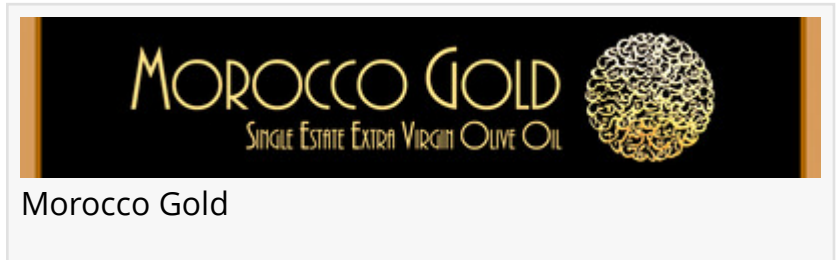


Morocco's Olive Oil Industry: Strategic Growth, Challenges, and Future Prospects

Morocco has boosted olive oil production to enhance economic growth and farmer resilience to climate change over the past decade.



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/EINPresswire.com/ -- Over the past decade, Morocco has strategically focused on olive oil production to boost economic growth, with both local and international officials striving to enhance the profitability and resilience of olive farmers in the face of climate change. As a result of these efforts, annual olive oil production has significantly increased from an average of 41,800 tons in the early 1990s to 141,600 tons in recent years. However, the domestic market still faces significant challenges.

Like other major olive oil-producing countries, Morocco has seen a rise in olive oil prices, despite implementing controlled exports intended to stabilize the internal market. According to Lisa Paglietti, an economist at the Food and Agriculture Organization (FAO), Morocco must develop and implement both short- and long-term strategies to adapt to climate change, particularly in managing water resources. These strategies are essential for maintaining the competitive advantage of Morocco's olive oil sector.

At the 16th edition of [Morocco's International Agricultural Exhibition](#) in Meknes, FAO and European Bank for Reconstruction and Development (EBRD) officials, alongside local stakeholders, discussed necessary sector reforms and strategies for building climate resilience. A key focus was on investing in innovative technologies to improve water management. Iride Ceccacci, head of agribusiness at the EBRD, emphasized the importance of these investments, noting that olive oil production can thrive even under severe water scarcity, as evidenced in Morocco.

Morocco contributes nearly five percent of global olive oil production, with the sector representing 13 percent of agricultural workdays and fulfilling 19 percent of the country's food requirements in 2021. The exhibition also highlighted the need to address market competition and quality standards by implementing food safety measures, environmental certifications, labeling, and traceability systems to enhance both domestic and international markets.

Since the FAO and EBRD identified olive oil as a strategic sector for Morocco's economic development twelve years ago, collaborative efforts have been made to train technicians, conduct olive oil tasting courses, and implement sustainable practices. These initiatives have resulted in a 40 percent increase in the area planted with olive trees from 2009 to 2020. A support program was also launched to create a dynamic market by adding value across the olive oil value chain, improving regulations, bottling, and correct labeling, particularly for bulk sales.

The program aimed to shift focus towards [extra virgin olive oil production](#) and encourage producers to market individually packaged brands instead of selling in bulk. Nuno Santos, a deputy director at the FAO, noted that efforts to improve import and export management were crucial, including enhancing quality and traceability and enforcing food safety measures.

Despite efforts to promote domestic consumption, high global olive oil prices and local policies have hindered progress. Paglietti explained that the significant increase in olive prices and depleted stocks from previous years, coupled with poor harvests, have driven up prices. Even with export controls implemented in October, domestic olive oil prices remain high, suggesting speculation might be influencing the market.

The Moroccan government requires [olive oil suppliers](#) to obtain export authorization to protect domestic prices and promote bottled exports. Although all export requests this year were approved, the impact has been minimal due to two consecutive years of severe drought and the dominance of bulk sales in the market. Only ten percent of olive oil sold locally is packaged, limiting the influence on market prices determined by bulk oil.

Paglietti concluded that the situation is complex and government strategies are challenging to implement effectively. With a bleak forecast for the next harvest, high prices are likely to persist, potentially driving more consumers away from the market.

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