

## ECONOMIC EVALUATION OF THE TRANSFORMATION OF ABANDONED LAND INTO A SPECIALIZED OLIVE GROVE



The farm “Le Olivastre” falls within the territory of the pilot area of Trasimeno and is a very interesting example of recovery of an abandoned area with the purpose of cultivating olive trees, also through the inclusion of protected categories and with disabilities. It joins Trasimeno Living Lab Intranet Platform.

The recovery of abandoned land has entailed a series of transformation costs but has also created new added values and greater income possibilities. The company is based on circular economy principles, recovering waste and by-products of the olive oil supply chain as much as possible.

### ANTE situation

Land of low productive value, mainly uncultivated for over ten years and with few abandoned olive trees and not subject to maintenance. Presence of many herbaceous species and weedy shrubs (12 hectares).

The current land value is about 24000 euros, with 1200 olive trees over 50 years of age and a production of 5 kg of olives per plant, for a total of 6000 kg and 1200 kg of oil.

### POST situation

In the future it is planned the construction of a new specialized olive grove plant, with 3240 total plants on 12 hectares (6X6), with a final production of 48600 kg of olives and 9720 kg of oil.

The future land value will be about 180000 euros.

### Cost of transformation

The following costs are expected in the transition from abandoned olive grove to specialized olive grove:

- grubbing-up of unproductive olive trees and shrubs and weeds..... 5000 euros
- stone removal and deep ploughing... 15000 euros
- harrowing and ground leveling, square..... 10000 euros
- planting of 3240 olive trees: ... 64800 euros
- installation of 3240 support poles..... 9720 euros
- plant fertilization..... 3000 euros
- **TOTAL:..... 107520 euros**

### Future Supplementary Activity

It is planned to carry out the direct sale of olive oil with tastings on the farm and promotion of

SLOW TOURISM routes that would include about 100 visitors a year for 90 days with a collection of 18000/20000 euros more than the oil sold.

Summarizing:

ANTE INCOMES: 18000 euros from the sale of olive oil + 10000 euros from felling timber and woody prunings.

POST INCOMES: 194400 euros from the sale of olive oil + 20000 euros from SLOWTOURISM activities.

ESTIMATED COST OF TRANSFORMATION: 107520 euros (A)

OLIVE GROVE ANTE VALUE: 24000 euros (B)

OLIVE GROVE POST VALUE: 180000 euros (C)

$C-B > A$

So one can definitely attest to the convenience in the transformation.

**P.S.:**

*The final added value is also given by the greater organoleptic qualities of an extra virgin olive oil. **Extra virgin olive oil** is obtained from the first pressing of olives through mechanical processes, therefore without resorting to processes with chemical substances, in conditions that do not cause alterations of the olive oil and whose free acidity, expressed in oleic acid, is not more than 0.8%.*

***Written by Paolo Burini - UCT***