The Changing Shape of Global Olive Oil Value Chain: New Markets, Policies and Strategies

MILI, Samir
Spanish National Research Council, ES
samir.mili@cchs.csic.es

Abstract:

The emergence of integrated food value chains is one of the most visible results of the globalization and modernization of agri-food systems. The olive oil value chain is no exception to this tendency. Indeed, increased international product expansion, consumer concerns about health and food quality and the growing role of standards and market power of retailers, have brought stronger focus on the value chain as an instrument to organize olive oil marketing schemes and institutions. At global level, the olive oil value chain in undergoing a rapid process of transformation prompted by changing world supply and demand geography, new regulatory frameworks and business strategies.

Within this context, this contribution aims at analyzing the changes underway that are affecting the international expansion of olive oil supply chain and the value creation therein. Key drivers of chain dynamics and their implications for chain configuration and performance at global level are illustrated by addressing 1) the changing structure of world olive oil production and trade, 2) the role of emerging, increasingly diversified consumer markets, and 3) the changes in agricultural and trade policies related to the product and their likely impacts on chain agents. Moreover, some recommendations are formulated for a better understanding and development of the global olive oil value chain. Special attention is drawn to the need for further use of quantitative measurements in policy-relevant chain areas including, for instance, the quantification of value creation and capture patterns which are hardly reflected in existing trade statistics, and the development of empirical sustainability indicators (economic, social, environmental) to determine and assess actual chain sustainability levels.

Keywords: value chain, international expansion, olive oil