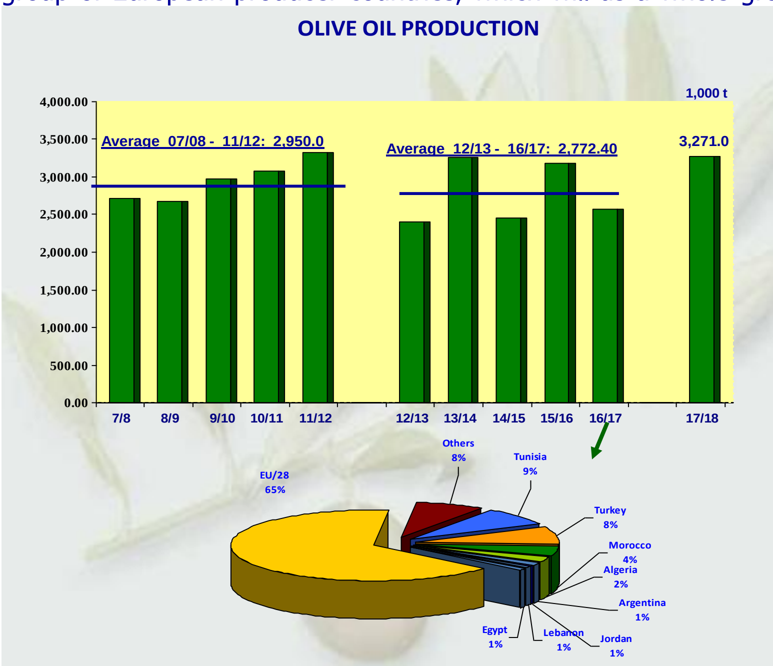
MARKET NEWSLETTER
No 126 – April 2018

51st meeting of the Advisory Committee

The 51st meeting of the Advisory Committee on Olive Oil and Table Olives was held on 24 April 2018 in Amman, Jordan. This Committee brings together professional representatives (producers, consumers, industry and trade) of the olive oil and table olive sector. In addition to presenting the activities of the IOC, the balance figures for the 2016/17 and 2017/18 crop years were analysed, observing changes in the latter compared to the data estimated in November 2017.

Olive oil - 2017/18 crop year – World production (Graph I) for this campaign was estimated in November 2017 at 2 988 500 t, but according to the most recent country figures received, production stands at around 3 271 000 t, which is a 27% increase (+697 000 t) compared to the previous crop year. This increase is driven in part by the group of European producer countries, which will as a whole grow by 22% year-on-year. Although production in Spain will decrease by approximately 3% at 1 250 000 t, it will increase by 137% in Italy (432 000 t); by 64.1% in Greece (320 000 t) and by 80.1% in Portugal (125 000 t). As a whole, these European producer countries will produce more than 2 143 000 t, which is an increase of 391 500 t on the last crop year. Furthermore, production in most IOC member countries will increase, and will reach an approximate total of 950 000 t, which is a 49.8% year-on year increase. Turkey leads this group of countries with a production of 263 000 t (+26%); followed by Tunisia with 280 000 t (+180%); Morocco with 140 000 t (+27%); Algeria with 80 000 t (+27%); Argentina with 37 500 t (+74%); and Jordan with 25 000 t (+25%). Conversely, Palestine is expecting a decrease of 2.6% at 19 000 t. Production in other IOC member countries will stay at similar levels as the previous crop year.



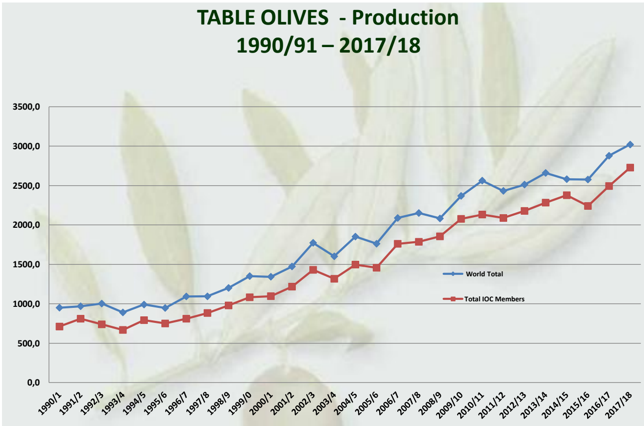
Graph I – World production of olive oil

World olive oil consumption in 2017/18 is expected to reach 2 950 000 t, which is 8% higher than the last crop year.

World exports of olive oil, although still provisional, are expected to reach approximately 975 000 t. European member countries are set to export more than 60% of the world's total, with Spain in the lead with 304 2000 t (+4.4%); followed by Italy with 236 000 t (+18%); Portugal with 39 500 t and Greece with 9 800 t. The group of other member countries outside the European Union are expected to post an increase of 110.3% with a total of 349 500 t. Of these, Tunisia expects to export 200 000 t (+123.5%); Turkey 90 000 t (+100%); Argentina 30 000 t (+82%); Morocco 15 000 t (+114.3%); with the other member countries exporting smaller volumes. Exports from IOC member countries will account for 97% of the world total in this crop year.

Table olives - 2017/18

The 2017/18 crop year is set to be one of the best crop years to date in terms of global production of table olives, which is expected to reach approximately 3 020 500 t, for a 5% year-on-year increase (+142 000 t). European producer countries will see an overall 4% increase, while in this group of countries, Spain will undergo a 6% decrease and Italy and Portugal will see increases of 20% and 18%, respectively. The other IOC member countries expect to see an overall 12% increase, with individual growth in Argentina, Egypt, Israel, Jordan, Lebanon, Morocco, Tunisia and Turkey. Iraq and Libya expect to have a similar crop as last year. Production will decrease in Albania, Algeria, Iran and Palestine.



Graph III – World table olive production

World consumption of table olives is expected to reach 2 786 000 t, which would be a 1% increase compared to the previous crop year, with the main increases in consumption observed in producer countries.

International Seminar – THE OLIVE SECTOR IN THE AMERICAS
22 June 2018, Buenos Aires, Argentina.

The IOC, in collaboration with the Government of the Argentine Republic, which holds the chair of the IOC in 2018, is organising an international seminar on the olive sector in the Americas, which will be held on 22 June 2018, in Buenos Aires, Argentina.

This seminar provides an ideal opportunity to exchange opinions regarding the challenges faced by the olive sector in this continent from a multidisciplinary perspective, with the presence of a number of stakeholders. In this regard, invitations have been sent to senior government officials and representatives of the private sector from the main countries in the continent with an interest in the olive sector.

The seminar will address the following subjects: the situation and outlook of the olive oil and table olive sector in the Americas; olive oil and health; marketing and olive product sale trends; and the sensory analysis of virgin olive oil.

The IOC will present the activities that it is conducting in its three main areas of work: olive growing, olive oil technology and the environment; economy and promotion; and standardisation, nutrition and health.

Promotion campaigns in China and Australia

In view of the growing importance that the olive sector has acquired in China and Australia, the International Olive Council has launched two ambitious promotion campaigns that seek to bring those countries closer to the IOC and to contribute to the growth and development of their olive sectors.

To launch these campaigns, the IOC has organised an initial visit to China (23–25 May) and to Australia (26–30 May). During these visits, the IOC – represented by Jaime Lillo, the Deputy Executive Director, and Ender Gunduz, the Head of the Economy and Promotion Unit – will meet with the competent government authorities, representatives of the olive industry and local producers, and importers and trade delegations. Their visit will continue on to New Zealand (from 30 May to 3 June) to follow up on the visit that the Minister of Agriculture made to the IOC.

The main expected outcomes of these meetings are, on the one hand, raising awareness of the work conducted by the IOC, its perspective and its objectives and, on the other hand, receiving positive feedback through dialogue and sharing different visions and perspectives concerning the olive sector in these three countries.

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 began the first five months of the 2017/18 crop year (October 2017 – February 2018) with increases in Brazil (16%), Japan, Russia (both 7%) and Canada (2%). Imports however decreased in Australia by 24% and in the United States by 1%. In the case of China, data for February were not available at the time of writing the Newsletter, but imports remained stable in the first four months of the campaign compared to the same period the previous crop year.

In the first four months of the crop year, the EU[1] posted a 36% year-on-year increase in extra-EU imports and a 4% decrease of 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
1	Australia	2295.4	2843.6	3529.7	2039.0	2512.7	2016.3	3516.9	1475.0	2376.7	2498.0
2	Brazil	5232.9	5443.7	6844.5	7285.3	7652.5	7275.6	4363.3	5970.9	3930.6	6393.0
3	Canada	3580.2	4313.7	4873.0	3218.8	2883.7	2888.2	3222.4	3993.4	2842.6	3348.0
4	China	4188.8	2722.0	8375.6	3833.4	4928.6	7696.5	2776.8	6113.6	1852.0	nd
5	Japan	3718.0	4871.0	5987.0	4432.0	3395.0	3946.3	4007.0	4705.3	3034.0	3664.0
6	Russia	2141.1	2254.7	2273.4	2036.0	1745.7	2106.9	1325.9	1783.0	1800.0	1746.5
7	USA	22315.9	27198.7	29150.7	20715.0	21996.1	26836.2	30428.7	25134.8	20021.8	22999.6
8	Extra-EU/27	7774.5	6495.9	8827.0	16739.1	23950.8	25156.9	3177.8	11126.2	9111.2	nd
	Intra-EU/27	81875.5	76468.0	93162.0	91693.2	113387.6	94598.5	93291.0	102812.2	118311.2	nd
	Total	**133122.3**	**132611.3**	**163022.9**	**151991.8**	**182452.7**	**172521.5**	**146109.8**	**163114.4**	**163280.1**	

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

Imports of table olives in the first six months of the 2017/18 crop year (September 2017–February 2018)[2] shows an increase of 5% in Canada and decreases in the rest of markets, down by 8% in Australia, 5% in Brazil and 4% in the United States compared to the same period the previous crop year.

In the first five months of the crop year, the EU[3] posted a 4% increase in intra-EU acquisitions and a 13% increase in extra-EU imports compared to the same period the previous crop year.

Table Olive Imports (t)

No	Importing country	September16	September17	October 16	October 17	November 16	November 17	December 16	December 17	January 17	January 18	February 17	February 18
1	Australia	1705.0	1491.0	1192.0	1285.0	1943.0	1406.0	1479.0	1336.8	1196.0	1023.0	1144.0	1410.0
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
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
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
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	nd
	Intra-EU/27	24999.2	27039.9	29334.5	31116.8	30830.4	29783.5	27758.6	27355.8	20986.6	24501.4	24319.3	nd
	Total	**59330.7**	**55037.3**	**59362.3**	**63096.9**	**66731.4**	**65695.2**	**62036.5**	**65262.6**	**51767.0**	**54419.7**	**52378.1**	

[1] EU data for the month of February were not available when this Newsletter was sent for publication.

[2] According to the new provisions of the International Agreement on Olive Oil and Table Olives, 2015, which came into force on 1 January 2017, "*table olive crop year*" means to the period of twelve months from 1 September of year until 31 of August of the next. Under the 2015 Agreement, the crop year for table olives was the same as that for olive oil (October to September).

[3] EU data for the month of February 2018 were not available when this Newsletter was sent for publication.

II. PRODUCER PRICES - OLIVE OIL

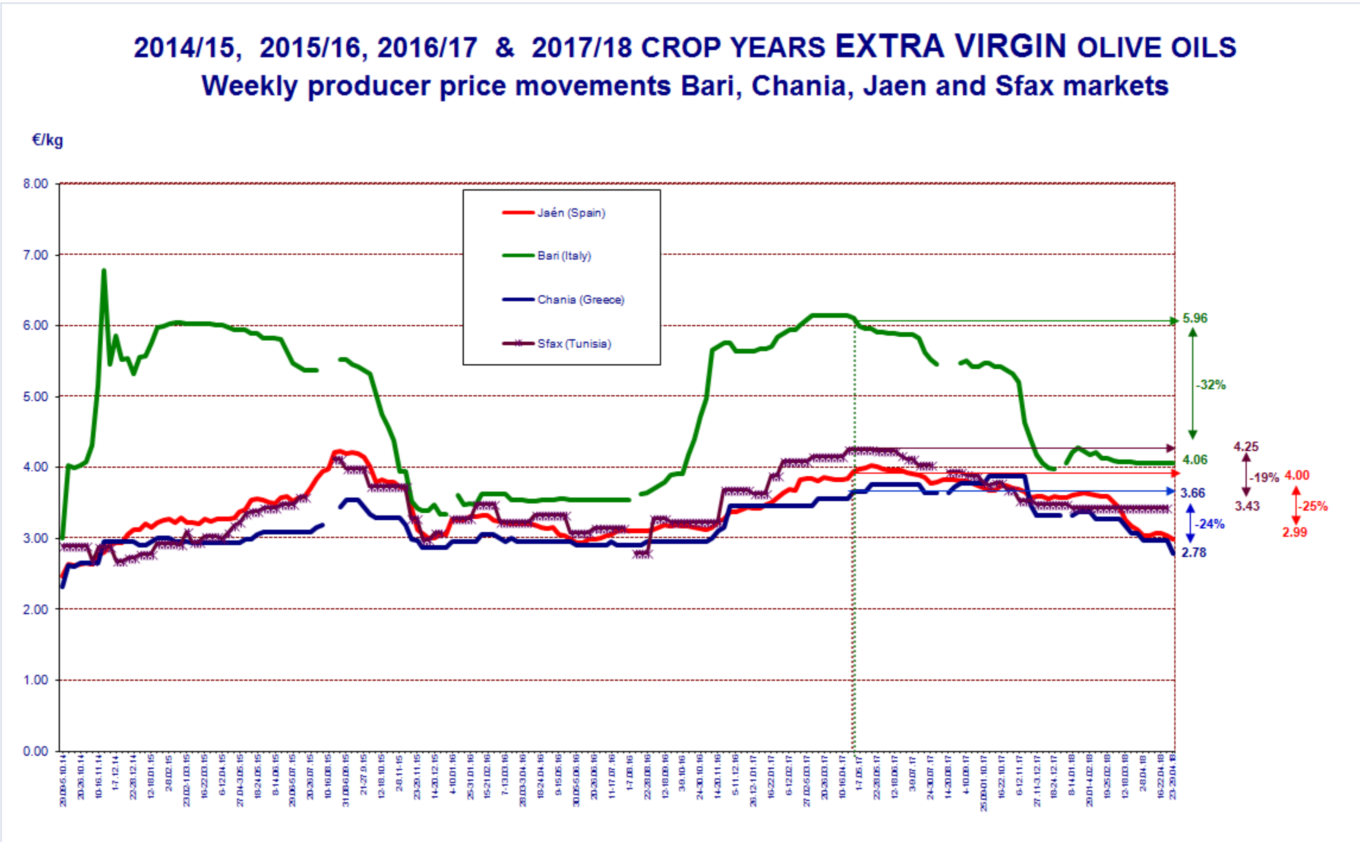
Graph 1 tracks the weekly movements in prices paid to producers for extra virgin olive oil in the top three European producing countries and Tunisia, while Graph 3 shows the weekly changes in producer prices for refined olive oil in the main three EU producers. The monthly price movements for these grades 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 **€2.99/kg** at the end of April for a 25% year-on-year decrease (Graph 1).

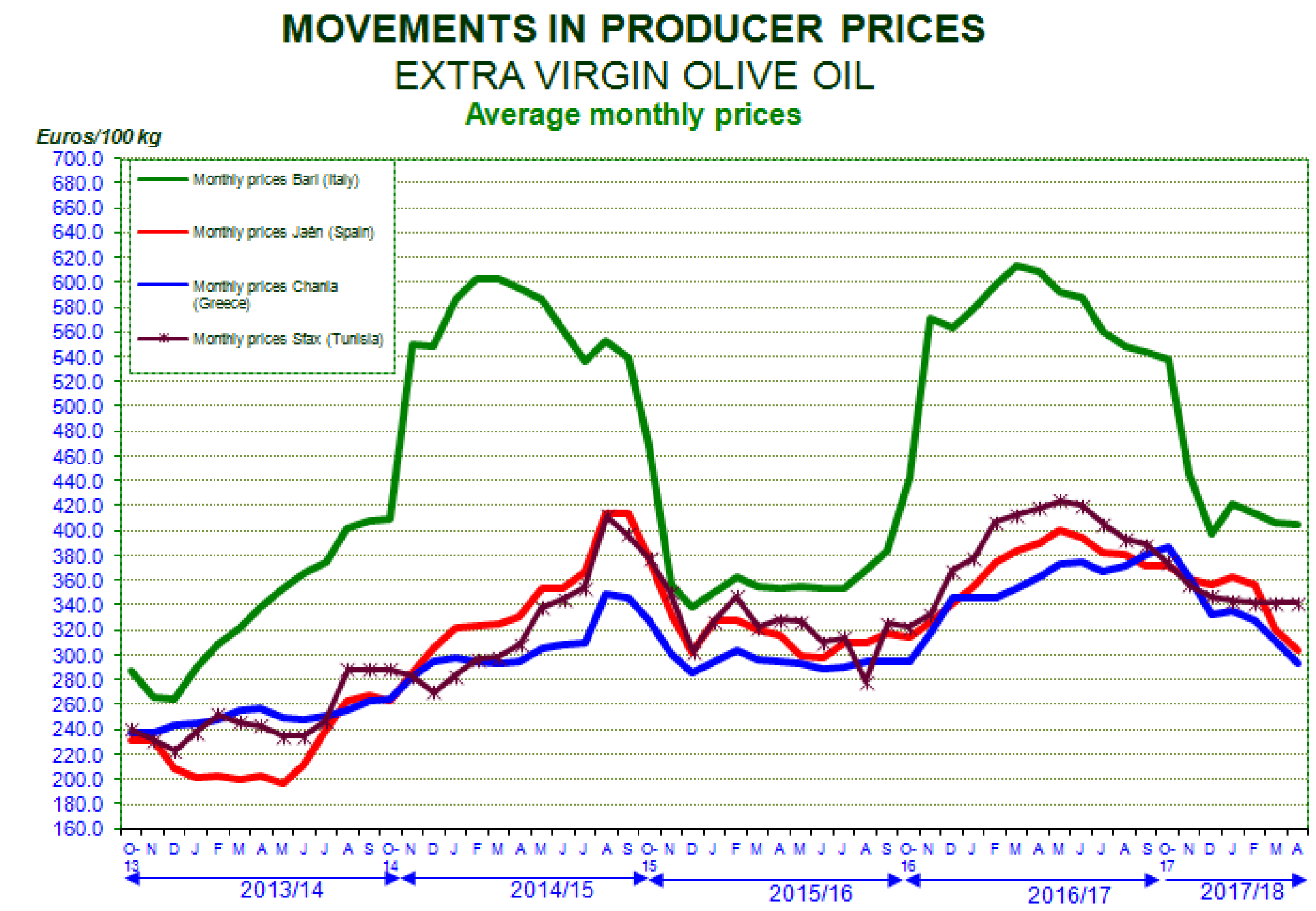
Italy – Following a sharp fall to below €4 in mid-December 2017, prices in Italy have remained stable in recent weeks, coming in at **€4.06/kg** at the end of April 2018, for a 32% decrease compared to the same period the previous year. Graph 2 shows the monthly price movements of the extra virgin olive oil category in recent crop years.

Greece – Prices in Greece have fallen in recent weeks, reaching **€2.78/kg** at the end of April, which is 24% lower than the prices at the same time last year.

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



Graph 1

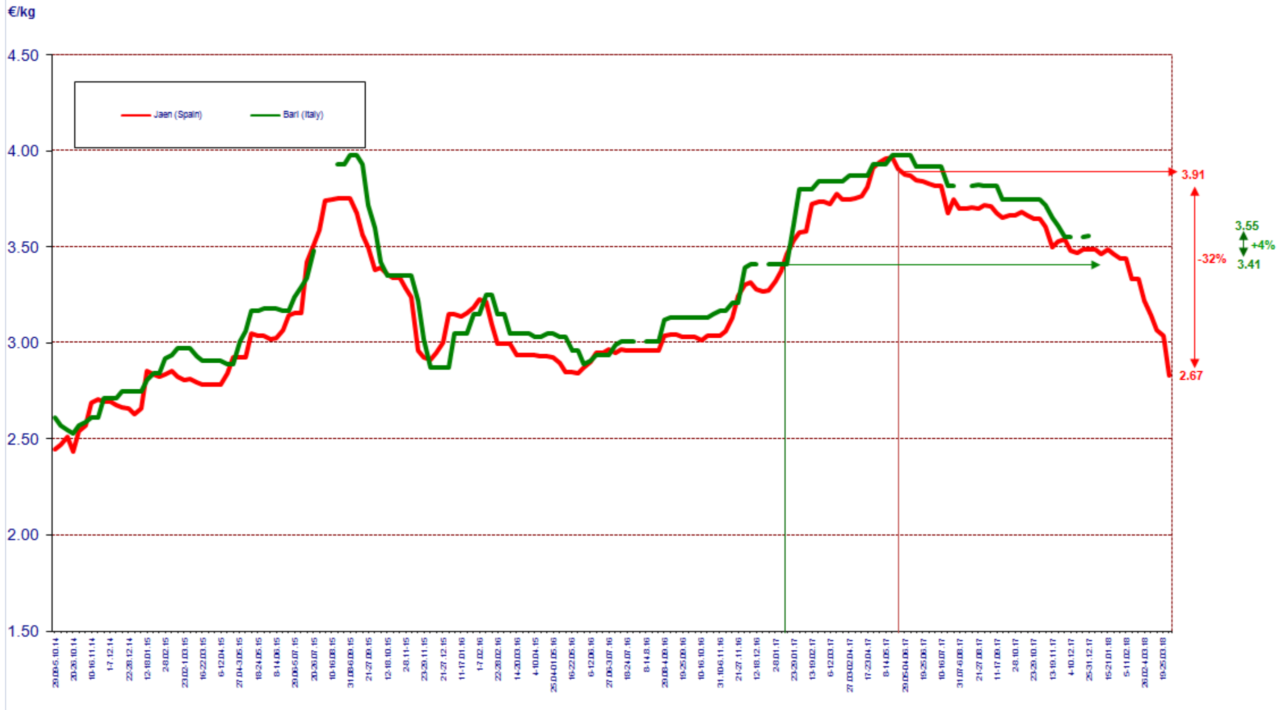


Graph 2

▪ **<u>Refined olive oil</u>**: Producer prices for refined olive oil in Spain and Italy generally follow the same trend as the prices for extra virgin olive oil. The price in **Spain** at the end of April 2018 fell to **€2.67/kg**, dropping by **32%** compared to the same period last year. In **Italy,** data for this category of oil have not been available since the end of December 2017, when they stood at **€3.55/kg**, up by **4%** compared to the previous year**.** No price data are available for this product category in Greece.

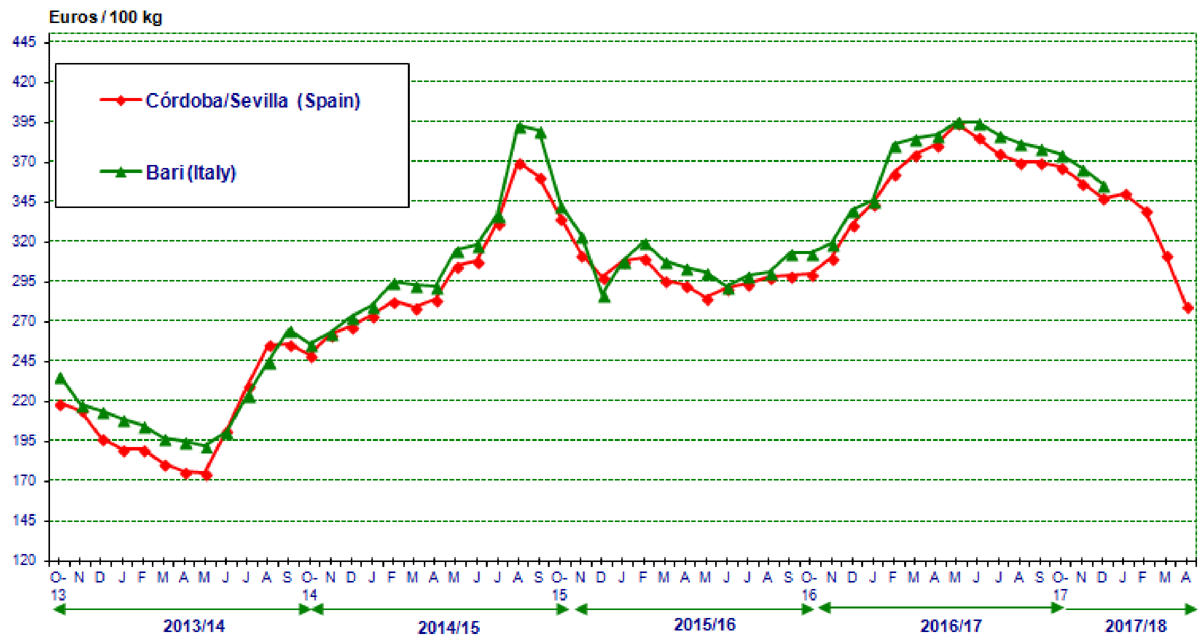
At the end of April 2018, the price difference in Spain between refined oil (€2.67/kg) and extra virgin oil (€2.99/kg) was of €0.32/kg. In Italy the price difference between these two categories was greater than in Spain, according to the December 2017 data, at €0.63/kg (Graph 3).

2014/15, 2015/16, 2016/17 & 2017/18 CROP YEARS REFINED OLIVE OILS
Weekly price movements Bari and Jaen markets (ex-refinery)



Graph 3

MOVEMENTS IN PRODUCER PRICES
REFINED OLIVE OIL
Average monthly prices



Graph 4

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