## Abstract:

This paper is dedicated to show the evolution of olive farming in Andalucía (region belonging to European Union which represents more than 80% of the Spanish production of olive oil, around 40% of European Union olive oil and more than 30% of the world production). It is described the socioeconomical structure of this cultivation taking into account three samples of olive farms of the region during the years 1991,1994 and 2000. The first aim of this paper is to analyse the evolution of the main socioeconomic variables of this farming during the nineties decade in the most significant region in the world. Variables analysed in each farm are: productivity or cultivation yield on Hectare; labour work; cultivation expenses including labour work; Agriculture Common Policy subventions; standard gross margin (according to directions of the European Union Agriculture General Board) and net margin. The second aim deals with the impact of the latest CMO reform for the olive oil over Spanish olive farming. In the simulation process carried out we have considered three possible scenaries with different percentage according to the decoupling production-linked payments. We also have considered that farmers will perceive the remaining part of the subventions according to the hectare cultivated instead of olive tree basis and no transferences among regions will be possible.