



Olive growing in Argentina

At the invitation of the Argentine authorities, the 107th session of the Council of Members will be held in Buenos Aires (Argentina) from 18 to 21 June 2018. Argentina was the first country of the Americas to accede to the International Agreement on Olive Oil, in October 1965, and it continues to participate actively in the implementation of the successive International Agreements on Olive Oil and Table Olives and in the working groups set up to examine the Organisation’s activities. In 2018 it holds the presidency of the IOC.

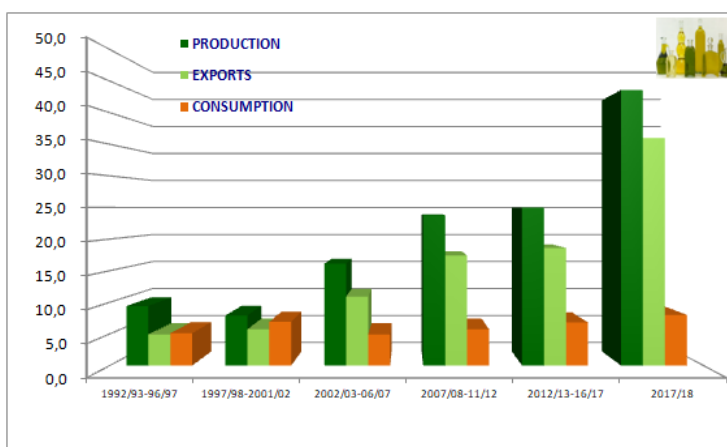
In the Americas, Argentina is the leader both as producer and exporter of olive oil and table olives. It has an estimated olive acreage of 90 000 hectares, most of which is irrigated. Approximately 50% of this area is used to grow olive varieties for olive oil, 30% is used to produce table olives, and 20% for dual purpose olives. The largest olive growing areas are found in the provinces of La Rioja, in the lead with 27.8% of the total olive growing area, followed by Mendoza (22.9%), Catamarca (20.8%), San Juan (20.2%), Córdoba (5%), Buenos Aires (2.8%) and lastly Río Negro (0.6%).



Map 1 – Distribution of olive production areas in Argentina

The two main industrial activities of Argentine olive production, table olive processing and olive oil extraction, are very important for the development and growth of the regional economy. They both have strong roots in the country, dating back to the Hispanic period in Argentina, endowing the products from each region with unique characteristics and specific attributes.

Graph I shows the trend in the last 25 crop years, reaching an average **olive oil** production of 25 000 t in the last five year period (2012/13 – 2016/17). The 2017/18 crop year reached record highs with 43 600 t, of which the majority of production was extra virgin olive oil. Consumption has remained stable, with average volumes of 6000 t. Exports have however increased considerably, going from 4900 t in 1992/93–96/97 to 18 600 t in 2012/13–16/17. In the 2017/18 crop year, exports are expected to rise above 36 000 t, which would be a 116% year-on-year increase. Argentina exports to more than 27 countries. The main destinations of Argentine olive oil are the American continents with 63% of its exports, of which 41% go to the United States; the second destination is the European Union with 37%; and 1% goes to the rest of the world.



Graph I – Olive Oil in Argentina. Averages 1992/93–2017/18 (10³ tonnes)

Over the last few decades, tradition and culture have led to investment in advanced technology that has given a new impetus to activities through extra-sectoral investments. This transformation has enabled the renewal of traditional plantations, extending the olive growing surface and incorporating new varieties, with localised irrigation and mechanical harvesting equipment. In parallel, the production industry has adopted state of the art processes and technology to accompany growth in the sector.

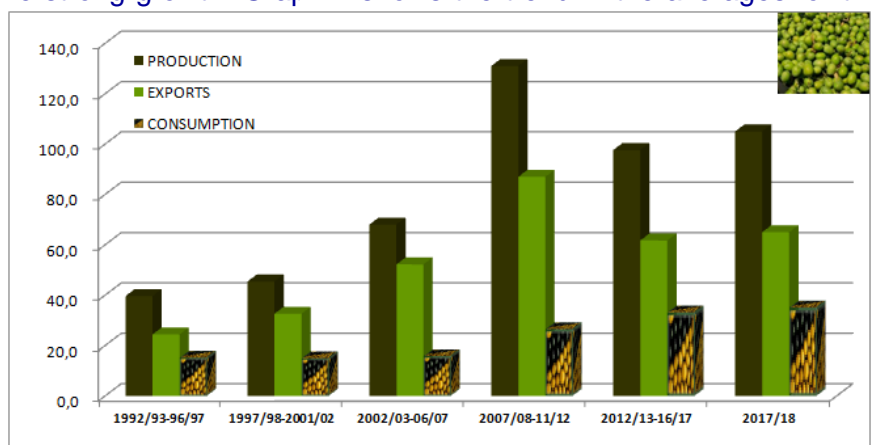


Argentina has five IOC-recognised laboratories: two for physico-chemical testing and three for sensory analysis.

Argentina is home to various varieties of olive tree. Among the producer regions: “Arbequina”, “Manzanilla” and “Coratina” are found in the Catamarca region; “Arbequina”, “Manzanilla”, “Barnea”, “Picual” and “Frontino” in La Rioja; “Arbequina”, “Manzanilla”, “Barnea”, “Picual” and “Hojiblanca” in San Juan; “Arbequina”, “Arauco”, “Farga” and “Empeltre” in Mendoza; “Arbequina”, “Arauco”, “Frantoio”, “Farga” and “Manzanilla” in Cordoba; and “Arbequina”, “Frantoio”, “Picual” and “Changlot” in both Buenos Aires and Rio Negro. The *Cuatricentenario* olive tree (four-hundred year old olive tree which is considered to be the mother plant for olive trees in this region) is found in the region of Arauco, in the province of La Rioja. This region gives its name to Argentina’s internationally renowned olive variety.

This regional economy has a considerable export bearing. In 2017 exports were valued at USD FOB 222 834 815, for a year-on-year increase of 52.97%.

The **table olive sector** has undergone strong growth. Graph II shows the trend in the averages for the last five five-year periods, going from an average production of 39 600 t to 97 800 t, which is a 147% increase, reaching a maximum average production in 2007/08–2011/12 of 131 000 t. Consumption has increased in recent crop years, settling at around 40 000 t. Exports follow the same trends as production. The main destinations of Argentine exports are Brazil, where it is the main supplier, followed by the United States, Chile and Uruguay.



Graph II –Argentina - Table Olives. Crop year averages 1992/93–2017/18 (10³ tonnes)

Key facts about the production sector in Argentina

Across all provinces in Argentina, modern production systems co-exist with traditional systems. Modern farming systems, such as intensive or super-intensive farming, are the models generally applied in the various olive growing regions of this country. Low-density intensive domains have plantation frameworks of 200 to 800 trees/ha of varieties that are mainly used for the production of extra virgin olive oil. Irrigation is localised and pruning and harvesting are mechanised. Average expected output is of 10 tonnes of olives per hectare.

The super-intensive model, in orchards of more than 800 trees per hectare, is applied in areas in which the agro-climatic conditions restrict plant development. Lower-bearing and less robust cultivars, such as Arbequina or Arbosana, require shorter distances between rows and a rapid entry into production. In this model, rows are set at 5 to 2 m between plants.

In contrast, plantations using the traditional model have wide patterns with densities of 69 to 156 trees/ha. They are made up, in the main, of old Arauco cultivar olive trees, which are mainly used to produce table olives. Other characteristics of this system are: low use of technology, surface irrigation (basin or furrow) and manual harvests. In these plantations, the expected average output is estimated at 5–6 t of olives per hectare.



Regardless of the production model, the harvest begins at the end of January or the beginning of February and continues until the end of June, depending on the area and variety. The manual harvest begins in the northern provinces, mainly in La Rioja and in the Catamarca Valley, with the table olive varieties. From the end of March and until May, the olives for olive oil are harvested, generally using mechanised harvest processes. The harvest in the provinces in the south of the country is carried out from May–June. The mechanisation of the harvest of olives for oil has shown a growing tendency towards improving performance. For this reason, many producers are adapting their olive orchards to mechanical harvests by applying pruning techniques.

I. WORLD TRADE OF OLIVE OIL AND TABLE OLIVES

1. OLIVE OIL - OPENING OF THE 2017/18 CROP YEAR

Imports of olive oil and olive-pomace oil in the eight markets that appear in the table below close the first six months of the 2017/18 crop year (October 2017 – March 2018) with increases of 21% in Brazil, 7% in Japan, 4% in Canada and the USA and 3% in Russia. Imports however decreased by 19% in Australia and by 8% in China.

In the first five months of the crop year, the EU¹ posted a 56% year-on-year increase in extra-EU imports and a 9% decrease in intra-EU acquisitions.

Olive oil imports (including olive-pomace oils) (t)

No	Importing country	October 16	October 17	November 16	November 17	December 16	December 17	January 17	January 18	February 17	February 18	March 17	March 18
1	Australia	2295,4	2843,6	3529,7	2039,0	2512,7	2016,3	3516,9	1475,0	2376,7	2498,0	2206,4	2454,3
2	Brazil	5232,9	5443,7	6844,5	7285,3	7652,5	7275,6	4363,3	5970,9	3930,6	6393,0	3930,6	6442,4
3	Canada	3580,2	4313,7	4873,0	3218,8	2883,7	2888,2	3222,4	3993,4	2842,6	3348,0	4200,9	4787,9
4	China	4188,8	2722,0	8375,6	3833,4	4928,6	7696,5	2776,8	6113,6	1852,0	859,0	2410,9	1338,0
5	Japan	3718,0	4871,0	5987,0	4432,0	3395,0	3946,3	4007,0	4705,3	3034,0	3664,0	4328,0	4585,0
6	Russia	2141,1	2254,7	2273,4	2036,0	1745,7	2106,9	1325,9	1783,0	1800,0	1746,5	2354,0	2011,2
7	USA	22315,9	27198,7	29150,7	20715,0	21996,1	26836,2	30428,7	25134,8	20021,8	22999,6	23209,0	29692,2
8	Extra-EU/27	7774,5	6495,9	8827,0	16739,1	23950,8	25156,9	3177,8	11126,2	9111,2	23024,1	8328,9	nd
	Intra-EU/27	81875,5	76921,2	93162,0	91723,7	113387,6	95192,9	93291,0	102835,3	118311,2	89279,8	109296,6	nd
	Total	133122,3	133064,5	163022,9	152022,3	182452,7	173115,9	146109,8	163137,5	163280,1	153812,0	160265,3	

2. TABLE OLIVES- OPENING OF THE 2017/18 CROP YEAR

Imports of table olives in the first seven months of the 2017/18 crop year (September 2017– March 2018) show a 6% year-on year increase in Canada and decreases in the other markets, down by 8% in Brazil, 7% in Australia and 6% in the United States, compared to the previous year.

In the first six months of the crop year, the EU² posted a 5% increase in intra-EU acquisitions and a 16% increase in extra-EU imports compared to the same period the previous year.

Table Olive Imports (t)

No	Importing country	September 16	September 17	October 16	October 17	November 16	November 17	December 16	December 17	January 17	January 18	February 17	February 18	March 17	March 18
1	Australia	1705,0	1501,0	1192,0	1295,0	1943,0	1406,0	1479,0	1336,8	1196,0	1023,0	1144,0	1410,0	1426,9	1421,0
2	Brazil	10420,7	7949,2	7994,2	9492,3	10718,4	11115,3	11311,1	11055,2	9330,4	7023,3	8466,5	8780,0	10043,1	7571,7
3	Canada	2237,0	2077,0	2225,0	2843,0	3039,0	2539,0	2864,0	2663,6	1790,0	2343,0	1943,0	2297,0	2170,0	2444,0
4	USA	13398,0	10237,0	11758,0	11055,0	12898,0	12596,0	10549,0	12469,9	10139,0	9811,0	9256,0	8976,0	12894,0	11297,0
5	Extra-EU/27	6570,8	6243,2	6858,6	7304,8	7302,6	8255,4	8074,8	10381,4	8325,0	9718,0	7249,3	9511,2	9501,1	nd
	Intra-EU/27	24999,2	27039,9	29334,5	32329,3	30830,4	29794,9	27758,6	27305,2	20986,6	24624,0	24319,3	24741,0	28196,3	nd
	Total	59330,7	55047,3	59362,3	64319,4	66731,4	65706,6	62036,5	65212,0	51767,0	54542,3	52378,1	55715,2	64231,4	

¹ EU data for the month of March 2018 were not available when this Newsletter was sent for publication.

² EU data for the month of March 2018 were not available when this Newsletter was sent for publication.



II. PRODUCER PRICES - OLIVE OIL

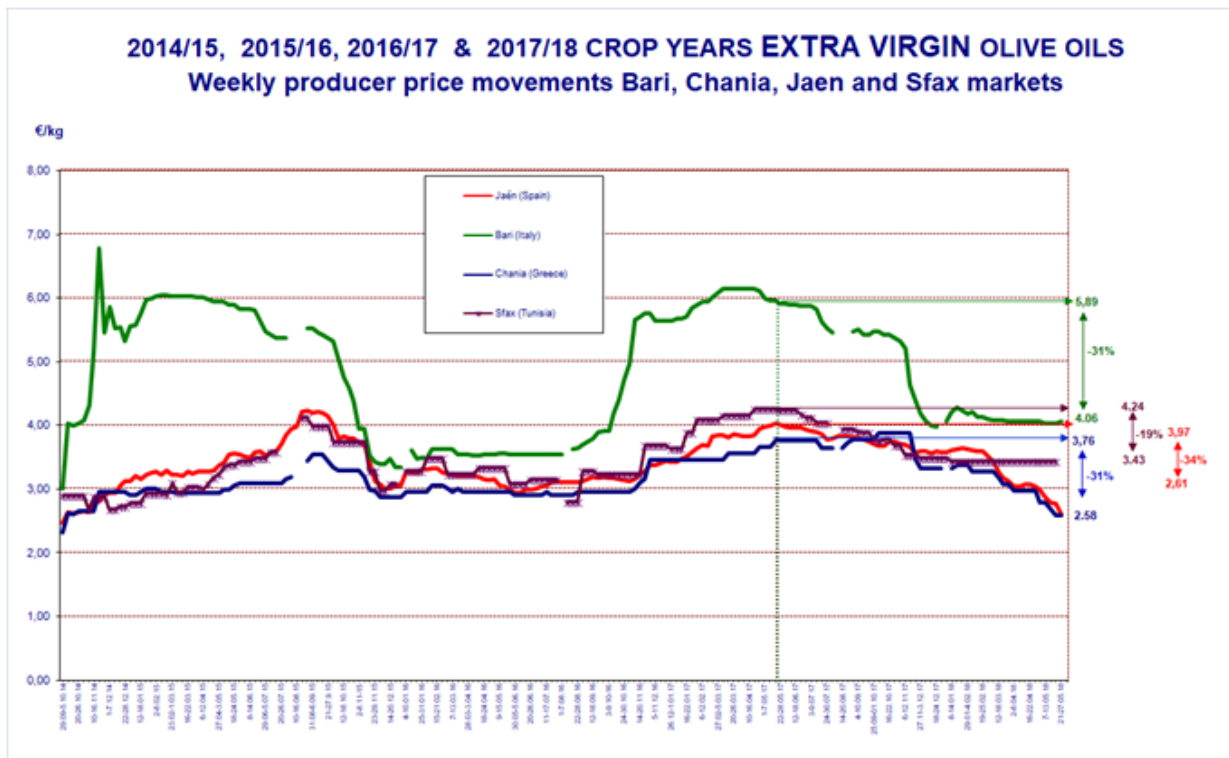
Graph 1 tracks the weekly movements in prices paid to producers for extra virgin olive oil in the top three European producing countries and Tunisia, while Graph 3 shows the weekly changes in producer prices for refined olive oil in the main three EU producers. The monthly price movements for these grades of oil are tracked in Graphs 2 and 4.

Extra Virgin Olive Oil – Producer prices in Spain decreased over the last few months, coming in at **€2.61/kg** at the end of May, which is a 34% year-on-year decrease (Graph 1).

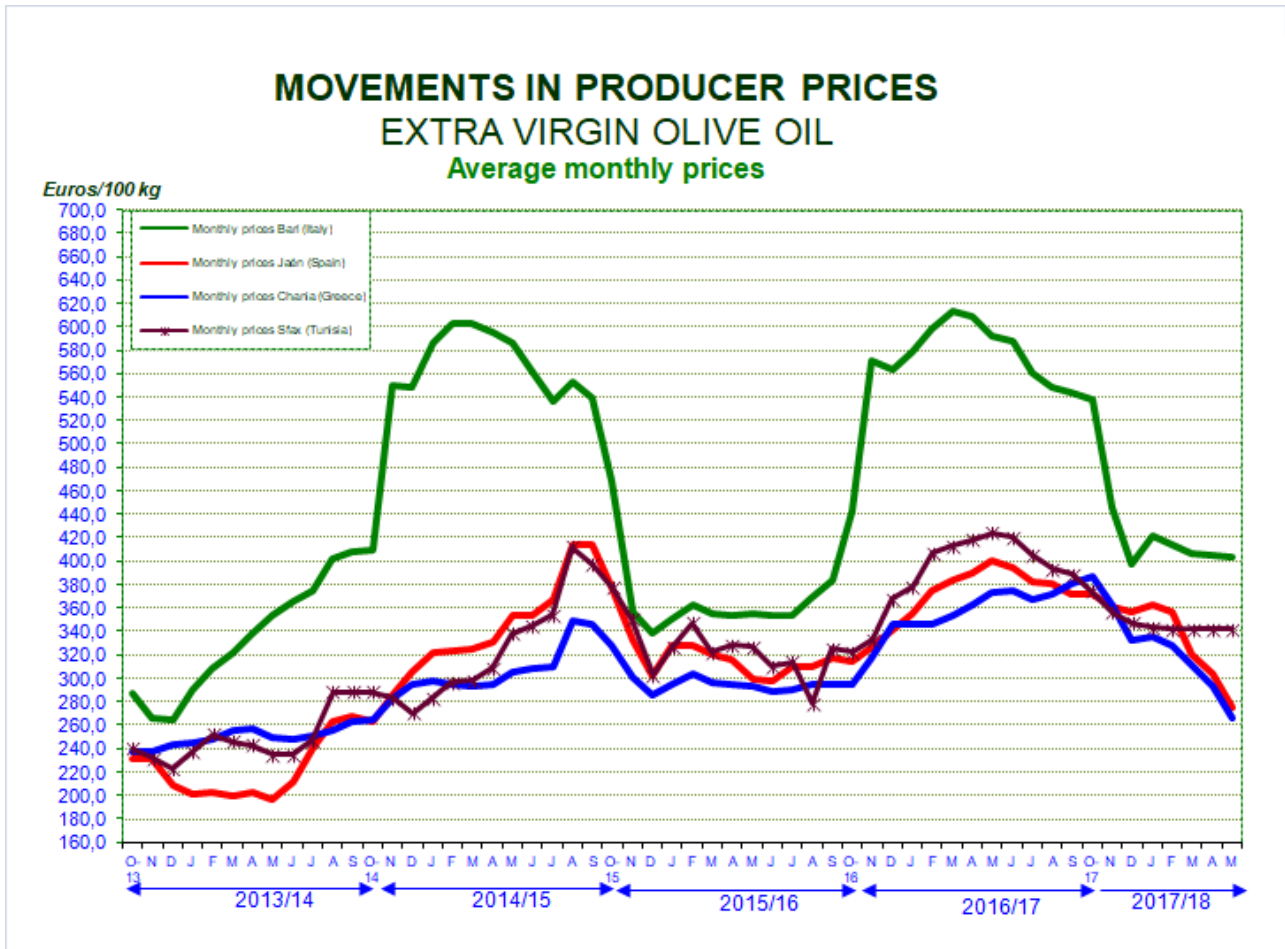
Italy – Following a sharp fall to below €4 in mid-December 2017, prices in Italy have remained stable in recent weeks, coming in at **€4.03/kg** at the end of May 2018, for a 32% decrease compared to the same period the previous year. Graph 2 shows the monthly price movements of the extra virgin olive oil category in recent crop years.

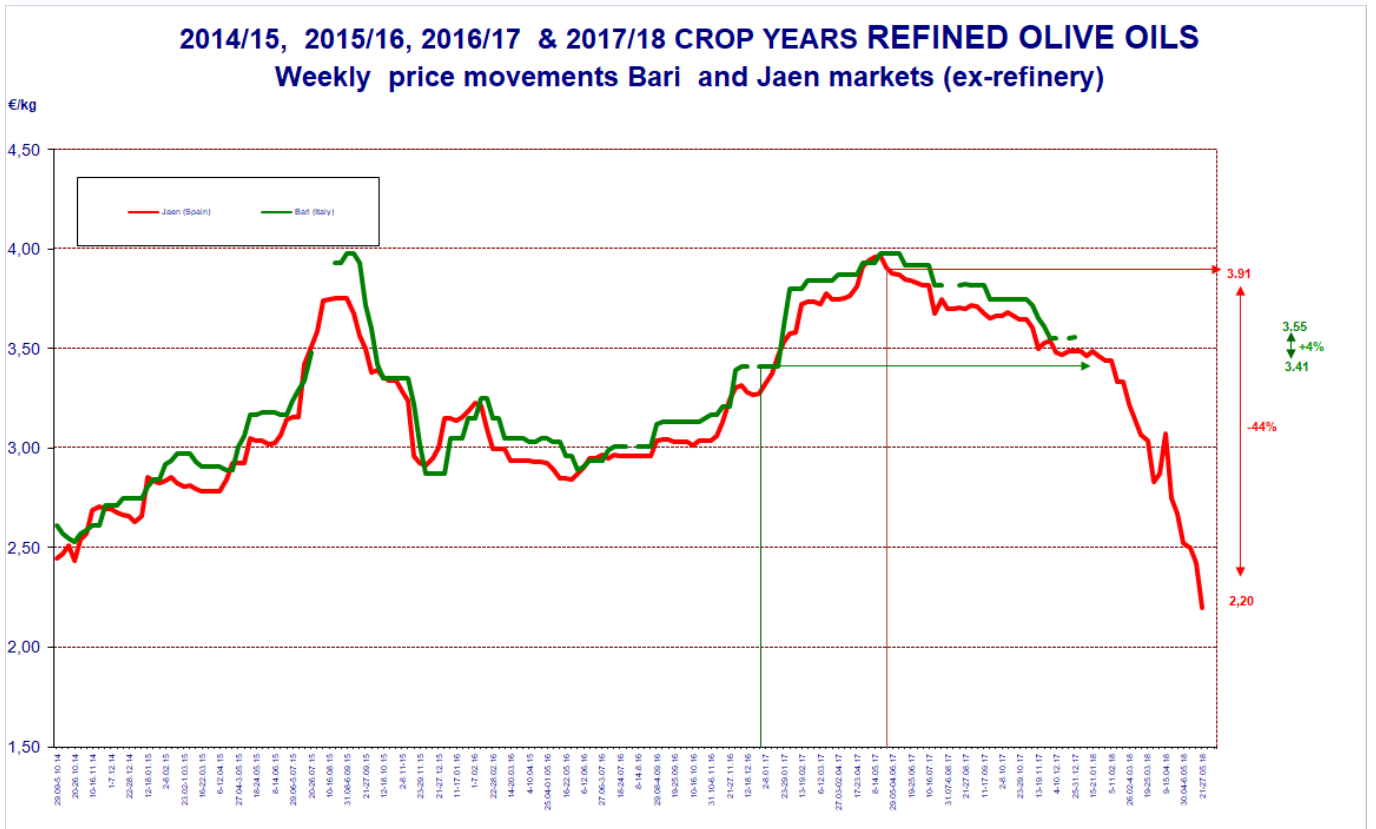
Greece – Prices in Greece have fallen in recent months but have remained stable in the last few weeks, posting at **€2.58/kg** at the end of May, for a 31% year-on-year decrease.

Tunisia – Prices in Tunisia have also remained stable in the last few weeks, standing at **€3.43/kg** at the end of May for a 19% year-on-year decrease.

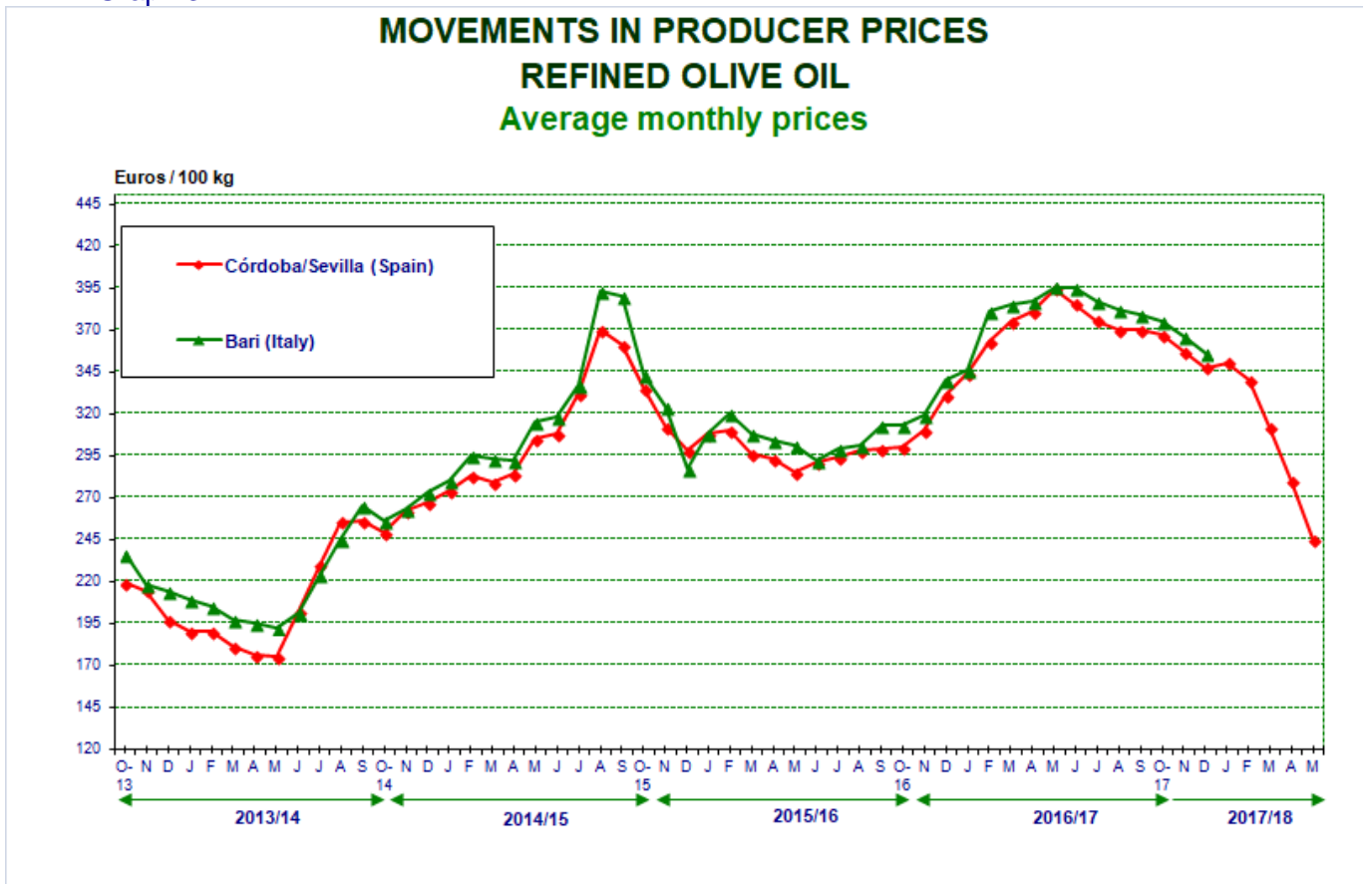


Graph 1





Graph 3



Graph 4



Stay tuned:

- **Read our scientific journal OLIVAE :** <http://www.internationaloliveoil.org/store/index/48-olivae-publications>
- **Keep track of what's going on in the industry:** <http://www.scoop.it/t/olive-news>
- **Find out what's happening at the IOC:** <http://www.linkedin.com/company/international-olive-council>