

The New Age of Olive Oil

Jules Stewart travelled to Spain to talk to leaders in the olive oil industry about the challenges of quality output, sustainability and international competition faced by the world's largest producer. Spanish olive oil producers are mechanising their pruning, harvesting and production methods to ensure the industry's sustainability and compete in the export market.

In 1492 Fadrique Álvarez de Toledo, the II Duke of Alba, bore arms alongside Spain's Catholic Monarchs in the conquest of Granada, the battle that resulted in the expulsion of the Moors from Spain. In gratitude, the Álvarez de Toledo family was given vast tracts of land, including the Perales estate in the western region of Extremadura, where they began producing olive oil.

"It started in 1624 as a small business venture on land that was gifted to my

family by King Felipe IV", says the current Fadrique Álvarez de Toledo, the Marquis of Valdeueza. "Today we have 450 acres of olive groves and around fifteen years ago we decided to revamp the business by replacing the old groves with four new olive varieties, including the morisca, which is native to our estate." The family also invested in a state of the art press and built a reservoir to irrigate their vines.

The modernisation work at the Álvarez de Toledo family estate, where olive oil is marketed under the Marqués de Valdeueza brand, is typical of changes taking place at Spain's new breed of top-of-the-range producers. Innovations in harvesting and production techniques introduced over the past decade or so have earned Marqués de Valdeueza awards in international olive oil competitions, from the US to Germany.

Marqués de Valdeueza oil is, however, a relative newcomer to an endeavour that has been in existence for some 8,000 years. Olive oil is mentioned about 200 times in the Old Testament. The oil was used in the ancient world in the preparation of food, as anointing oil for ritual and cosmetic purposes, and for lighting. Archaeological evidence shows that olives were turned into oil as early as 6,000 BC. Olive cultivation and the processing of oil spread across the Mediterranean basin, from Palestine to Crete, Italy and finally to Spain, which is today the world's largest producer, accounting for nearly 50 per cent of global output.

"In the late Bronze Age, olive trees were being systematically cultivated in the eastern Mediterranean and oil was being extracted from their fruit with large presses," according to historian Tom Mueller. "At Ekron in Palestine, a 2,800-year-old olive mill has been

discovered, with a battery of one hundred presses capable of producing about 500,000 litres a year."

These early entrepreneurs eventually came to realise the potential of olive oil, beyond that of a tasty product for domestic consumption. By the third millennium BC, large-scale production was underway and earnings from the sale of olive became the lifeblood of several regional Mediterranean economies. In Spain, this business is today a mainstay of the country's agricultural sector and a growing contributor to food exports. But the business is not without its challenges.

Selling Spanish olive oil abroad has historically been an uphill battle, largely because of Italy's earlier entry into the export market, coupled with the sharper marketing skills of Italian producers. Italian olive oil, Spain's chief rival, has traditionally been regarded as the benchmark of quality by US and European consumers. Moreover, Spain's olive oil industry lost valuable years recovering from a devastating blow in 1981, when the domestic market was flooded with toxic oil which caused a musculoskeletal disease that killed more than 600 people. After months of frantic testing by the health authorities, the cause of the 'colza scandal' was found to be contaminated rapeseed oil, which was intended for industrial use and had been illegally imported from France and sold as olive oil.

"UK and other European consumers in the middle and upper income brackets were aware of the scandal," says Charles Carey of London-based olive oil importer The Oil Merchant. "But this affair has been largely forgotten since the mid-1990s. It is true that Italian estate bottled oil has dominated the market for the past 25 years, however I believe Spain now has the competitive edge. They've become more assertive and have honed their marketing expertise in recent years. Marqués de Valdeueza has even hired a British company to design their bottle label. The result is that high-quality UK retailers, such as Fortnum & Mason and Waitrose, now sell more Spanish than Italian olive oil."

Spain, which recorded a 71 per cent increase in exports in the 2013/14 season, has now pulled ahead of Italy in sales to fast-growing markets like Brazil, Russia, Japan and Australia. Carey cites two factors that have raised people's awareness of olive oil, and especially its health benefits. He says one of them is the growing number of nutritionists and food writers who extol the virtues of the Mediterranean diet. "The other event was the severe frost that ravaged central Italy, the south

of France and northern Spain in January 1985," says Carey. "Trees were bursting like frozen pipes and farmers were forced to cut them down by the thousand. This created a lot of publicity for olive oil, when press reports put it about that it would become a scarce commodity."

Spanish producers have been making strides to consolidate their growing commercial edge by addressing the key issues facing the industry. One of the most pressing concerns is sustainability. This is being looked at in broader terms than the long-standing debate between organic versus non-organic methods. Other problems are now under consideration, such as how much farmers get paid for their olive oil and the implications of a growing number of smaller high-quality firms that are steadily capturing market share from traditional bulk and mass output producers.



Fadrique Álvarez de Toledo, the Marquis of Valdeueza, photo: www.extravirginalliance.org

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