LATEST FIGURES FOR OLIVE OIL PRODUCTION IN SPAIN

In the first six months of the current 2013/14 crop year, i.e. between October 2013 and March 2014, Spain produced 1 752 100 t of olive oil according to figures released by the Food Information and Control Agency (AICA for its Spanish acronym) of the Spanish Ministry of Agriculture, Food and the Environment. This record tonnage is 188 pc more than the season before and higher than the initial estimates. As a result, world production is assessed at around 3 150 000 t and ending stocks are expected to be more than 480 000 t as long as the other provisional figures in the world balance do not change. Spain's table olive production is put at 569 760 t, thus recording 16 pc growth on the season before.

MARKET FOR OLIVE OIL AND TABLE OLIVES IN RUSSIA

- ### Olive oil and olive pomace oil

Data supplied by Global Trade International report an 8 pc increase in Russian imports of olive oil and olive pomace oil in 2012/13 compared with the previous crop year. More than 83 pc of the 32 517 t imported was from EU countries, chiefly Spain (58 pc), Italy (24 pc) and Greece (9 pc); a further 4 pc came from Tunisia. The other exporter countries to Russia each exported less than 500 t (Table I). Itemised by product grade, 65 pc of imports was virgin olive oil, 18 pc was olive oil and 17 pc was olive pomace oil. Over the last ten crop years, imports by Russia have grown 7 pc on average (Chart I), albeit with ups and downs in 2005/06 and 2008/09.

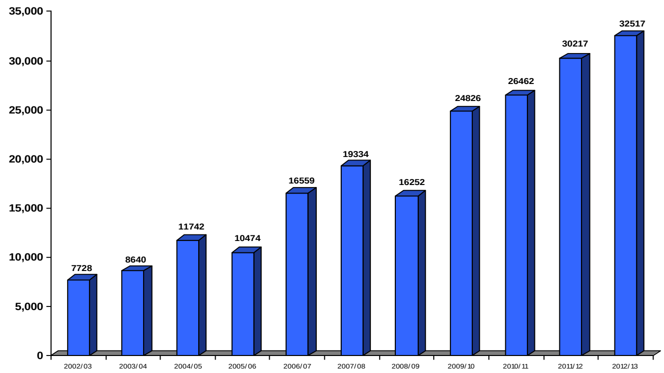


Chart I – Russia: imports of olive oil and olive pomace oil from 2002/03 to 2012/13 (t)

RUSSIA OLIVE OIL IMPORTS 2012-2013 CROP YEAR (October 2012 - September 2013)

COUNTRY	OLIVE OIL		TOTAL OLIVE OIL	OLIVE POMACE OIL	TOTAL
	150910	150990		151000	
SPAIN	12,031.04	4,395.68	16,426.72	2,385.71	**18,812.43**
ITALY	4655.56	941.20	5,596.76	2,442.39	**8,039.15**
GREECE	2,603.43	70.49	2,673.92	303.75	**2,977.67**
TUNISIA	856.04	315.23	1,171.27	217.05	**1,388.32**
PORTUGAL	248.45	21.77	270.22	204.05	**474.27**
TURKEY	427.55	4.47	432.02	5.00	**437.02**
OTHERS	129.52	37.22	166.74	7.70	**174.44**
JORDAN	59.85		59.85		**59.85**
CHILE	49.46		49.46		**49.46**
AUSTRALIA	48.96		48.96		**48.96**
FRANCE	10.67	15.82	26.49		**26.49**
BELGIUM	0.83		0.83	10.86	**11.69**
UNITED KINGDOM	0.06	5.73	5.79		**5.79**
CROATIA	5.08		5.08		**5.08**
USA	1.74	0.19	1.93		**1.93**
SOUTH KOREA		1.65	1.65		**1.65**
GERMANY	1.27	0.03	1.30	0.13	**1.43**
AUSTRIA	1.08		1.08		**1.08**
JAPAN		0.16	0.16	0.02	**0.18**
LEBANON	0.07		0.07		**0.07**
ISRAEL	0.03		0.03		**0.03**
TAJIKISTAN	0.01		0.01		**0.01**
UKRAINE			0.00	0	**0.00**
CZECH REPUBLIC	0.00		0.00		**0.00**
TOTAL	21,130.70	5,809.64	26,940.34	5,576.66	**32,517.00**

Table I – Russia: imports by country of origin (t) – 2012/13

- ### Table olives

In 2012/13, Russia imported 75 177 t of table olives, 11 pc more than in 2011/12. Chart II shows the monthly changes in imports over three crop years (2010/11, 2011/12 and 2012/13) when import volume totalled 72 006 t, 67 963 t and 75 177 t, respectively. Ninety-six per cent of all imports came from the European Union, 92 pc of which were from Spain, 5 pc from Greece, and the rest from Turkey, Italy and other countries. All the table olives were imported under code 20057000 (olives, prepared or conserved, except in vinegar/acetic acid, not frozen). Further information on monthly imports on the Russian market is reported in section I.2 of this newsletter.

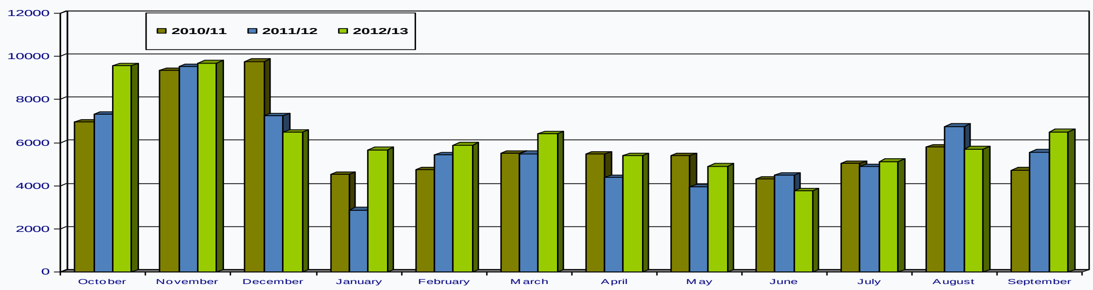


Chart II – Russia: monthly imports of olive oils and olive pomace oils through the last three crop years

I. WORLD MARKET FOR OLIVE OIL AND TABLE OLIVES

1. OLIVE OIL – MARKET PERFORMANCE IN 2013/14

Between October 2013 and February 2014, the first five months of the 2013/14 crop year, trade in olive oil and olive pomace oil decreased overall by 9 pc in the seven countries listed below, falling from 247 347.1 t to 224 726.3 t. Individually, Japan is the only market where imports increased (+2 pc, above all because they picked up in February 2014). In the other countries, five-month imports dropped on average by 31 pc in China, 16 pc in Australia, 14 pc in Brazil, 10 pc in Canada, 6 pc in the United States and 3 pc in Russia. Focusing on February, imports recovered in Australia, Japan and Russia, thus consolidating the upturn that began in December or January, but did not do so elsewhere. In point of fact, they decreased in Brazil (-4 pc), Canada (-18 pc) and China where imports recorded a large drop of 40 pc in February and 49 pc in January). In the United States, imports turned upwards in January (+9 pc) but fell again in February (-5 pc). Concern about this decrease in imports is also fuelled by the fact that 1 pc growth was forecast for these seven countries in the provisional IOC balances for 2013/14. If the overall drop of 9 pc holds, the current figures in the 2013/14 balance would have to be adjusted to lower world imports by 53 900 t.

At the time of writing, the EU data were not available for January or February 2014 but the figures for the first three months of the season (October–December 2013) report a drop of 2 pc in intra-EU acquisitions and of 10 pc in extra-EU imports (chiefly because of the decrease in November) compared with the same period of the previous crop year. Now that the latest data have come in for olive oil production in Spain, EU imports will probably drop even more sharply than predicted (in the IOC balance, imports in 2013/14 are 39 pc lower than in 2012/13). It must also be remembered that the volume of olive oil available for export in Tunisia will be much lower than in 2012/2013.

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

No	Importing country	October 12	October 13	November 12	November 13	December 12	December 13	January 13	January 14	February 13	February 14
1	Australia	3518.5	2169.9	3857.8	2461.2	1506.2	2004.0	2227.3	2236.5	1905.0	2048.7
2	Brazil	9847.4	9075.3	8995.4	6239.6	6001.3	7156.7	5500.7	5163.6	7855.8	5215.4
3	Canada	4392.0	4014.7	3361.0	2845.6	2568.1	2662.2	4040.8	3649.0	3403.4	2785.0
4	China	2826.8	2609.4	4443.8	3030.7	4732.9	4007.6	6360.5	3268.3	1766.4	1050.3
5	Japan	4431.0	4410.0	4474.0	4386.0	3994.0	3967.0	4253.0	4271.0	3599.0	4039.0
6	Russia	3678.1	2982.0	3358.9	2763.7	2766.0	3174.3	1616.5	1818.0	2346.4	2643.9
7	USA	28507.3	23274.0	25118.0	27163.1	26504.0	21455.9	24570.9	26704.8	19018.9	17979.9
8	Extra-EU/27	14267.4	14233.4	10093.5	6660.6	4407.4	5141.1	8924.3	nd	15411.0	nd
	Intra-EU/27	92208.6	87710.9	76066.0	74318.6	95922.6	95904.2	97359.5	nd	83224.8	nd
	Total	**163677.1**	**150479.6**	**139768.4**	**129869.1**	**148402.5**	**145473.0**	**154853.5**		**138530.7**	

2. TABLE OLIVES – MARKET PERFORMANCE IN 2013/14

In the first five months of the 2013/14 crop year (October 2013–February 2014) table olive imports by the five countries listed in the next table fell overall by 5.5 pc from 157 526.9 t to 149 829.7 t. Itemised scrutiny shows that imports went up for United States (+6 pc, chiefly driven by the December figures) but down for Russia (-14 pc), Brazil (-11 pc) and Canada (-7 pc). Month-to-month import volume is very irregular in Australia and works out at an average decrease of 3 pc. Again, the EU data for January and February 2014 were not available when writing this newsletter. However, in the first three months of the crop year, intra-EU acquisitions dropped by 8 pc and imports from non-EU countries by 3 pc.

Table Olive Imports (t)

Nº	Importing country	October 12	October 13	November 12	November 13	December 12	December 13	January 13	January 14	February 13	February 14
1	Australia	1330.0	1511.0	1858.0	1657.0	1821.0	1905.0	1597.0	1740.0	1906.0	1431.0
2	Brazil	12957.5	11769.2	11357.4	11299.5	10731.5	8721.4	7005.4	6171.8	7419.6	6273.1
3	Canada	2942.0	2795.0	2807.0	2656.0	2997.0	2070.0	2832.0	2622.0	1805.0	2297.0
4	Russia	9574.4	8882.2	9692.4	9073.0	6485.1	5026.1	5680.9	4425.2	5886.7	4802.2
5	USA	10404.0	11434.0	11100.0	10396.0	10050.0	10937.0	9317.0	10483.0	8970.0	9452.0
6	Extra-EU/27	9125.0	8645.3	8147.7	7337.5	8740.1	9368.3	8456.5	nd	8258.8	nd
	Intra-EU/27	35174.6	30248.3	30242.8	28073.4	26733.8	26411.3	26804.0	nd	25034.8	nd
	Total	**81507.5**	**75285.0**	**75205.3**	**70492.4**	**67558.5**	**64439.1**	**61692.8**		**59280.9**	

II. PRODUCER PRICES

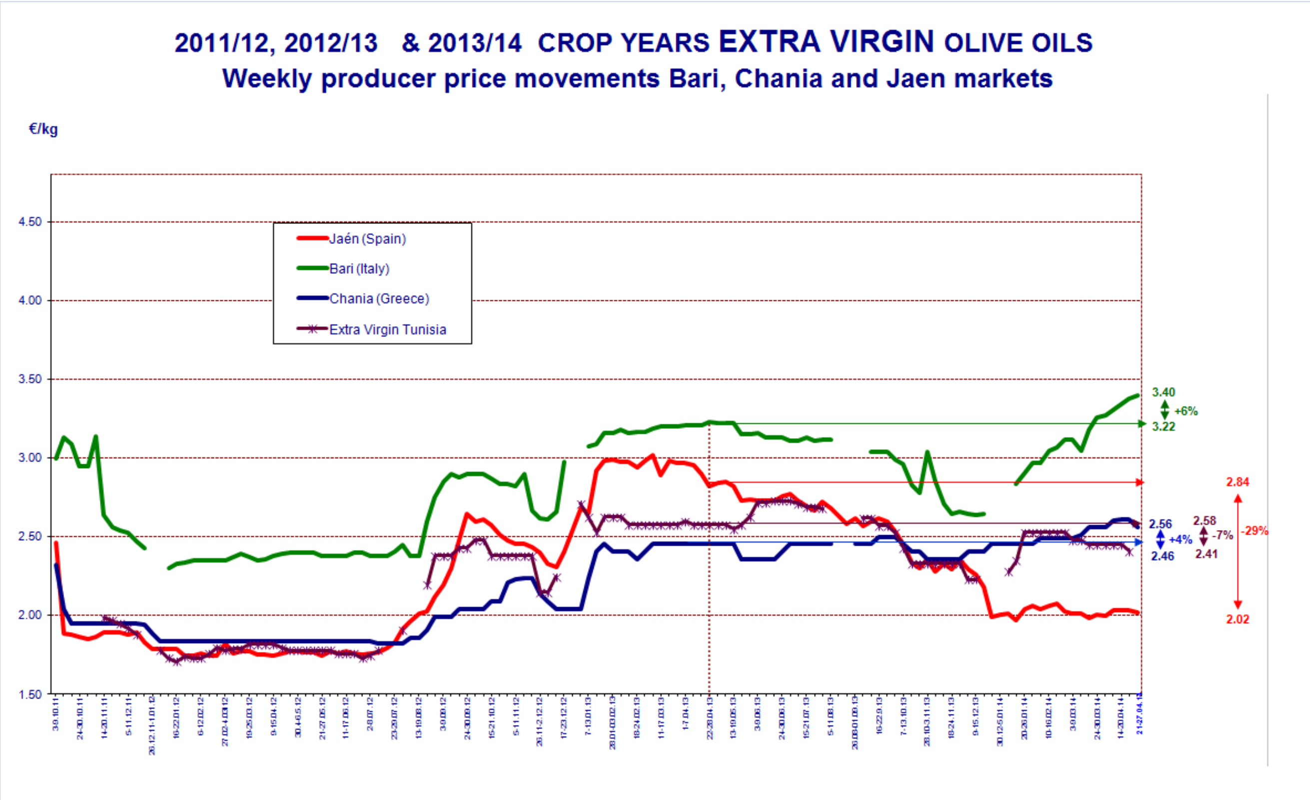
Graph 1 tracks the weekly movements in the prices paid to producers for extra virgin olive oil in the three top EU producing countries plus Tunisia while Graph 3 shows the weekly changes in the producer prices for refined olive oil in the three main EU producers. The monthly price movements for the same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

Extra virgin olive oil: In recent months, producer prices in **Spain** have been moving downwards, reaching €1.97/kg in the second week of January. By the last week of April, they were slightly up at €2.02/kg but still 29 pc lower than the same time a year earlier. At first glance, this trend appears to mirror the recovery in the level of Spain's production. It will be remembered that prices had started to decrease in April 2013 and gathered downward momentum in September 2013, perhaps as a reaction to the announcements of a good harvest in 2013/14. During the period analysed, prices peaked at €3.02/kg at the beginning of March 2013 (see Graph 1) but lately appear to be steadying at around €2/kg.

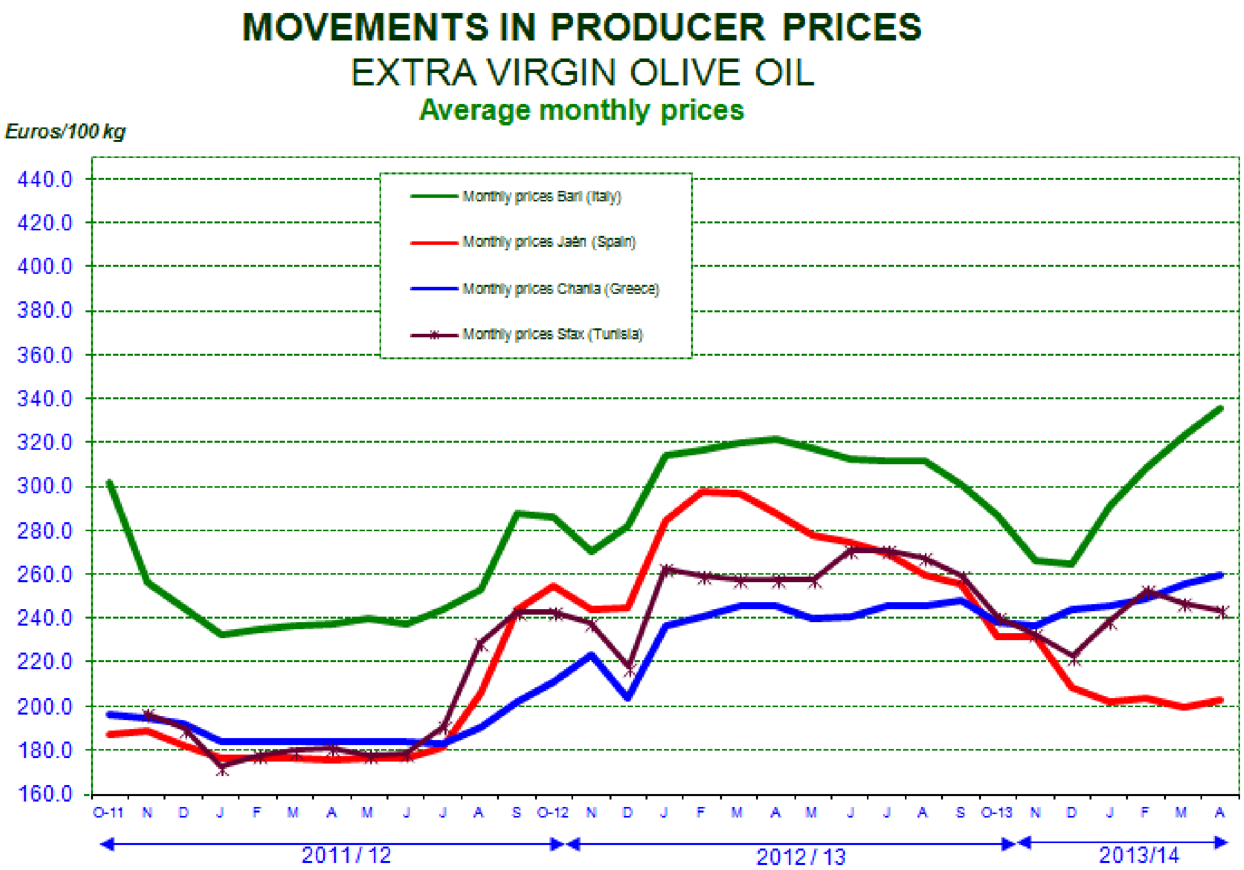
Italy – Producer prices in Italy started to move upwards in December 2013 and reached a period high of €3.40/kg at the end of April (Graph 1), equal to a rise of 6 pc.

Greece. From mid-December 2013 until late January 2014 producer prices in Greece held steady at €2.46/kg, later reaching €2.56/kg by the end of April, which represents an increase of 4 pc on the same period of the preceding season. In all probability, this level ties in with the lower level of Greek production for 2013/14. It should be noted that in September 2013, prices held at €2.50/kg for three consecutive weeks, probably already reflecting the expected drop in production in 2013/14.

Tunisia. At the end of October 2013, producers were paid €2.53/kg for their extra virgin olive oil. After that, prices started moving downwards until late December 2013, when they levelled off, only to drop further to €2.41/kg by the end of April, recording a decrease of 7 pc versus the same period a season earlier. Producer prices in 2012/13 were influenced by the poor harvest in Spain, which generated higher prices than in 2011/12. This season, the combination of a good harvest in Spain and a poor harvest in Tunisia probably partly explains the current level of prices in Tunisia, which have moved away from Spanish prices since early January 2014.



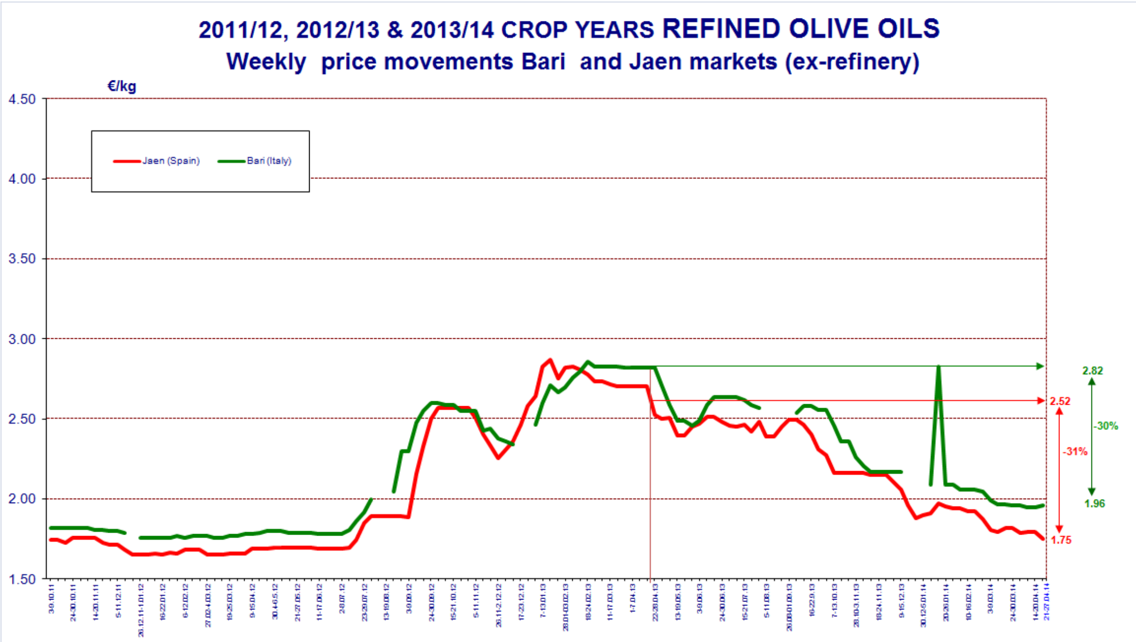
Graph 1



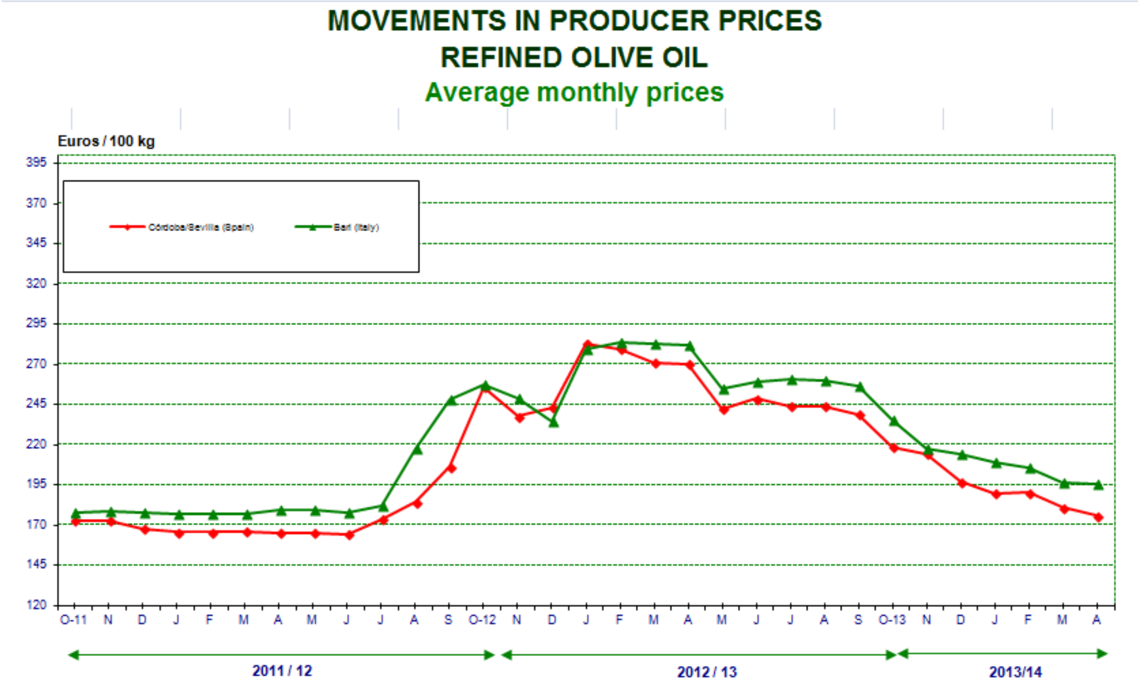
Graph 2

- **Refined olive oil:** The prices paid to producers for refined olive oil continued downwards in Spain, reaching €1.75/kg by the end of April. This is 31 pc lower than the level the same time a year earlier and appears to be connected with the respective volumes of harvest in 2012/13 and 2013/14. Prices in Italy have behaved similarly but reached €2.83/kg by the third week of January, then dropping to €1.96/kg at the end of April. No data are available on this category for Greece.

At the end of April, the price of refined olive oil and extra virgin olive oil in Spain differed by €0.27/kg as the prices of extra virgin grade seem to be levelling off at €2/kg while those of refined product stand at €1.75/kg. In Italy, the difference in price between the two categories is much wider than in Spain, lying at €1.44/kg (Chart 3).



Graph 3



Graph 4

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