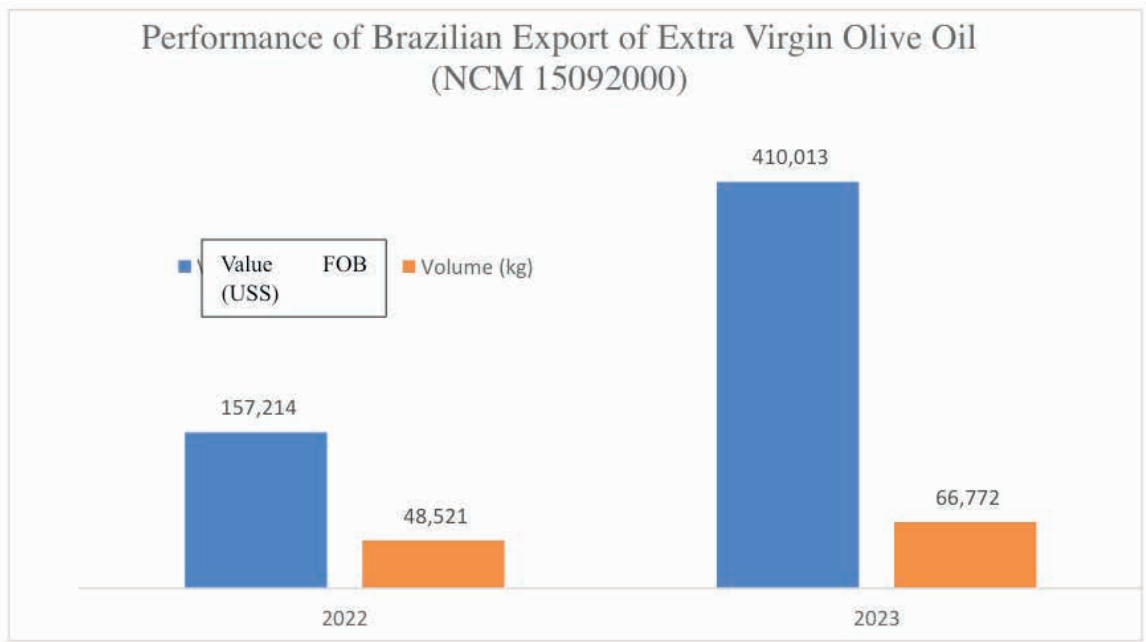


Figure 1. Export performance of extra virgin olive oil from Brazil in 2022 and 2023.

Source: Prepared from data obtained from Siscomex (2023).

Types of information obtained	Main countries	Current situation and future perspective
Production	Brazil - Produces only 0.24% of the country's olive oil consumption; Brazil - 7 thousand ha of area planted with olive trees. RS – largest national producer of olive oil, accounting for 75% of production.	It is necessary to meet domestic demand by increasing production/productivity; Factors that influence the increase are: new production areas, improved productivity, improved techniques and management and the resistance of olive trees to drought.
Import	The origin of all imports of extra virgin olive oil is from the United States.	It is suggested to increase production and productivity to supply this market that is being served with imports.
Export	In 2016 – Brazil did not export; Exports started in 2022 and continued in 2023;	Export is incipient; It is possible to explore unserved markets through exports.

Table 2. Summary of Results for Production, Import and Export of extra virgin olive oil in Brazil.

Source: Authors 2023.

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