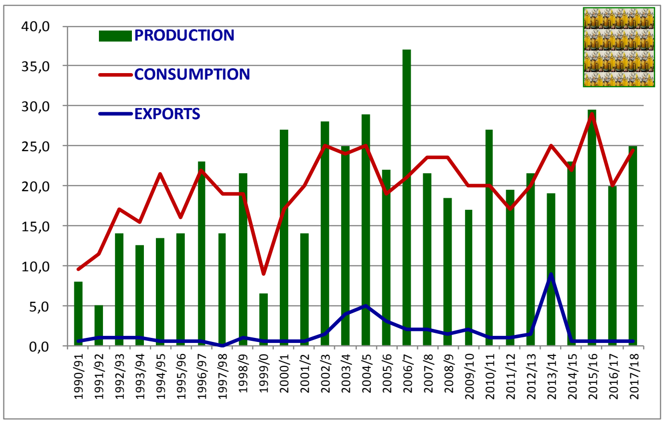
Olive Growing in Jordan

At the invitation of the "*Jordan Olive products exporters Association*" (JOPEA) and the Jordanian authorities, the 51st meeting of the Advisory Committee will be held in Amman (Jordan) on 24 April 2018. Jordan has been a Member of the IOC since December 2002, and has participated actively since then both in the successive International Agreements on Olive Oil and Table Olives and in the working groups created to monitor the Organisation's activities.

The olive sector is one of the most important sectors in Jordan due to the large volume of investment it attracts, estimated at more than 1000 million Jordanian dinars in 2010. It is one of the oldest historic olive habitats in the world and the olive tree is considered to be an important part of Jordanian heritage.

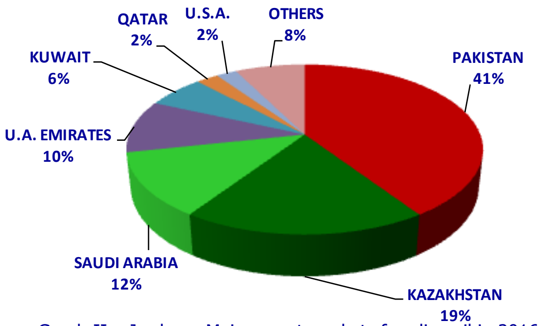
The Middle East has been cultivated with olive trees for olive oil production for over 6 000 years. The earliest evidence of olive stones from settled sites in the Levant can be dated back to the Neptunium period, more than 10 000 years ago. Jordan is home to some of the oldest olive trees in the world, as evidenced by the studies of a French-Jordanian team of archaeologists in 2008, proving that the south Jordan Wadi Rum has been planted with olives trees since 5400 BC. The diversity of Jordan's olive cultivars and the variation in its climate give its olive oil a number of unique characteristics and tastes.



Graph I – Olive oil in Jordan, trends 1990/1-2017/18

Olive growing is spread over two regions of the country, in the west and north-east. According to sources in the Department of Statistics of Jordan, the olive growing area (12 million trees) covers 24% of Jordan's total arable surface area, accounting for 74% of the surface planted with fruit trees. The olive tree has always been given special attention and care in this country, as seen in its growing olive acreage, which reached 640 dunums in 2016, (64 000 ha). Average annual olive production over the last five years is of 151 000 tonnes (t), while olive oil production (Graph I) is of approximately 23 000 t and the average production of table olives (Graph III) is of 27 000 t.

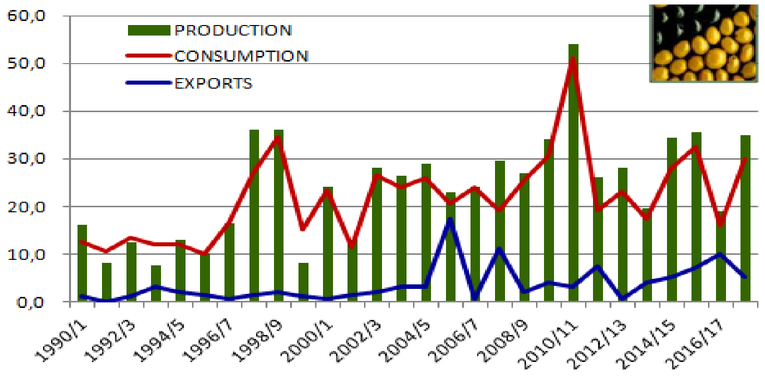
As of the year 2000, Jordan achieved self-sufficiency in the production of both olive oil and table olives, reaching a record high of 37 000 t of **olive oil** in the 2006/07 crop year (Graph I). Most of this production is consumed nationally, where average annual consumption stands at 2.5kg/person. Any remaining production is exported to its main markets (Graph II) Pakistan, Kazakhstan, Saudi Arabia, the United Arab Emirates, Kuwait and Qatar, among others.



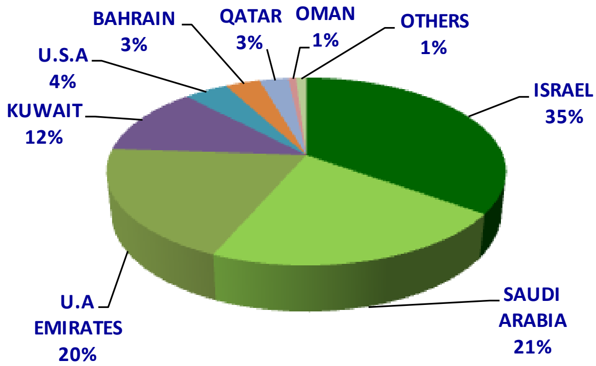
Graph II – Jordan – Main export markets for olive oil in 2016

Some thirty different varieties of olive trees can be found in Jordan and they are can all be used to produce extra virgin oil of an excellent quality. Most of the olive trees planted in Jordan are dual purpose varieties used for the production of both olive oil and table olives. The predominant local varieties of olives are Nabali, Rasie Nassohi and Souri, which have been grown in the country for centuries. The Souri variety produces oil with an intense fruity aroma with very good and distinct organoleptic characteristics. Each variety produces different characteristics of olive oil. The non-native varieties of olive tree that are grown in Jordan are Gordal, Manzanilla, Arbequina and Picual (Spain); Ascolano, Frantoio and Leccino (Italy); Chemlali (Tunisia); Kalamata (Greece) and Barnea, K-18 (Palestine).

Jordan also has a considerable **production of table olives**, with an average over the last five crop years of 27 000 t, reaching its maximum in the 2010/11 crop year with 54 000 t. Graph III, shows the trends in production over more than 25 crop years, going from 8 000 t in the 1990/91 crop year to 20 000 t in the 2016/17 crop year. Consumption has mirrored trends in production over this period. Currently, average annual consumption of table olives stands at around 3.0 kg/person.



Graph III – Table olives in Jordan, trends 1990/1-2017/18



Graph IV – Exports of table olives in Jordan in 2016/17

Jordanian exports of **table olives** in the 2016/17 crop year increased by 43% compared to the previous crop year, rising from 7 000 t to almost 10 000 t. As Graph IV indicates, the main export destinations are Israel accounting for 35% of total exports, followed by Saudi Arabia at 21%, the United Arab Emirates at 20%, Kuwait at 12% and the United States at 4%, among others.

Jordan has 134 oil mills, most of which employ advanced technologies. Olives are harvested manually to guarantee a high quality product and the use of chemicals is kept to a minimum.There is great interest in organic farming and the number of organic olive tree estates is growing.

As a result of its membership of the International Olive Council (IOC), four tasting panels have been recognised and accredited by this Organisation, from a total of seven olive oil tasting panels accredited and administered by the Ministry of Agriculture. There are three further table olive tasting panels.

Governmental and non-governmental organisations in Jordan cooperate to improve the olive sector in Jordan. The Ministry of Agriculture has a strong relationship with the organisations working in this sector, namely the Olive Olive Oil Press Owner Association (OPOA) and the Jordan Olive Products Exporters Association (JOPEA), promoting Jordan as a producer and exporter of olive oil.

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 four months of the 2017/18 crop year (October 2017–January 2018) with increases in Brazil (8%), in Japan (5%), while in China imports remained stable compared to the same period the previous crop year. Imports however decreased in Australia by 29%, in the United States by 4% and in Canada by 1%. Although data for Russia were not available for the month of January, its imports increased by 4% over the first three months of the crop year.

In the first three months of the crop year, the EU[1] posted a 19% year-on year increase in extra-EU imports and a decrease of intra-EU acquisitions of 9%.

[1] EU data for January 2018 were not available at the time of publishing this Newsletter

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
1	Australia	2295.4	2843.6	3529.7	2039.0	2512.7	2016.3	3516.9	1475.0
2	Brazil	5232.9	5443.7	6844.5	7285.3	7652.5	7275.6	4363.3	5970.9
3	Canada	3580.2	4313.7	4873.0	3218.8	2883.7	2888.2	3222.4	3993.4
4	China	4188.8	2722.0	8375.6	3833.4	4928.6	7696.5	2776.8	6113.6
5	Japan	3718.0	4871.0	5987.0	4432.0	3395.0	3946.3	4007.0	4705.3
6	Russia	2141.1	2254.7	2273.4	2036.0	1745.7	2106.9	1325.9	nd
7	USA	22315.9	27198.7	29150.7	20715.0	21996.1	26836.2	30428.7	25134.8
8	Extra-EU/27	7774.5	6495.9	8827.0	16739.1	23950.8	25156.9	3177.8	nd
	Intra-EU/27	81875.5	76468.0	93162.0	91654.5	113387.6	94860.1	93291.0	nd
	Total	**133122.3**	**132611.3**	**163022.9**	**151953.1**	**182452.7**	**172783.1**	**146109.8**	

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

Imports of table olives in the first five months of the 2017/18 crop year (September 2017–January 2018)[2] show a 3% increase in Canada and decreases in the rest of market, down by 13% in Australia, 6% in Brazil and 4% in the United States compared to the same period the previous crop year.

EU data[3] for the first four months of the 2017/18 crop year indicates a 2% increase in intra-EU acquisitions and a 12% 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
1	Australia	1705.0	1491.0	1192.0	1285.0	1943.0	1406.0	1479.0	1336.8	1196.0	1023.0
2	Brazil	10420.7	7949.2	7994.2	9492.3	10718.4	11115.3	11311.1	11055.2	9330.4	7023.3
3	Canada	2237.0	2077.0	2225.0	2843.0	3039.0	2539.0	2864.0	2663.6	1790.0	2343.0
4	USA	13398.0	10237.0	11758.0	11055.0	12898.0	12596.0	10549.0	12469.9	10139.0	9811.0
5	Extra-EU/27	6570.8	6243.2	6858.6	7304.8	7302.6	8255.4	8074.8	10381.4	8325.0	nd
	Intra-EU/27	24999.2	27039.9	29334.5	31116.8	30830.4	29619.5	27758.6	27346.8	20986.6	nd
	Total	**59330.7**	**55037.3**	**59362.3**	**63096.9**	**66731.4**	**65531.2**	**62036.5**	**65253.6**	**51767.0**	**20200.3**

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 weeks, coming in at the end of March at **€3.13/kg**, which is down by 19% compared to the previous year (Graph 1).

Italy – Following a sharp fall to below €4 in mid-December 2017, prices in Italy have been stable in recent weeks, standing at **€4.06/kg** at the end of March 2018, which is a 34% year-on-year decrease. Graph 2 shows the monthly price movements of the extra virgin olive oil category in recent crop years.

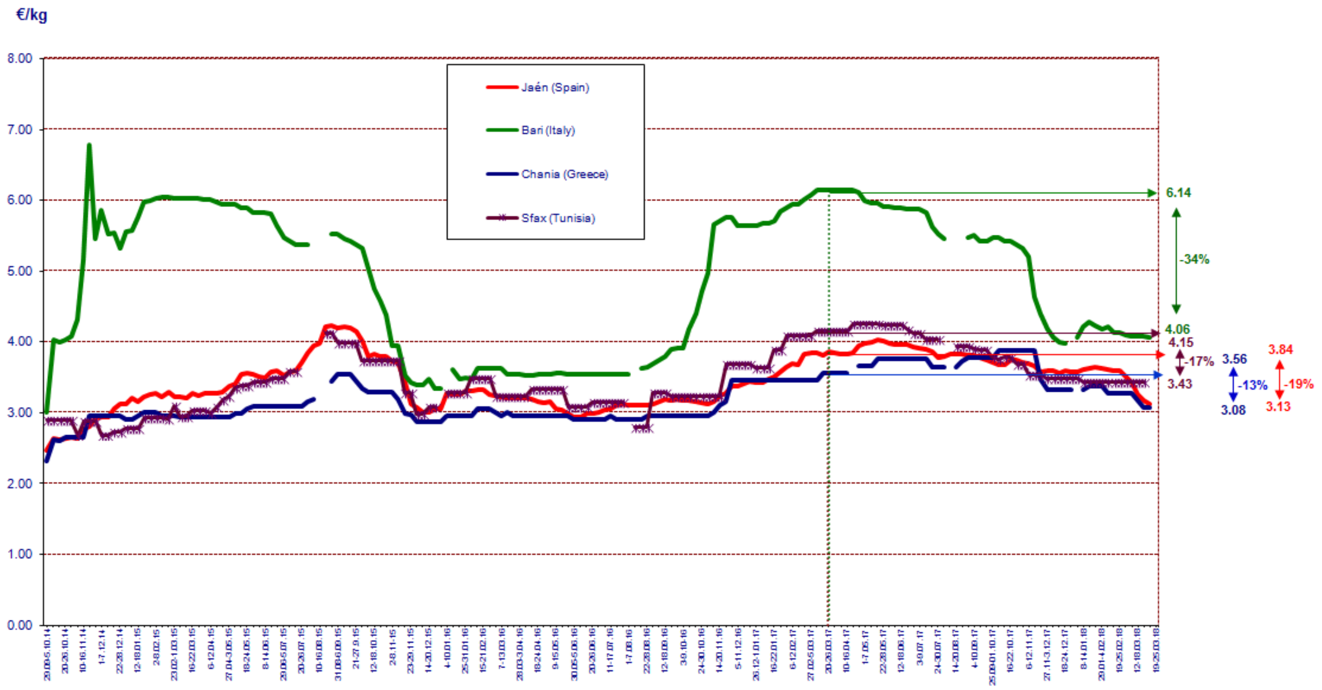
Greece – Prices in Greece have fallen in recent weeks, down to **€3.08/kg** at the end of March, which is 13% lower than the same period last year.

[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 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 January 2018 were not available when this Newsletter was sent for publication.

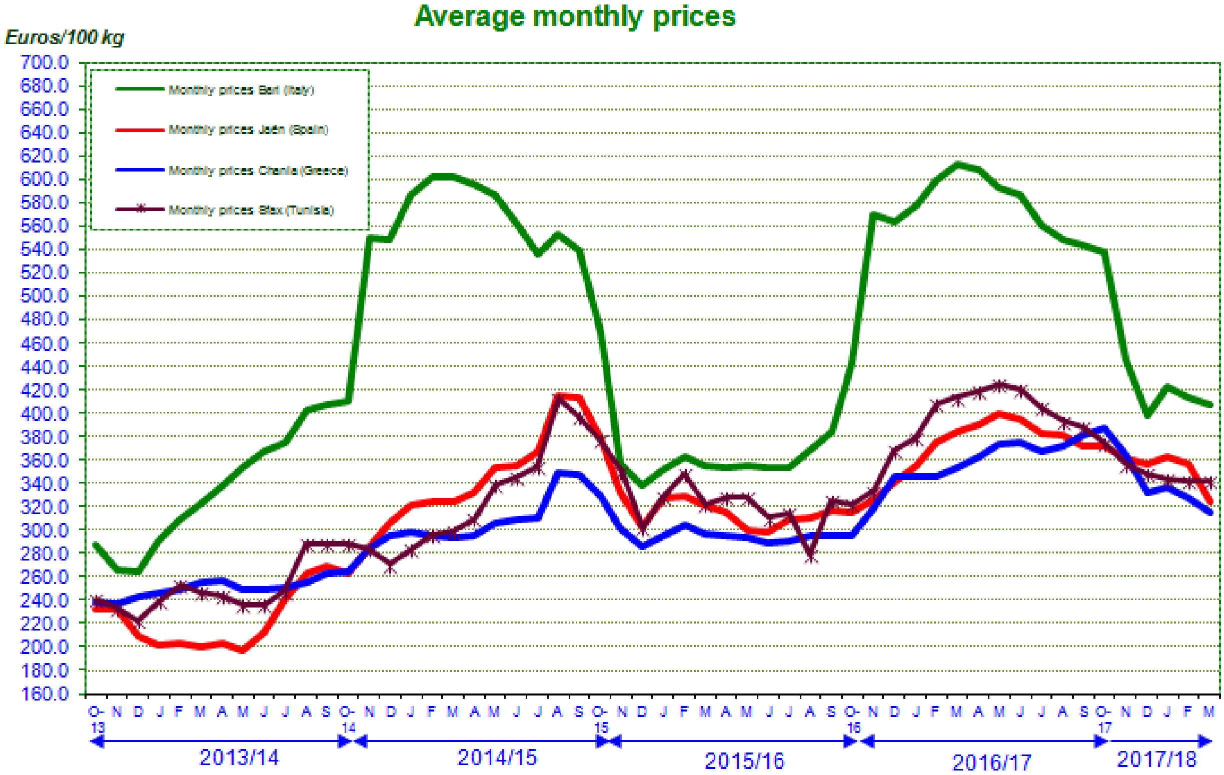
Tunisia – Prices in Tunisia have been stable over the last few weeks, standing at **€3.43/kg** at the end of March, which is a 17% year-on-year decrease.

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

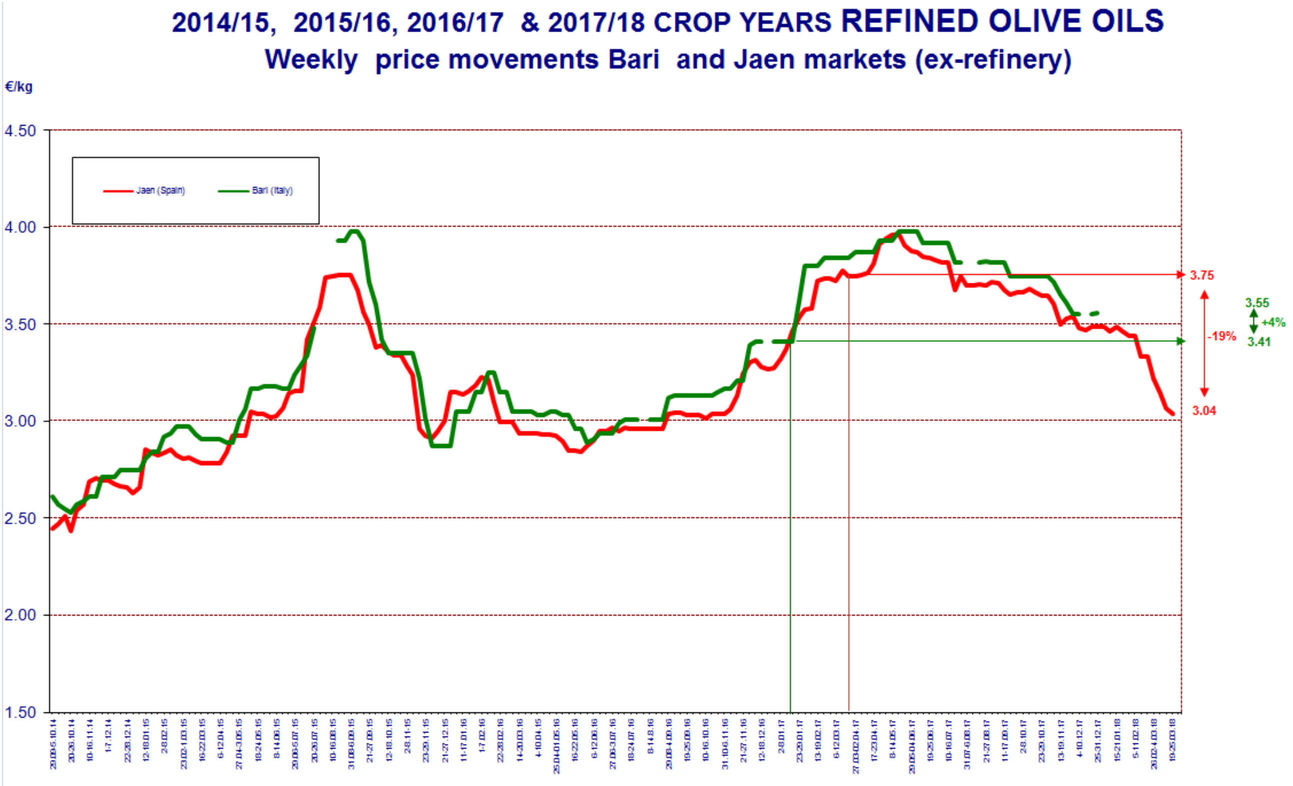
MOVEMENTS IN PRODUCER PRICES
EXTRA VIRGIN OLIVE OIL
Average monthly prices



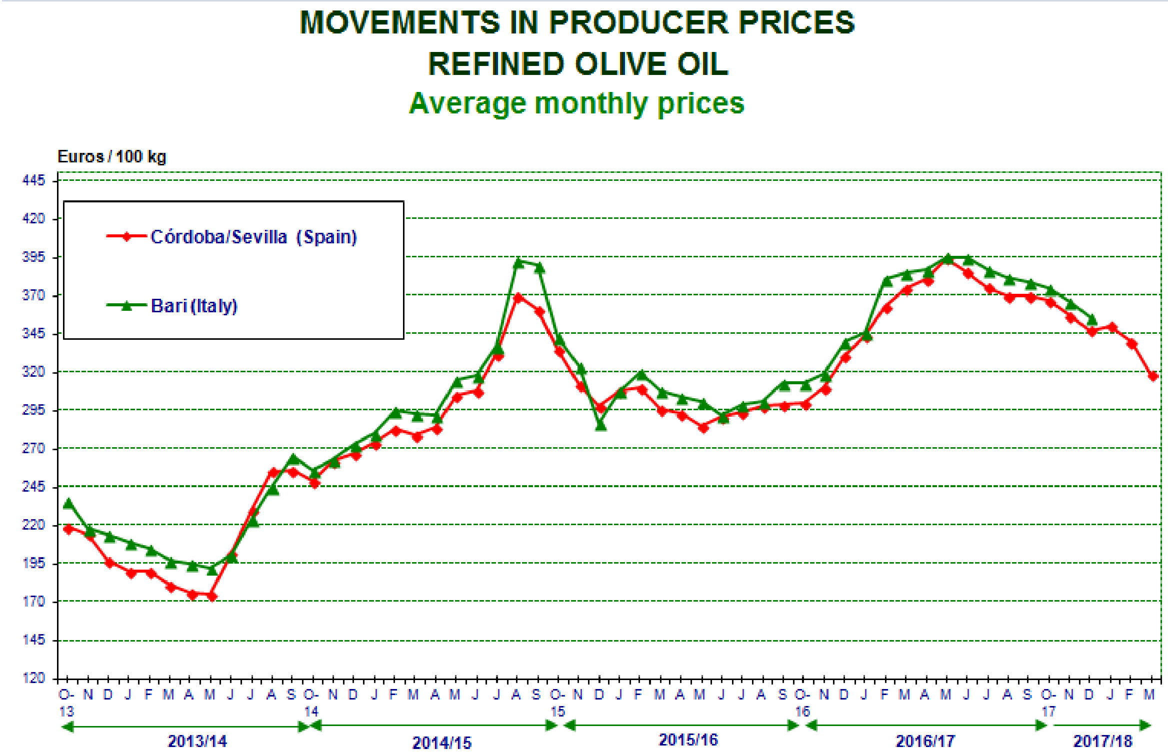
Graph 2

▪ **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 March 2018 fell to **€3.04/kg,** down by **19%** compared to the same year 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 March 2018, the price difference in Spain between refined oil (€3.04/kg) and extra virgin oil (€3.13/kg) was of €0.09/kg. In Italy, the price difference between the two categories was greater than in Spain at €0.63/kg (Graph 3).



Graph 3



Graph 4

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