



## ARGENTINA

On 8 May 2009 the Government of Argentina joined the current International Agreement on Olive Oil and Table Olives. By filing its instrument of accession with the Ministry of Foreign Affairs of Spain, the depositary of the Agreement, Argentina thus became the 17<sup>th</sup> Member of the IOC, joining Albania, Algeria, Croatia, Egypt, the European Community, Iran, Iraq, Israel, Jordan, Lebanon, Libya, Morocco, Montenegro, Serbia, Syria and Tunisia.

Olive growing in Argentina dates back to the time of the Spanish colonisation. Since then, it has gone through periods of expansion and contraction. Crop area increased significantly in the 1990s, stimulated by government incentives to encourage the influx of foreign capital to the regional economies. Cultural practices have progressed considerably and new varieties have been introduced to produce quality olive oils and table olives. The provinces that have seen the biggest expansion are Catamarca, La Rioja and San Juan, which make up the national olive-growing map, alongside the provinces of Córdoba, Mendoza and Buenos Aires. Development projects are currently underway in the regions of Río Negro and San Luis.

An area of 90 100 ha was under olives in Argentina in 2008, 70% of which was irrigated. More recently, both olive oil and table olive activity has increased significantly, placing Argentina higher up in the world producer ranking. Olive crop area in Argentina is expected to reach 105 000 ha by 2012.

Argentina is America's top producer of olive oil. In 1990/91, it produced only 8 000 t but by 2007/08 Argentinean production had reached a record 25 000 t. The same trend is evident on the table olive market where production has climbed from 30 000 t in 1990/91 to 95 000 t in 2007/08.

According to official information, olive oil and table olive production is expected to double over the next decade.

## OLIVE OIL PRODUCTION

By the close of the 2007/08 season Spain had produced 1 236 095 t, beating forecasts by 14 000 t and showing a 10% rise on the season before. According to the figures released for 2008/09 by the *Agencia para el Aceite de Oliva* (Spanish Olive Oil Agency), Spanish olive oil output stood at 1 025 400 t in the month of May, i.e. 17% above the level of the previous crop year. As weather conditions are good, the harvest for 2009/10 looks quite bright.

Data are not yet available for other countries.

## IMPORTS

Total imports by the six countries reported in the table below overtook the season-before figures for the first time in April. Even so, the four-month figure for imports in 2009 was 8 713.8 t or 6.5% lower than during the same period the crop year before.

Olive oil imports (including olive-pomace oil)

No	Importing Country	January 08	January 09	February 08	February 09	March 08	March 09	April 08	April 09
1	Australia	2049.0	1521.0	2400.0	1329.0	2086.0	1584.7	1429.0	2204.6
2	Brazil	3517.7	3502.1	5236.0	2226.0	3494.9	5100.0	2964.3	2697.0
3	Canada	3283.0	1363.0	2638.0	1036.0	2770.0	1052.0	3426.0	1419.0
4	Japan	2644.0	2528.0	2201.0	1998.0	2444.0	2372.0	2906.0	2333.0
5	Taiwan	343.6	215.1	220.9	266.1	406.2	228.7	458.2	336.7
6	USA	23585.0	22665.0	17195.0	18329.0	23050.0	22174.0	23425.0	26979.0
	Total	35422.3	31794.2	29890.9	25184.1	34251.1	32511.4	34608.5	35969.3

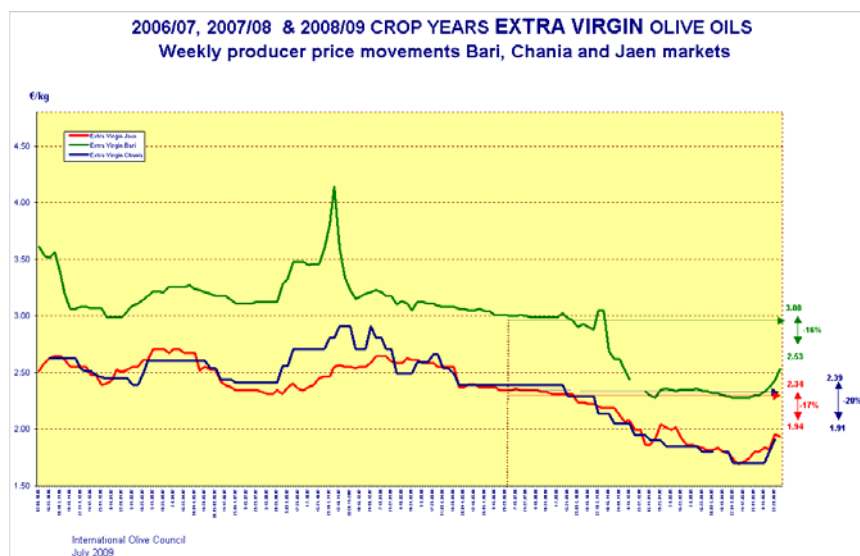


## PRICE MOVEMENTS

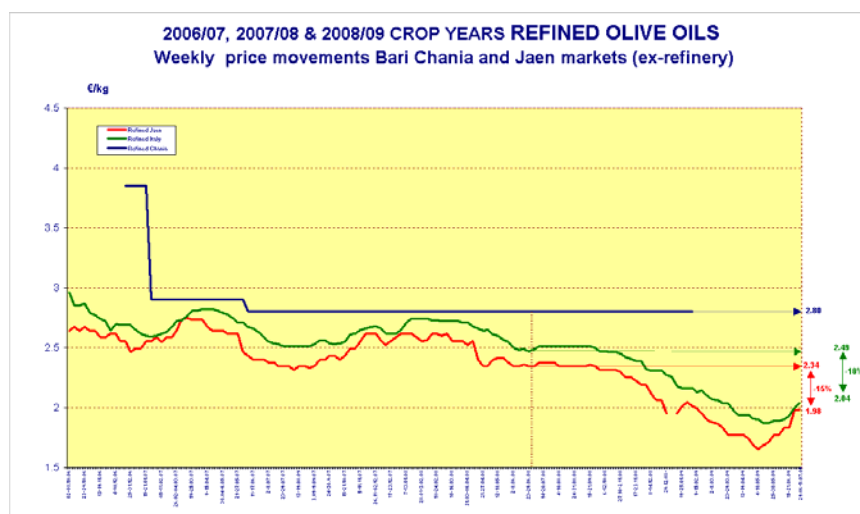
Graphs 1 and 2 track the weekly changes in the producer prices paid for extra virgin olive oil and refined olive oil in the chief producing nations of the European Union. Graphs 3, 4 and 5 show the monthly movements for the same two categories of oil plus refined olive-pomace oil.

These charts show that at the end of June 2009:

- After dropping heavily for several weeks, the prices of virgin olive oils have started to pick up in recent weeks, in all probability because of the announcement that the European Commission will fund private storage.
- The prices of refined olive oil have moved in the same direction as that of extra virgin olive oils
- Compared with a year ago, the price of extra virgin olive oil has fallen by 17% in Spain, 20% in Greece and 16% in Italy (Graph 1).
- The price of refined olive oil has dropped by 15% in Spain and 18% in Italy (Graph 2) from the level of a year ago.



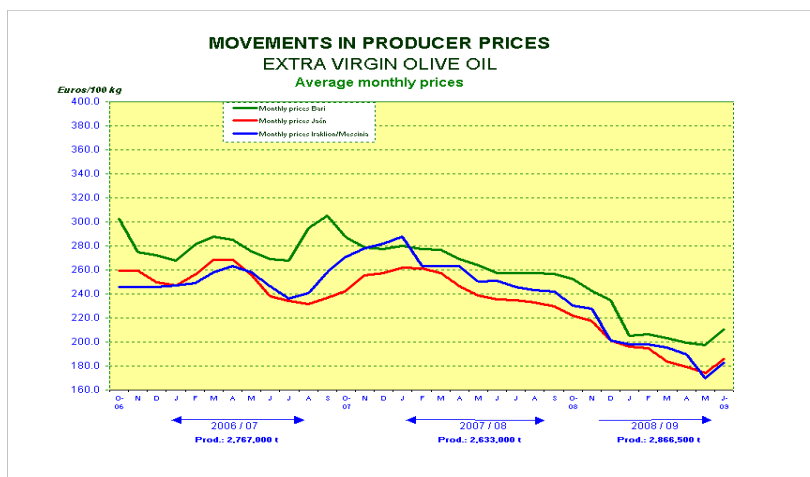
Graph 1



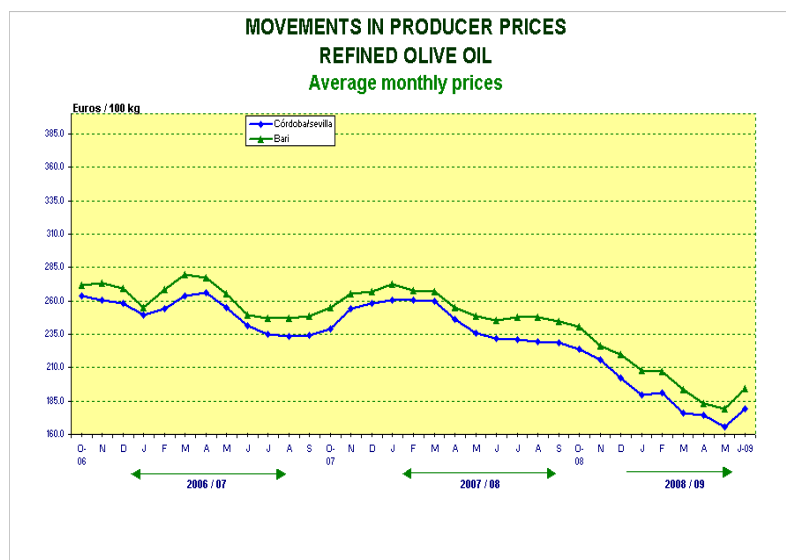
Graph 2



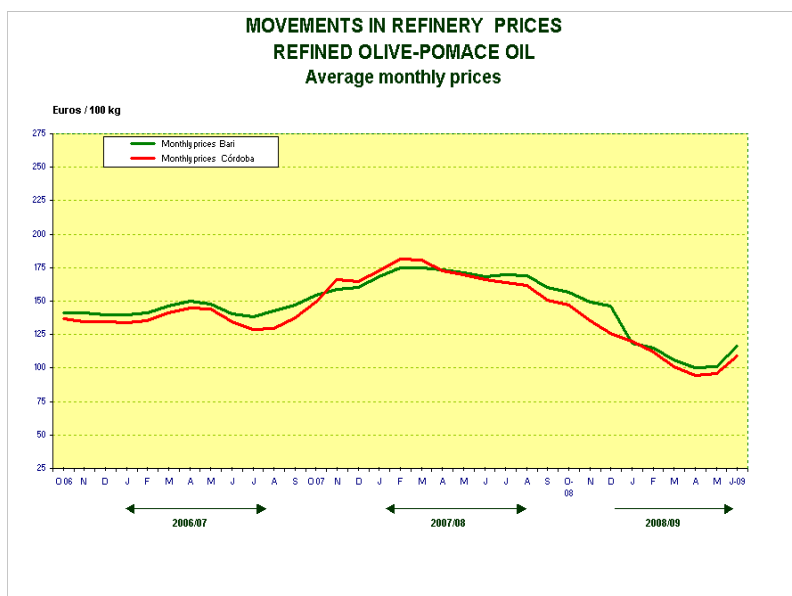
MARKET COMMENTARY



Graph 3



Graph 4



Graph 5