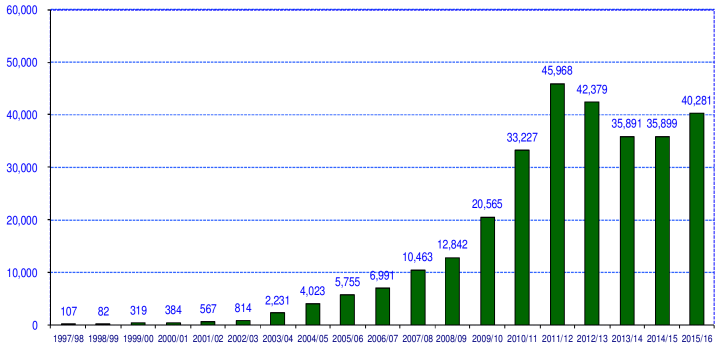
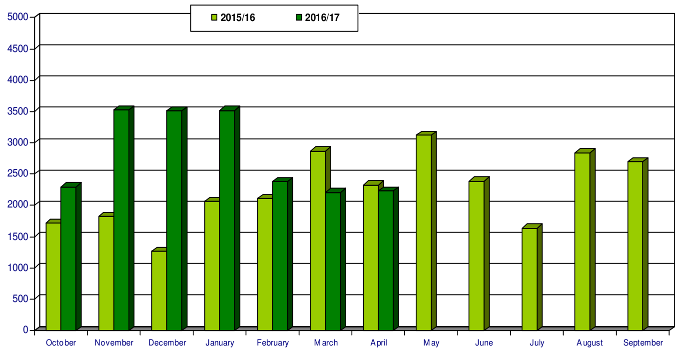
CHINA – OLIVE OIL IMPORT TRENDS

Imports of olive oil and olive-pomace oil in China increased steadily over the period 2001/02 – 2011/12 (graph 1), until they reached a maximum of almost 46 000 t in the 2011/12 crop year. Imports however then suffered year-on-year decreases of 6% and 15% in the 2012/13 and 2013/14 crop years. Now, though, everything seems to point to a recovery in the market. The 2015/16 crop year closed with a 12% year-on-year increase, exceeding 40 000 t. An analysis of monthly data (graph 2) indicates that the highest import volumes are recorded in the first months of the crop year (November, December and January) and that imports over the first seven months of the current crop year rose by 17%.



Graph 1 – China –Trend in olive oil and olive-pomace oil imports by crop years (t)



Graph 2 – China – Trend in monthly imports (olive and olive-pomace oil)

As regards the origin of imports, in the last crop year, 95% came from countries in the European Union (China is the EU's second biggest agri-food market), where Spain took the lead with 80% of imports, followed by Italy with 13% and Greece with 2%. The remaining 5% came from Australia, Tunisia, Morocco and Turkey, which made up the total along with other countries. As regards the volumes of each product category, 77% of total imports came under the virgin and extra virgin olive oil category, followed by olive-pomace oil with 14% and olive oil with 9%.

In the 2015/16 crop year, China produced 5000 t of olive oil, which is a 75% increase compared to the previous year. Of that, 85% was extra virgin olive oil and 15% virgin olive oil. The production of olive oil in 2016/17 is set to exceed 5000 t.

A delegation of Chinese representatives of the science sector and the Chinese standardisation authorities attended the 49th meeting of the Advisory Committee, held on 18 May 2017, as observers and showed great interest in the adoption of the IOC trade standard.

PROPOSAL FOR THE HARMONISATION OF THE CUSTOMS SYSTEM AS REGARDS THE VIRGIN OLIVE OIL GROUP (1509 AND 1510)

The IOC Executive Secretariat has submitted a proposal to the World Customs Organization (WCO) for the reform of the international customs system as regards headings 15.09 and 15.10. The 52nd meeting of the Harmonised System Review Subcommittee was held on 1 June 2017 at the headquarters of the WCO (Brussels, Belgium) and was attended by IOC staff members to propose the aforementioned reform. The IOC is the only international organisation that specialises in olive oil and table olives. Its objectives under the International Agreement on Olive Oil and Table Olives, 2015, include the standardisation of the international trade of olive products. Accordingly, the IOC is responsible for facilitating the study and implementation of measures for the harmonisation of national legislations, particularly as regards the trade of olive oil and table olives, and for fostering international cooperation to prevent and, where necessary, combat fraudulent practices in the international trade of all edible olive products. This why the IOC is proposing that the WCO consider the possibility of aligning the customs headings with the definitions established in the IOC standard for olive oils and olive-pomace oils, providing a definition for each heading, with a view to improving market transparency, preventing fraud and, ultimately, protecting product quality and consumers.

Currently, the classification of the international Harmonised System is not aligned with the IOC's definitions. While the Harmonised System only refers to virgin olive oil (virgin olive oil 15.09.10), the IOC has requested that a distinction be made between three nomenclatures (extra virgin olive oils, virgin olive oil and lampante virgin olive oil). For the 151000 olive-pomace oil group, the IOC requests that a distinction be made between two nomenclatures (crude olive-pomace oils and olive pomace oils).

The Directorate General for Taxation and Customs of the European Union (DG-TAXUD), on the proposal of the Directorate General of Agriculture and Rural Development of the European Commission, has drawn up a new customs nomenclature, published in January 2017 for the virgin olive oil group (150910), providing a level of detail that differentiates between the different types of oils. The 15091010 category, which already existed, refers to lampante virgin olive oils and two new categories have been created: 15091020 for extra virgin olive oil and 15091080 for virgin olive oil. This new differentiation, as well as bringing transparency to the market, enables a more precise analysis of the trends in the different categories of oil. In this regard, the Directorate-General for Agriculture and Rural Development, together with TAXUD, continue working to differentiate between containers (bottled or bulk) for the three most-consumed categories of olive oil, extra virgin olive oil, virgin olive oil and olive oil.

As we already indicated in Newsletter No 81 of March 2014, since July 2013, the Foreign Agricultural Service of the United States Department of Agriculture, has been developing a new customs nomenclature for the virgin olive oil group (150910) that differentiates between four types of olive oil (organic extra virgin olive oil; extra virgin olive oil; organic virgin olive oil and virgin olive oil). In respect of these four categories, a differentiation is also made between <18kg and > 18kg containers.

I. WORLD TRADE IN OLIVE OIL AND TABLE OLIVES

1. OLIVE OIL - 2016/17

Imports in olive oil and olive-pomace oil in the eight markets listed in the table below, over the first seven months (October 2016–April 2017) of the current crop year grew by 36% in Brazil; 32% in Australia; 17% in China; 8% in Canada and 4% in Japan. In the United States imports fell by 1% compared to the previous year, although imports in April 2017 increased by 34% compared to the same month the previous year. At the time of publishing the Newsletter, data for Russia was only available for the month of March 2017, showing a 2% year-on-year increase.

EU[1] figures for the first six months of the current crop year (October–March 2017) report that intra-EU acquisitions have risen by 11% and imports from outside the EU have fallen by 12% compared to the same period the previous year.

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

No	Importing country	October 15	October 16	November 15	November 16	December 15	December 16	January 16	January 17	February 16	February 17	March 16	March 17	April 16	April 17
1	Australia	1717.8	2295.4	1818.9	3529.7	1265.9	2512.7	2065.8	3516.9	2109.3	2376.7	2868.5	2206.4	2324.4	2225.4
2	Brazil	5529.5	5232.9	4853.6	6844.5	2689.6	7652.5	4394.6	4363.3	3169.2	3930.6	2660.4	3930.6	4079.5	5397.1
3	Canada	3092.5	3580.2	2875.6	4873.0	3193.2	2883.7	3015.8	3222.4	3835.0	2842.6	3745.1	4200.9	3883.2	3882.6
4	China	3106.7	4188.8	3219.6	8375.6	6015.2	4928.6	3067.6	2776.8	1501.0	1852.0	3680.2	2410.9	2575.8	2579.0
5	Japan	4492.0	3718.0	3791.0	5987.0	3097.0	3395.0	3402.0	4007.0	3916.0	3034.0	4876.0	4328.0	5608.0	4829.0
6	Russia	1785.8	2141.1	2084.0	2266.8	1940.6	1745.7	1390.1	1325.9	1765.0	1800.0	2424.1	2354.0	2652.6	nd
7	USA	28580.0	22315.9	20324.3	29150.7	23627.0	21996.1	26922.3	30428.7	22368.4	20021.8	35723.2	23209.0	25427.8	33968.4
8	Extra-EU/27	17568.3	7774.5	8433.7	8827.0	10600.9	23950.8	8787.2	3177.8	11346.1	9111.2	12666.1	8328.9	5493.6	nd
	Intra-EU/27	65823.0	81875.5	81263.5	93162.0	112768.4	113387.6	96573.4	93291.0	102171.0	118311.2	89644.1	109296.6	88969.7	nd
	Total	**131695.6**	**133122.3**	**128664.2**	**163016.3**	**165197.8**	**182452.7**	**149618.8**	**146109.8**	**152181.0**	**163280.1**	**158287.7**	**160265.3**	**141014.6**	**52881.5**

[1] EU data for April 2017 were not available at the time of publishing this Newsletter.

2. TABLE OLIVES - 2016/17

Table olive imports in the first eight months of the 2016/17 crop year[2] (September 2016–April 2017) in the five markets that appear in the table below report an increase of 19% in Brazil, while in Australia they have remained at the same level as the previous crop year. They however fell in Canada by 3% and in the United States by 2% compared to the previous crop year.

EU[3] figures for the first seven months of the 2016/17 crop year (September 2016 - March 2017) reported that intra-EU acquisitions decreased by 1% and that extra-EU imports increased by 5% compared to the same period the previous crop year.

Table Olive Imports (t)

No	Importing country	September 15	September16	October 15	October 16	November 15	November 16	December 15	December 16	January 16	January 17	February 16	February 17	March 16	March 17	April 16	April 17
1	Australia	1376.0	1705.0	1156.0	1192.0	1469.0	1943.0	1682.0	1479.0	1355.0	1196.0	1116.0	1144.0	1875.0	1426.9	1505.0	1452.0
2	Brazil	7394.7	10420.7	7793.4	7994.2	9311.3	10718.4	8834.9	11311.1	6034.8	9330.4	7737.9	8466.5	8273.8	10043.1	7701.3	7091.6
3	Canada	2186.0	2237.0	2636.0	2225.0	3090.0	3037.0	3003.0	2864.0	1494.0	1790.0	1843.0	1943.0	2738.0	2170.0	2280.0	2505.0
4	USA	12256.0	13398.0	12738.0	11758.0	11635.0	12898.0	11997.0	10549.0	8133.0	10139.0	11348.0	9256.0	15441.0	12894.0	11179.0	11852.0
5	Extra-EU/27	5972.3	6570.8	6386.7	6858.6	7133.3	7302.6	7836.3	8074.8	7633.0	8325.0	7568.4	7249.3	8731.2	9493.4	10433.6	nd
	Intra-EU/27	26220.1	24999.2	30114.0	29334.5	31646.4	30830.4	30882.0	27758.6	21716.1	20986.6	22609.5	24319.3	26037.7	28396.3	24834.6	nd
	Total	**55405.1**	**59330.7**	**60824.1**	**59362.3**	**64285.0**	**66729.4**	**64235.2**	**62036.5**	**46365.9**	**51767.0**	**52222.8**	**52378.1**	**63096.7**	**64423.7**	**57933.5**	

II. PRODUCER PRICES – OLIVE OIL

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

Extra virgin olive oil – Producer prices in **Spain** over the last few weeks slackened slightly coming in at **€3.92/kg at the end of June 2017**, which was a 29% increase compared to the same period the previous year. A comparison of this price with the maximum price in the third week of August 2015 (€4.23/kg) reveals a 7% decrease (Graph 1).

Italy – Prices in Italy dropped somewhat in recent weeks, coming in at **€5.87/kg** at the end of June, which is a 66% year-on-year increase. Graph 2 shows the movements in monthly prices for the extra virgin olive oil category in recent crop years.

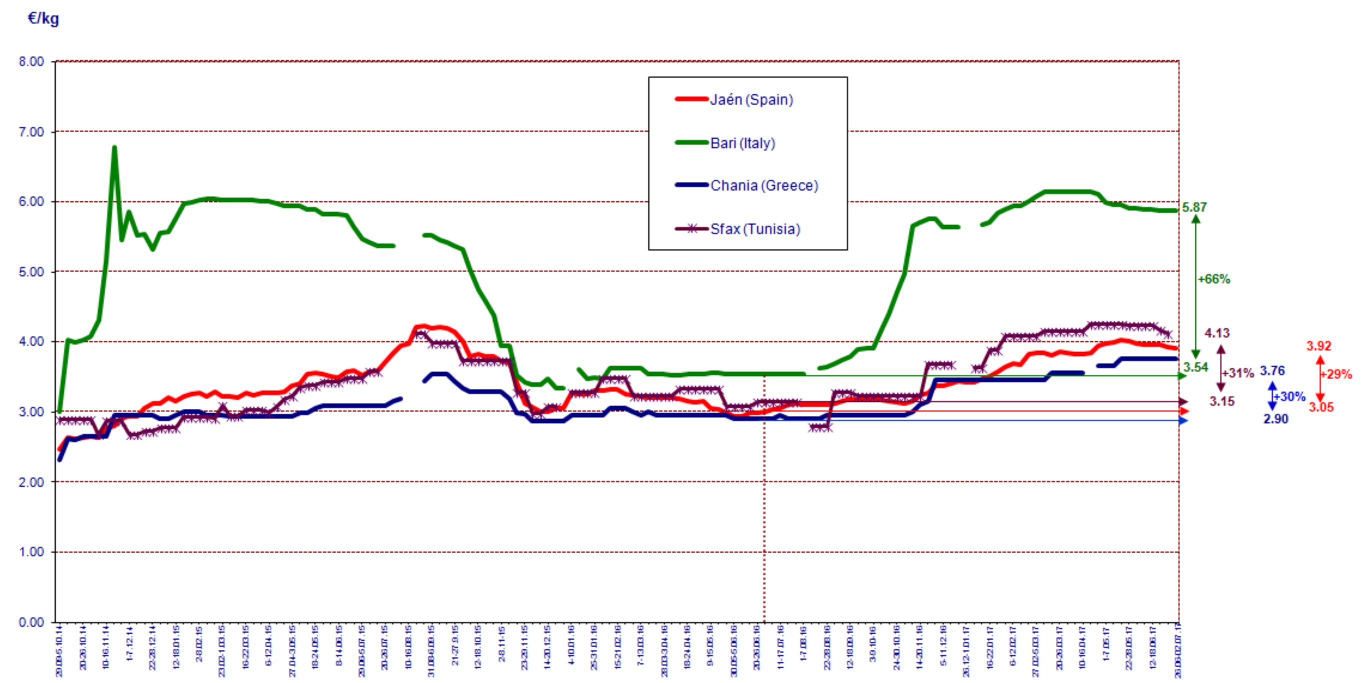
Greece – The prices in Greece have remained stable in recent weeks, coming in at **€3.76/kg** at the end of June, which is a 30% increase compared to the same period the previous year.

Tunisia – Prices in Tunisia, following a period of stability since mid-April decreased slightly as of mid-June and came in at **€4.13/kg** at the end of June 2017 for a 31% year-on-year increase.

[2] According to the new 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 running between 1 September of one year and 31 August of the next. In the 2005 Agreement, the crop year for table olives was the same as that for olive oil (October to September).

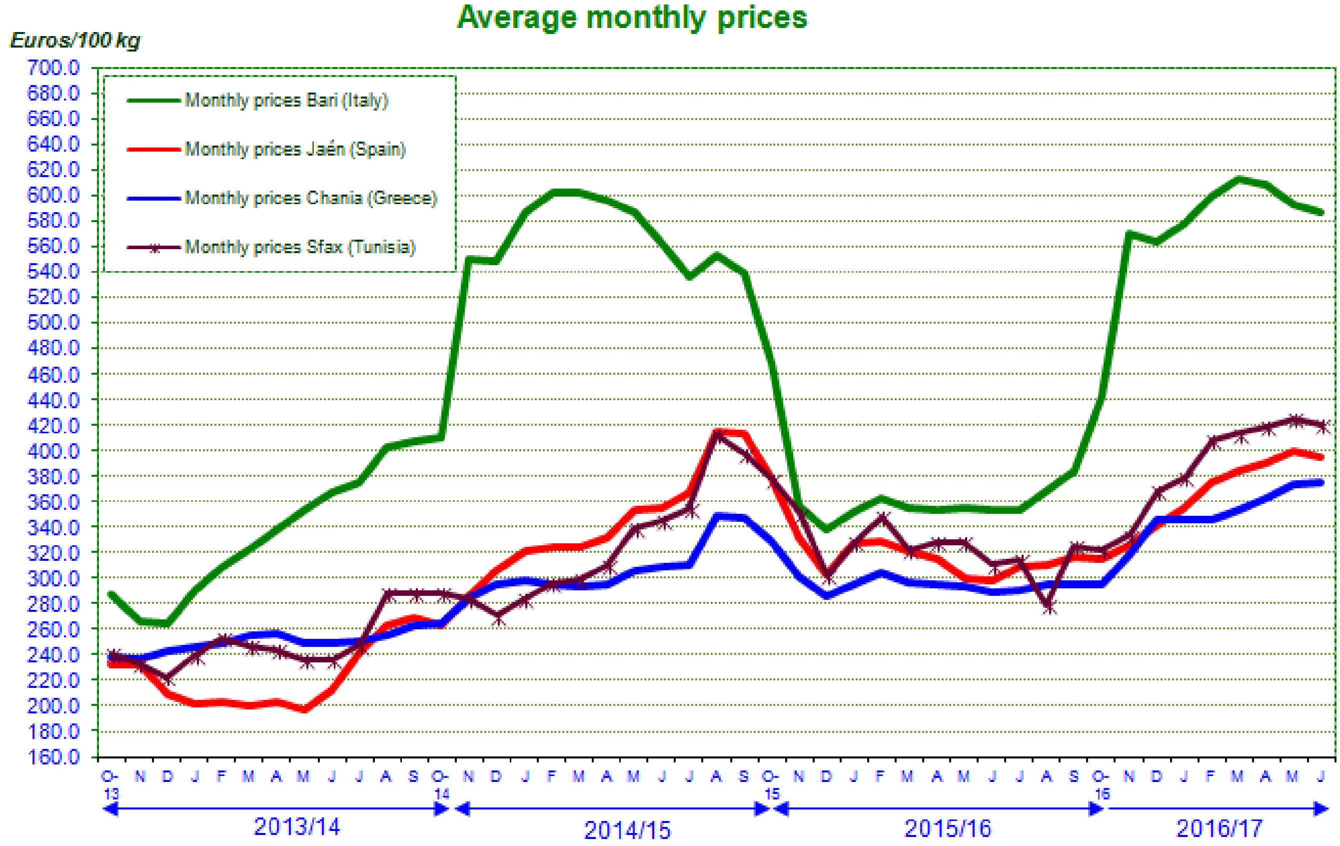
[3] EU data for April 2017 were not available at the time of writing

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



Graph 1

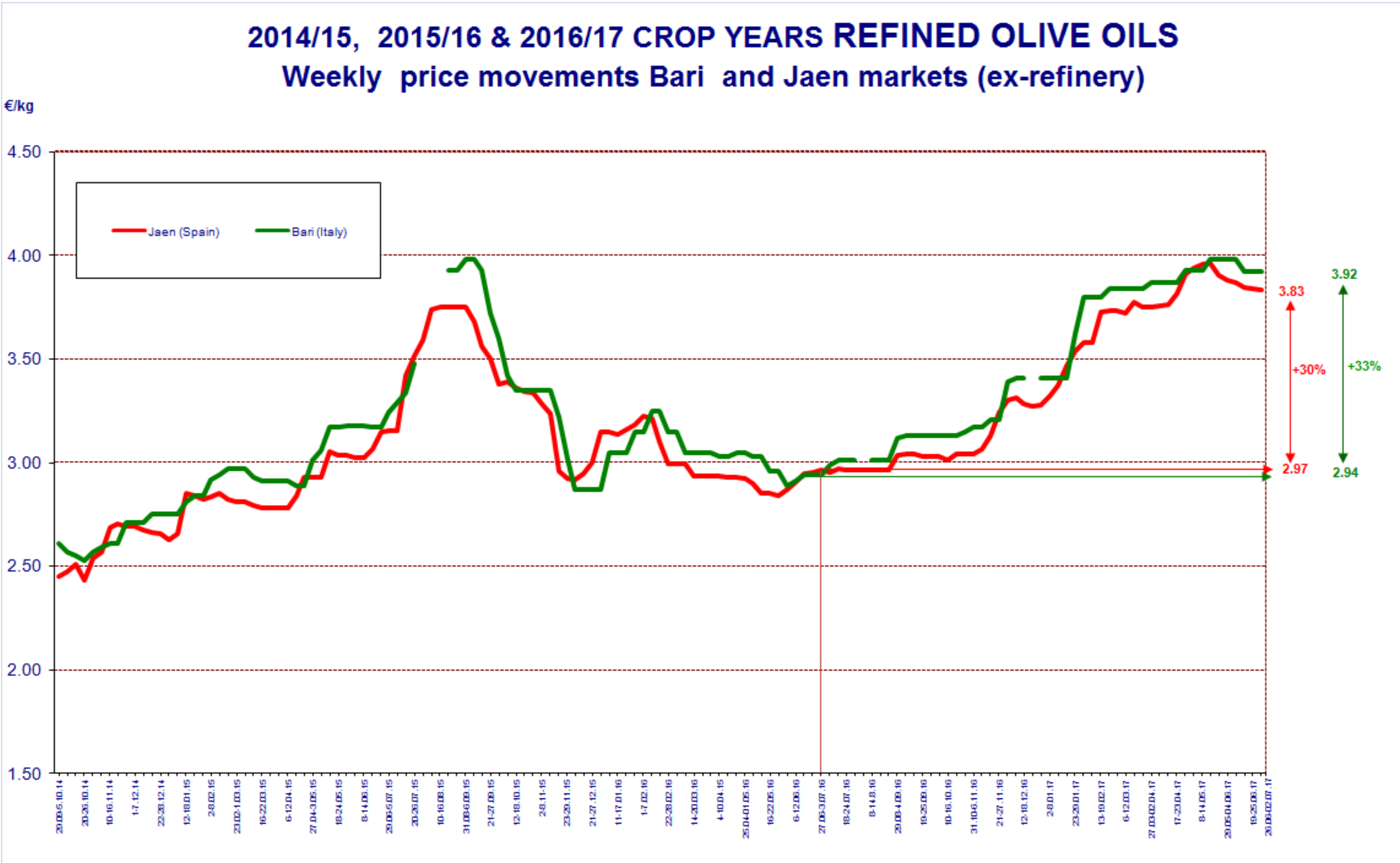
MOVEMENTS IN PRODUCER PRICES
EXTRA VIRGIN OLIVE OIL
Average monthly prices



Graph 2

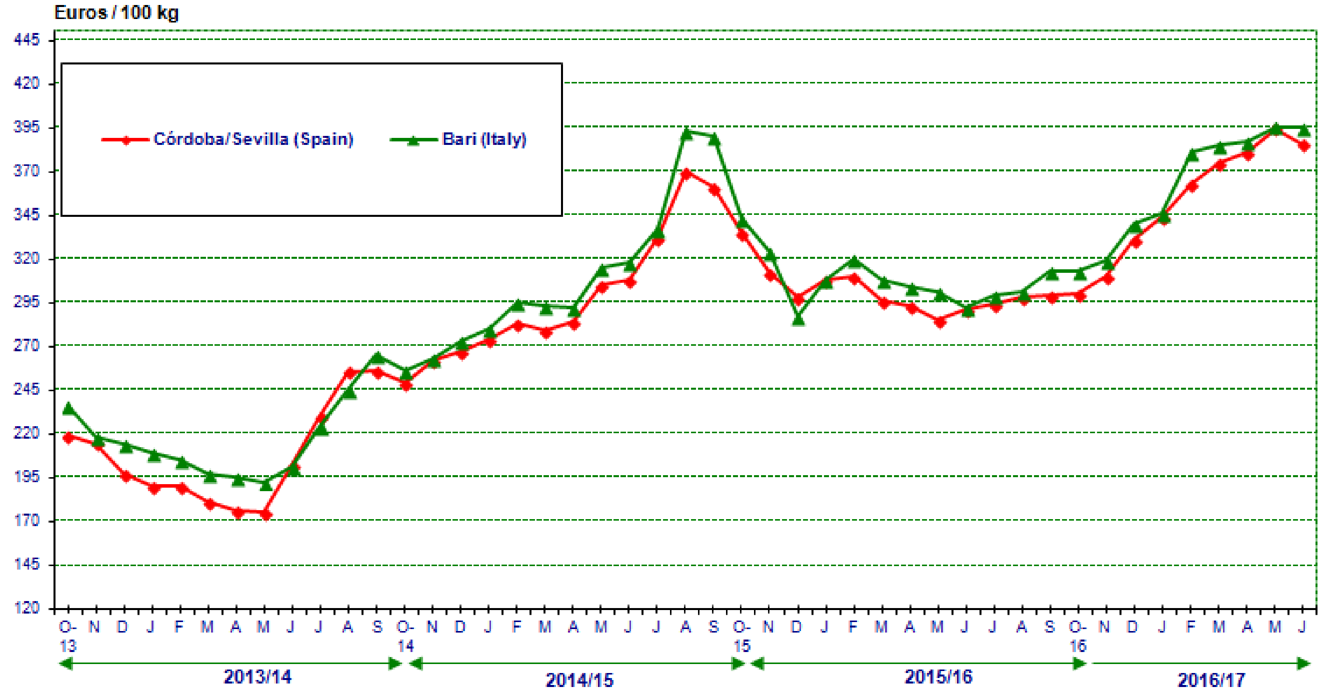
Refined olive oil: The producer prices for refined olive oil in Spain and Italy generally follow the same trend as the prices for extra virgin olive oil. The price in **Spain** at the end of June 2017 stood at **€3.83/kg**, up by 30% compared to the previous year. In **Italy** the price reached **€3.92/kg,** which is a 33% year-on-year increase. No price data are available for this product category in Greece.

At the end of June 2017, the price difference in Spain between refined olive oil (€3.83/kg) and extra virgin oil (€3.92/kg) was of €0.09/kg. In Italy, the price difference between the two categories was greater than in Spain at €1.95/kg (Graph 3).



Graph 3

MOVEMENTS IN PRODUCER PRICES
REFINED OLIVE OIL
Average monthly prices



Graph 4

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