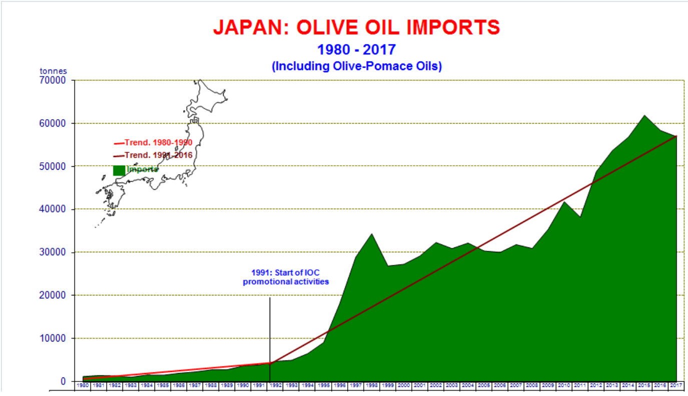
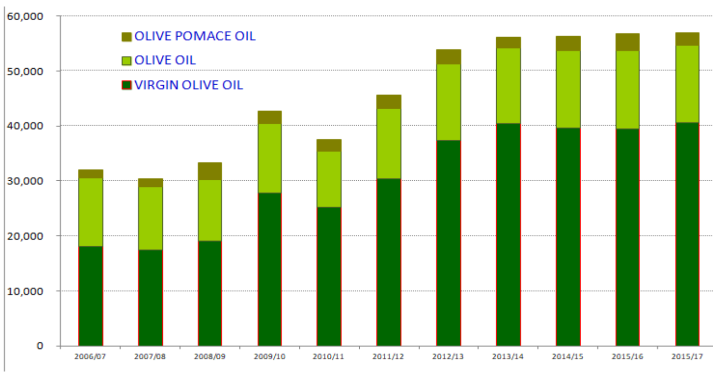
TREND IN IMPORTS OF OLIVE OIL AND OLIVE POMACE OIL IN THE JAPANESE MARKET

JAPAN has closed its imports of olive oil and olive pomace oil for the 2016/17 crop year at 56 853 t, which is up by 0.2% compared to last year. Graph I tracks the movements in this market, which saw a rise in import volumes as of the 1997/98 crop year, as a result of the promotion campaigns that the IOC began in 1991. Ten years later, imports underwent another significant increase, reaching their top levels in the 2014/15 crop year, at almost 62 000 tonnes. With the exception of some isolated troughs, steady growth has been seen over the years.



Graph I – Japan - Trends in the imports of olive oil and olive-pomace oil (t)

Japan is also a small producer with an olive acreage of approximately 500 ha, 85% of which is under intensive farming and 5% is under super-intensive farming, while the traditional system is applied to the rest. Average production of olive oil stands at 30 tonnes. The varieties grown include Arbequina, Frontoio, Nevadillo, Manzanillo, Mission and Lucca.



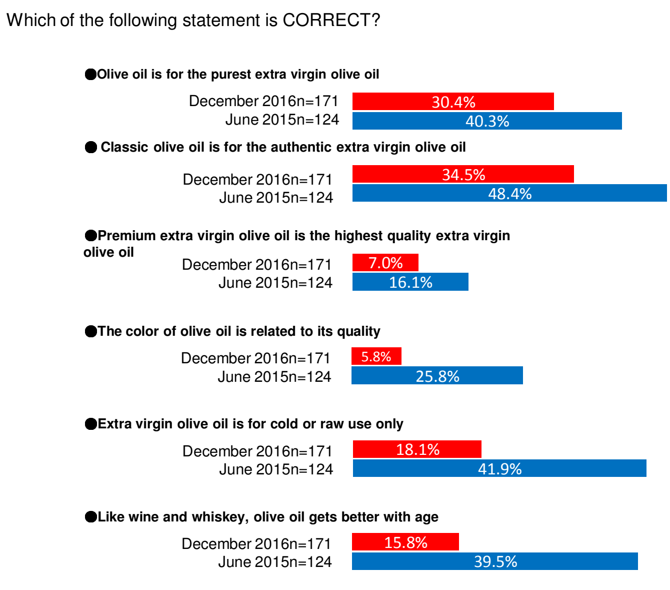
Graph II – Japan - Distribution of imports of olive oil by product category (t)

Graph II tracks the distribution of imports of olive oil in the Japanese market by product category. The olive oil category in most demand is the virgin and extra virgin oil category, with 71% of total imports, olive oil accounts for 25%, followed by olive pomace oil with 4%.

About consumption

People in Japan are choosing extra virgin olive oil for its health benefits. From being a product that was practically unknown owing to different eating habits, since the end of the Second World War, those habits have changed, and olive oil has come to be seen as a health product. Consumers have become more concerned by the idea of the "balanced meal" choosing, for example, salads dressed with extra virgin olive oil.

An increasing amount of information is being published on this product, moving from newspapers and magazines to websites. Recent research carried out in Japan, indicated that 90% of the women interviewed said that they knew of olive oil. This information is mainly a result of the promotion campaigns that have been carried out in this country. The IOC started a promotion campaign in July 2015, running until February 2017, to inform Japanese consumers of the different categories of olive oil and raise awareness of the IOC standard. According to a study based on the survey conducted at the start of the campaign, there was some confusion regarding terminology. A survey conducted later on in the campaign, in December 2016, provided a different picture, showing that important progress had been made although the results also indicated that much could still be done.



Graph III – Japan - Survey of Japanese consumers – IOC promotion campaign

According to this survey, Japanese consumers are now better informed of the uses of olive oil. At the beginning of the campaign, 41.9% of participants in the survey said that extra virgin olive oil was only for cold/raw use, while at the end of the campaign the number had fallen to 18.1%.

The main factors influencing purchase decisions among consumers are "price" and "health". The segment aged 20 to 40 is more aware of "price", while the 50 to 60 segment gives greater importance to "health". Young people in their 20s seem to pay more attention than any other segment to "taste".

The first rise in the consumption of olive oil in Japan took place in 1997/98 (Graph I) and since then, the use of this healthy product has continued to grow, becoming increasingly familiar and known for its health benefits.

There is an increasing interest in quality and the application of the IOC standard to the Japanese market. The Japan Oilseed Processors Association (JOPA) has joined the IOC quality control programme and, as a result, two applications have been received for the recognition of laboratories: one from the Japan Inspection Institute of Fats and Oils (JIIFO), with the collaboration of JOPA, and another for the recognition of the panel of the regional government of Kagawa. In response to this, the IOC has run two training courses on olive oil tasting in the region of Kagawa and in Tokyo.

Returning with the analysis of **the imports of olive oil in the Japanese market**, Table I shows the breakdown of these imports by country of origin. Ninety eight per cent of total imports come from European countries. For the last four crop years, Spain has been in the lead with 59% of the total, followed by Italy with 37% and Greece with 1%. Over the last six crop years, Spain's market share has increased by 16 points, going from 43% in 2011/12 to 59% in 2016/17; Italy's share has fallen by 14 points, going from 51% to 38%; while Greece's share has stayed the same. The remaining 2% is made up by the rest of non-European countries, mainly Turkey, although it lost three points over this period, falling from 4% to 1%.

Over the period detailed in Table I, imports increased by 25% going from 45 571 t in 2011/12 to 56 854 t in 2016/17.

Country	2011/12		2012/13		2013/14		2014/15		2015/16		2016/17	
	t	%	t	%	t	%	t	%	t	%	t	%
Spain	19,502	43	23,526	44	26,455	47	33,584	54	31,455	55	33,757	59
Italy	23,267	51	25,959	48	24,691	44	25,066	40	22,232	39	20,760	37
Greece	505	1	599	1	670	1	794	1	1,160	2	691	1
France	57	0	51	0	66	0	45	0	47	0	47	0
Portugal	0	0	26	0	27	0	128	0	413	1	213	0
Others UE	44	0	16	0	11	0	18	0	0	0	31	0
Tunisia	32	0	103	0	79	0	83	0	106	0	189	0
Argentina	111	0	105	0	103	0	8	0	0	0	0	0
Chile	61	0	180	0	71	0	104	0	103	0	74	0
Australia	63	0	63	0	60	0	75	0	230	0	185	0
United States	29	0	31	0	32	0	50	0	40	0	36	0
Israel	20	0	35	0	34	0	9	0	0	0	0	0
Turkey	1,841	4	3,219	6	3,893	7	1,884	3	870	2	830	1
Others	38	0	38	0	27	0	56	0	82	0	40	0
TOTAL	**45,571**	**100**	**53,949**	**100**	**56,218**	**100**	**61,903**	**100**	**56,738**	**100**	**56,854**	**100**
EU	43,376	95	50,176	93	51,919	92	59,635	96	55,307	97	55,499	98
Extra-EU	2,196	5	3,774	7	4,299	8	2,268	4	1,431	3	1,354	2

Table I – Japan - Olive oil and olive pomace oil imports by country of origin (t)

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 three months of the 2017/18 crop year (October – December 2017), with increases in the United States, up by 2%, and in Brazil and Japan, both up by 1%. Imports however decreased in China by 19%, in Australia by 17%, and in Canada by 8%. Data for Russia was not available at the time of reporting, but during the first two months of the crop year imports decreased by 3%.

In the EU[1] over the first two months of the crop year, extra-EU imports increased by 40%, the main countries of origin being Tunisia, Argentina and Morocco. Intra-EU acquisitions fell by 4% compared to the same period last year.

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

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

No	Importing country	October 16	October 17	November 16	November 17	December 16	December 17
1	Australia	2295.4	2843.6	3529.7	2039.0	2512.7	2016.3
2	Brazil	5232.9	5443.7	6844.5	7285.3	7652.5	7275.6
3	Canada	3580.2	4313.7	4873.0	3218.8	2883.7	2888.2
4	China	4188.8	2722.0	8375.6	3833.4	4928.6	7696.5
5	Japan	3718.0	4871.0	5987.0	4432.0	3395.0	3946.3
6	Russia	2141.1	2254.7	2273.4	2036.0	1745.7	nd
7	USA	22315.9	27198.7	29150.7	20715.0	21996.1	26836.2
8	Extra-EU/27	7774.5	6495.9	8827.0	16739.1	23950.8	nd
	Intra-EU/27	81875.5	76468.0	93162.0	91348.6	113387.6	nd
	Total	**133122.3**	**132611.3**	**163022.9**	**151647.2**	**182452.7**	**50659.2**

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

Imports of table olives in the first four months of the 2017/18 crop year (September – December 2017)[2], year-on-year, report a 13% fall in Australia, a 5% fall in the United States, and a 2% fall in Brazil and Canada.

EU data[3] for the first three months of the 2017/18 crop year indicates a 3% increase in Intra-EU acquisitions and a 5% increase in extra-EU imports.

Table Olive Imports (t)

No	Importing country	September16	September17	October 16	October 17	November 16	November 17	December 16	December 17
1	Australia	1705.0	1491.0	1192.0	1285.0	1943.0	1406.0	1479.0	1336.8
2	Brazil	10420.7	7949.2	7994.2	9492.3	10718.4	11115.3	11311.1	11055.2
3	Canada	2237.0	2077.0	2225.0	2843.0	3039.0	2539.0	2864.0	2663.6
4	USA	13398.0	10237.0	11758.0	11055.0	12898.0	12596.0	10549.0	12469.9
5	Extra-EU/27	6570.8	6243.2	6858.6	7304.8	7302.6	8255.4	8074.8	nd
	Intra-EU/27	24999.2	27039.9	29334.5	31116.8	30830.4	29619.5	27758.6	nd
	Total	**59330.7**	**55037.3**	**59362.3**	**63096.9**	**66731.4**	**65531.2**	**62036.5**	

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 slightly over the last weeks, settling at **€3.51/kg** which is a 9% decrease compared to the previous year (Graph 1).

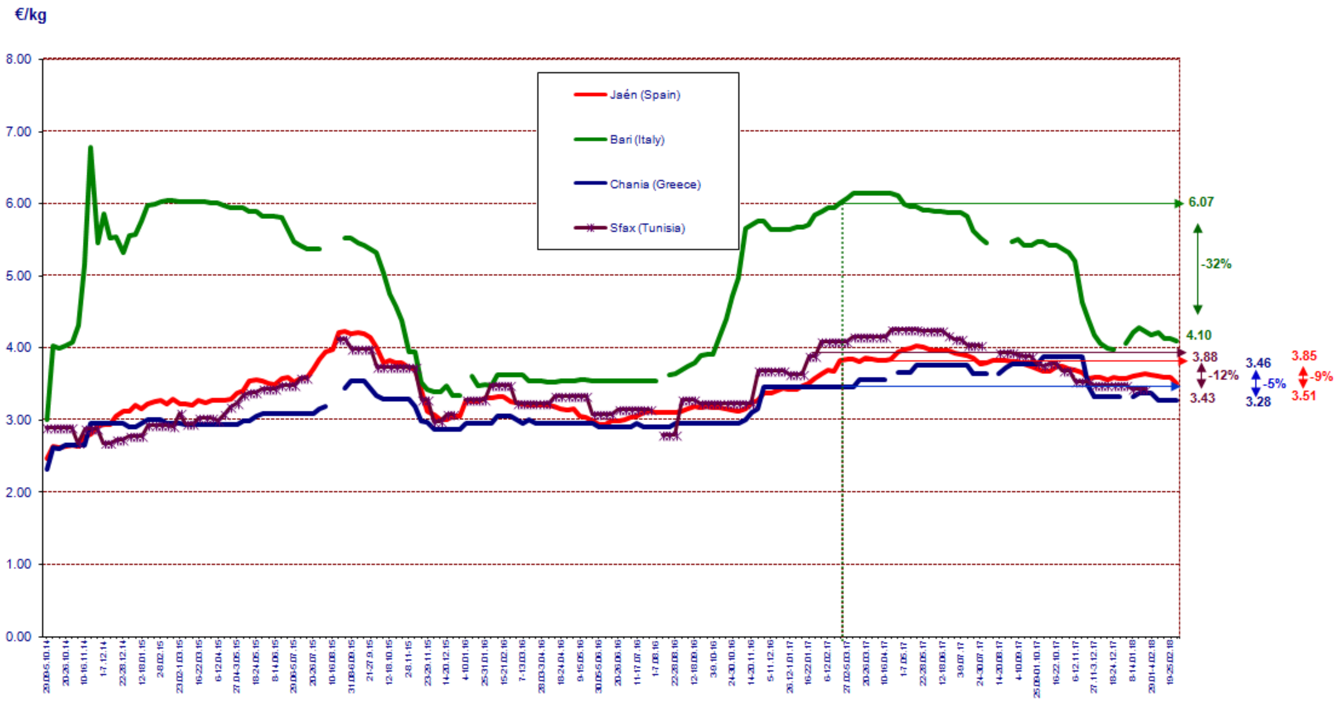
Italy – Prices in Italy fell sharply to less than €4 in mid-December 2017, then started to climb again, but dipped to **€4.10/kg** at the end of February 2018, which is a year-on-year decrease of 32%. Graph 2 shows the monthly price movements of the extra virgin olive oil category in recent crop years.

Greece – Prices in Greece, as in the other markets, have decreased slightly over the last few weeks, coming in at **3.28€/kg** at the end of February, for a 5% decrease compared to the last crop year.

[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 the period of twelve months from 1 September of one year to 31 August of the next. Under the 2005 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 December were not available when this Newsletter was sent for publication.

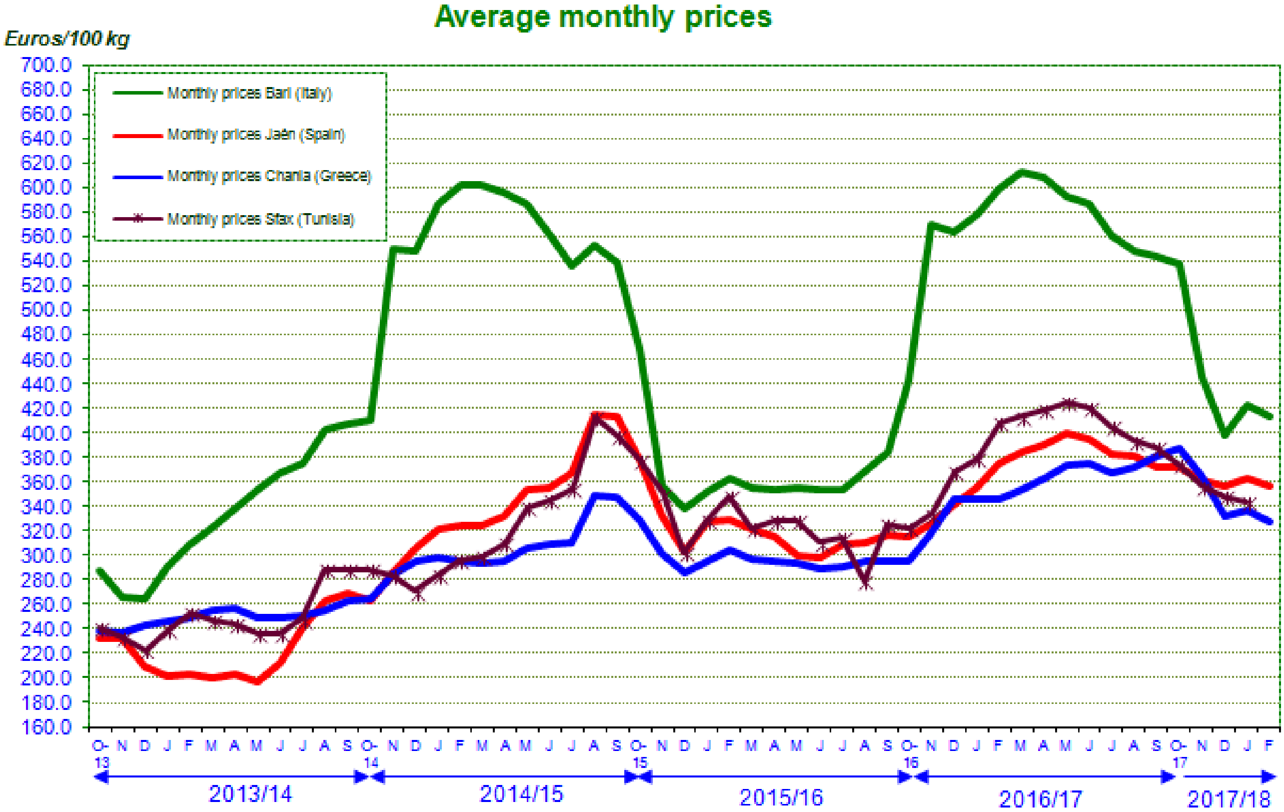
Tunisia – Prices in Tunisia for the month of February were not available at the time of writing. Prices decreased slightly in the last few weeks of January, falling to **€3.43/kg**, for 12 % year-on-year decrease.

2014/15, 2015/16, 2016/17 & 2017/18 CROP YEARS EXTRA VIRGIN OLIVE OILS
Weekly producer price movements Bari, Chania, Jaen and Sfax markets



Graph 1

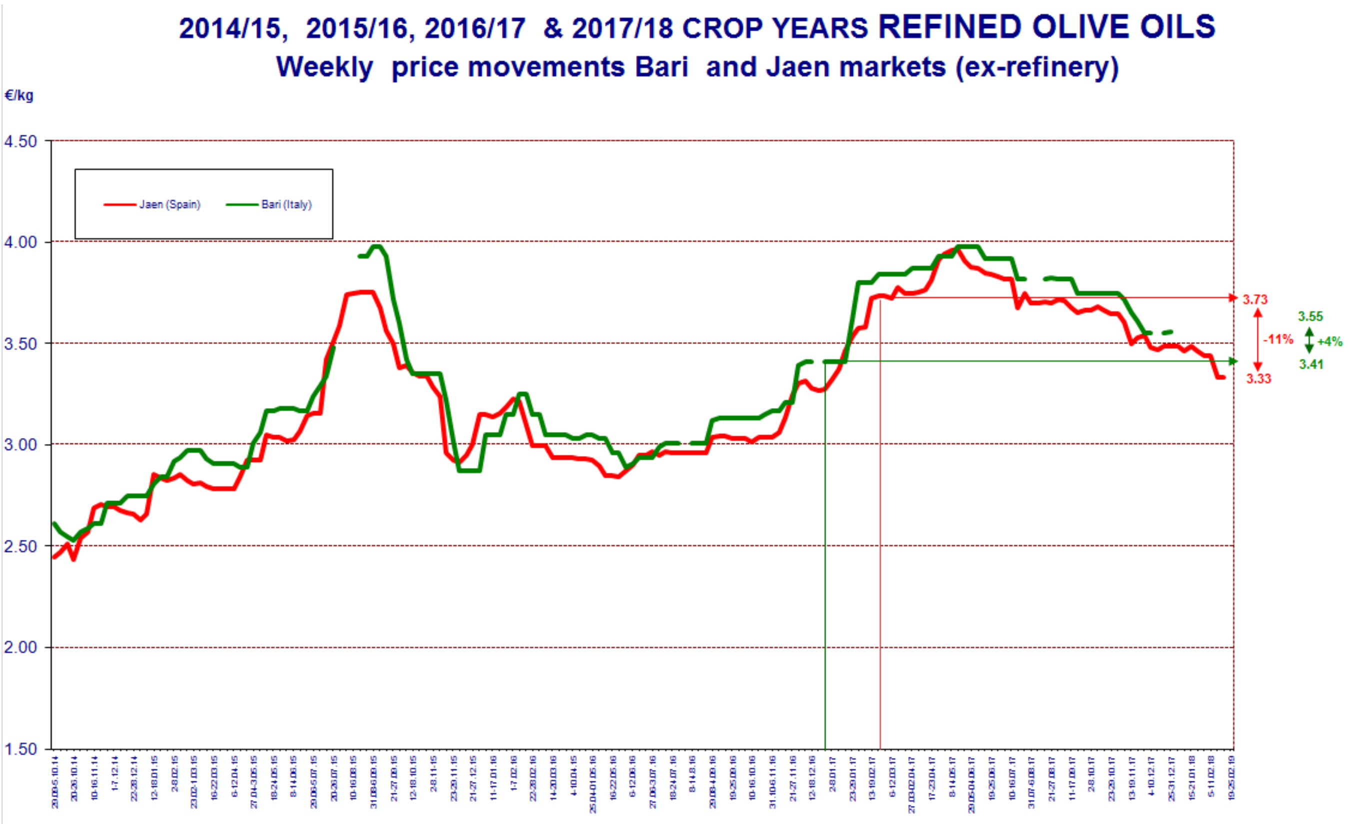
MOVEMENTS IN PRODUCER PRICES
EXTRA VIRGIN OLIVE OIL
Average monthly prices



Graph 2

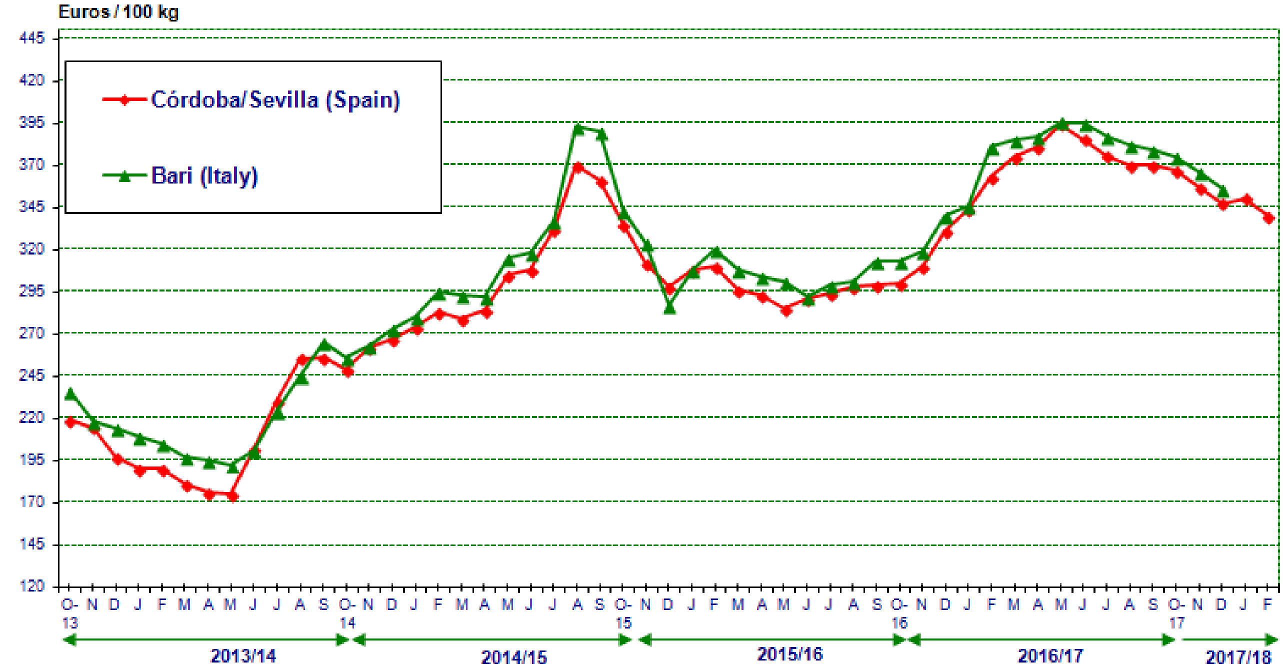
▪ **Refined olive oil**: Producer prices for refined olive oil in Spain and Italy generally follow the same trend as the prices for extra virgin olive oil. The price in Spain at the end of February 2018 fell to **€3.33/kg**, down by **11%** compared to the same period the previous year. In **Italy,** data for February for this category of oil were not available. At the beginning of January, prices reached **€3.55/kg** which was a **4%** increase compared to the previous year. No price data are available for this product category in Greece.

At the end of February 2018, the price difference in Spain between refined oil (€3.33/kg) and extra virgin oil (€3.51/kg) was of €0.18/kg. In Italy, the price difference between the two categories was greater than in Spain at €0.63/kg (Graph 3).



Graph 3

MOVEMENTS IN PRODUCER PRICES
REFINED OLIVE OIL
Average monthly prices



Graph 4

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