Believe in Olive Oil promotion campaign gears up for launch in Japan

The International Olive Council will be officially launching its *Believe in Olive Oil* campaign to promote olive oil in Japan this coming 2 July. The launch event will comprise a press conference for Japanese media followed by a lunch reception at Tokyo's Happo-en restaurant. The first segment will feature a lecture on the health benefits of olive oil by Dr Tsuneo Matsuike, a specialist in internal medicine and gastroenterology, and an olive oil tasting led by an expert. The press conference will end with a talk by a celebrity olive oil ambassador appointed specially for the campaign.

Professionals from media and industry will then join with importers and representatives of Japan's Ministry of Agriculture and Consumer Agency to enjoy a culinary experience showcasing olive oil at a cooking show given by renowned Japanese Chef Tamura, the third generation of the Tsukiji Tamura restaurant famed for its kaiseki cuisine. The aim is to tell people about the health benefits of eating olive oil, to introduce new flavours to the Japanese audience and to show how olive oil can be incorporated as a healthy, tasty ingredient in traditional Japanese cuisine. The presence of members of the local authorities dovetails with IOC promotional strategy in Japan in that it will allow the IOC to promote its marketing standard and to encourage its application in Japan. When in Japan earlier in March to visit the FOODEX exhibition, representatives of the IOC Executive Secretariat held their first meetings with ministry and consumer agency officials.

Olive oil and olive pomace oil: trade movements in the top four producing countries in 2013/14

SPAIN – At the close of the 2013/14 crop year, Spain had exported 1 231 817 t to the world market (including intra-EU deliveries), up by 68 pc on the previous season. Exports to non-EU countries totalled 336 115 t, of which 36 pc went to the United States, making this country Spain's chief export destination. Ranked by volume, next came Japan, China, Australia, Brazil, South Korea, Russia, Mexico, United Emirates, India and others. The higher level of production in 2013/14 allowed Spain to import 49 pc less than a season earlier.

Deliveries of Spanish olive oil and olive pomace oil inside the EU came to 895 702 t, showing an increase of 78 pc on 2012/13. According to the volume ranking, Italy was the biggest EU buyer, taking 59% of all Spanish deliveries (531 430.0 t, up by 143 pc on the previous season), followed by Portugal (129 920 t), France (92 458.60 t), United Kingdom (54 749.50 t), Sweden (24 212.0 t), Netherlands (12 723.60 t), Germany (10 896.80 t), Belgium (9 831.0 t) and Greece (9 792.7 t), and miscellaneous other countries.

Itemised by grade, 73 pc of Spanish sales belonged to the virgin category (customs heading 150910), 19 pc was olive oil (150990) and 8 pc was olive pomace oil (151000).

The provisional figures for 2014/15 assess Spanish output at 829 000 t, 53 pc less than in 2013/14.

ITALY – In 2013/14, Italy exported a total of 416 892 t, up by 6 pc on 2012/13. Thirty-nine percent of these exports stayed inside the EU where the main destinations, listed by volume in descending order, were Germany (28 pc of total), France, Greece, United Kingdom, Spain, Belgium, Poland, Austria, Netherlands and Denmark. Italian exports to non-EU countries accounted for 61 pc of its aggregate exports and recorded a season-on-season increase of 9 pc. The top destinations were the United States (47 pc/total), followed by Canada, Japan, Australia, China, Switzerland, Russia, Taiwan, South Korea and Brazil. Italian imports of olive oil from outside the EU (29 126 t) were 64 pc lower than in the previous crop year and came mostly (74 pc) from Tunisia. Other suppliers were Turkey, Australia, Morocco and Chile.

Intra-EU purchases of olive oil by Italy totalled 591 257.5 t, up by 46 pc on the previous season. Ninety-nine per cent of this tonnage came from three countries: Spain (90 pc), Greece (6 pc) and Portugal (3 pc).

In 2013/14, the breakdown of Italian sales by category shows that 71 pc was virgin olive oil (150910), 18 pc was olive oil (150990) and 9 pc was olive pomace oil (151000).

Italy's production in 2014/15 is estimated at 222 000 t, which would be 52 pc down on the level in 2013/14.

GREECE – At the end of the 2013/14 crop year, Greek exports totalled 69 848 t, equating with a decrease of 70 pc on 2012/13 levels. It should be remembered that Greek production in 2013/14 came to no more than 132 000 t, set against an average of 300 000 t. Exports to non-EU countries dropped by 11 pc. The chief destinations were the United States, Canada, Russia, Australia, China, Switzerland, Japan, Ukraine and Taiwan, amongst others.

Looking at intra-EU trade, Greek deliveries to other EU countries came to a total of 51 963 t, down by 75 pc on the previous crop year. Intra-EU trade accounted for 74 pc of all Greece's exports. Ranked by volume, the main importers of Greek olive oil were Italy (62 pc), Germany, Bulgaria, United Kingdom, Cyprus, Austria, Spain, France, Sweden, Belgium and various others.

In 2013/14, 78 pc of the product sold by Greece belonged to the virgin olive oil category (150910), 7 pc was olive oil grade (150990) and 15 pc was olive pomace oil (151000).

According to the estimates for 2014/15, Greek production will total 300 000 t, up by 127 pc on 2013/14.

TUNISIA – Tunisian exports in 2013/14 came to 77 139.6 t, dropping 56 pc on 2012/13. This was prompted by the fact that between the two crop years, production fell by 68 pc from 220 000 t to 70 000 t. Tunisian exports went chiefly to Italy (29 pc of total). Next in line came Canada, United States, France, Saudi Arabia and various other countries.

Virgin olive oil (150910) accounted for 79 pc of Tunisia's exports, 11 pc was olive oil (150990) and 10 pc was olive pomace oil (151000).

For 2014/15, Tunisian production is expected to total 220 000 t, showing an increase of 160 pc on 2013/14.

I. WORLD MARKET FOR OLIVE OIL AND TABLE OLIVES

1. OLIVE OIL IN THE FIRST SIX MONTHS OF 2014/15

For the first six months of the 2014/15 crop year (October 2014–March 2015), the figures for trade in olive oil under customs heading 15.09 and olive pomace oil under customs heading 15.10 in the countries listed in the table show year-on-year import increases of +9 pc in Japan (there has been a sharp increase in March 2015), +5 pc in Brazil, +2 pc in the United States where the strong import growth in February 2015 made up for the drops in December 2014 and January 2015, and +1 pc in China. In contrast, imports were lower in Russia (−14 pc) owing to a switch of trend as of December 2014, as well as in Australia (−10 pc as of November 2014) and Canada (−7 pc).

The March 2015 data were not available for the EU at the time of publication but the data for the first five months of 2014/15 show an increase of 10 pc in intra-EU acquisitions and 100 pc in extra-EU imports compared with the same period a season earlier. Owing to the hefty drop in output in Spain and Italy, extra-EU imports by both countries soared, particularly imports from Tunisia (+599 pc and +310 pc, respectively) compared with a season earlier. As reported in the previous issue of this newsletter, this upward movement began in December even before the change in the EU regulation on the tariff quota at zero-rate duty, a fact connected with the large climb in Tunisian production in 2014/15.

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

No	Importing country	October 13	October 14	November 13	November 14	December 13	December 14	January 14	January 15	February 14	February 15	March 14	March 15
1	Australia	2169.9	3125.1	2461.2	2391.8	2004.0	1652.1	2211.3	1856.8	2022.2	1607.8	2946.1	1790.2
2	Brazil	9075.3	9584.6	6239.6	7269.9	7156.7	6249.3	5163.6	6367.2	5215.4	5517.4	6746.9	6662.1
3	Canada	4014.7	3985.0	2845.6	3257.6	2662.2	3069.3	3649.0	2341.2	2785.6	3008.9	3955.1	2873.2
4	China	2609.4	2410.8	3030.7	3651.5	4007.6	3530.5	3268.3	2850.1	1050.3	1471.1	2323.1	2503.5
5	Japan	4410.0	4776.0	4386.0	4735.0	3967.0	3965.4	4271.0	4531.1	4039.0	3474.0	4840.0	6753.0
6	Russia	2982.0	4259.5	2763.7	3192.4	3174.3	2653.1	1914.2	1513.0	2641.5	1216.5	3256.9	1589.2
7	USA	23274.0	23332.0	27163.1	28449.8	21455.9	18755.6	26704.8	24296.3	17979.9	27443.4	29814.3	27063.3
8	Extra-EU/27	14233.0	6722.0	6659.0	6801.8	5141.0	14707.0	6711.3	18871.7	2110.4	22619.4	3849.5	nd
	Intra-EU/27	88710.0	89729.0	75558.0	98016.0	98320.0	122803.0	93392.2	99091.2	107591.3	100917.1	98077.7	nd
	Total	**151478.3**	**147924.0**	**131106.9**	**157765.8**	**147888.7**	**177385.2**	**147285.7**	**161718.6**	**145435.6**	**167275.6**	**155809.6**	

2. TABLE OLIVES IN THE FIRST SIX MONTHS OF 2014/15

In the first six months of the 2014/15 crop year, i.e. from October 2014 to March 2015, table olive imports (see table below) were higher in the United States (+13 pc) and Brazil (+8 pc) than in the same period a year earlier but moved in the opposite direction in Australia, where they have dropped by 17 pc since November 2014, as well as in Russia (−7 pc since January 2015) and Canada (−4 pc).

At the time of publication, the data for March 2015 were not available for the EU but in the first five months of the 2014/15 season, intra-EU acquisitions increased 5 pc and extra-EU imports rose 18 pc compared with the same period of 2013/14.

Table Olive Imports (t)

No	Importing country	October 13	October 14	November 13	November 14	December 13	December 14	January 14	January 15	Febnuary 14	Febnuary 15	March 14	March 15
1	Australia	1511.0	1547.0	1657.0	1234.0	1905.0	1580.0	1740.0	1409.0	1431.0	1064.0	1640.0	1418.0
2	Brazil	11769.2	12930.3	11299.5	10285.5	8721.4	8685.1	6171.8	8007.7	6273.1	6715.2	7564.4	9256.8
3	Canada	2795.0	2413.0	2656.0	2469.0	2074.0	2810.0	2622.0	2144.0	2308.0	2390.0	2210.0	1890.0
4	Russia	8882.2	11076.5	9073.0	8719.1	5026.1	7288.0	4861.8	3413.8	4713.8	2313.8	6308.1	3292.9
5	USA	11434.0	10367.0	10396.0	10164.0	10937.0	12219.0	10483.0	11629.0	9452.0	10732.0	10932.0	16677.0
6	Extra-EU/27	6204.0	8298.0	5459.0	7062.1	6404.0	8086.7	7154.4	7725.6	7134.0	6879.8	9755.0	nd
	Intra-EU/27	27012.0	27129.0	25216.0	23218.6	23898.0	27295.4	19431.0	21462.8	20767.8	22926.9	21646.0	nd
	Total	**69607.4**	**73760.8**	**65756.5**	**63152.3**	**58965.5**	**67964.2**	**52464.0**	**55791.9**	**52079.7**	**53021.7**	**60055.5**	

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 main three EU producers. The monthly price movements for the same two grades of oil are tracked in Graphs 2 and 4.

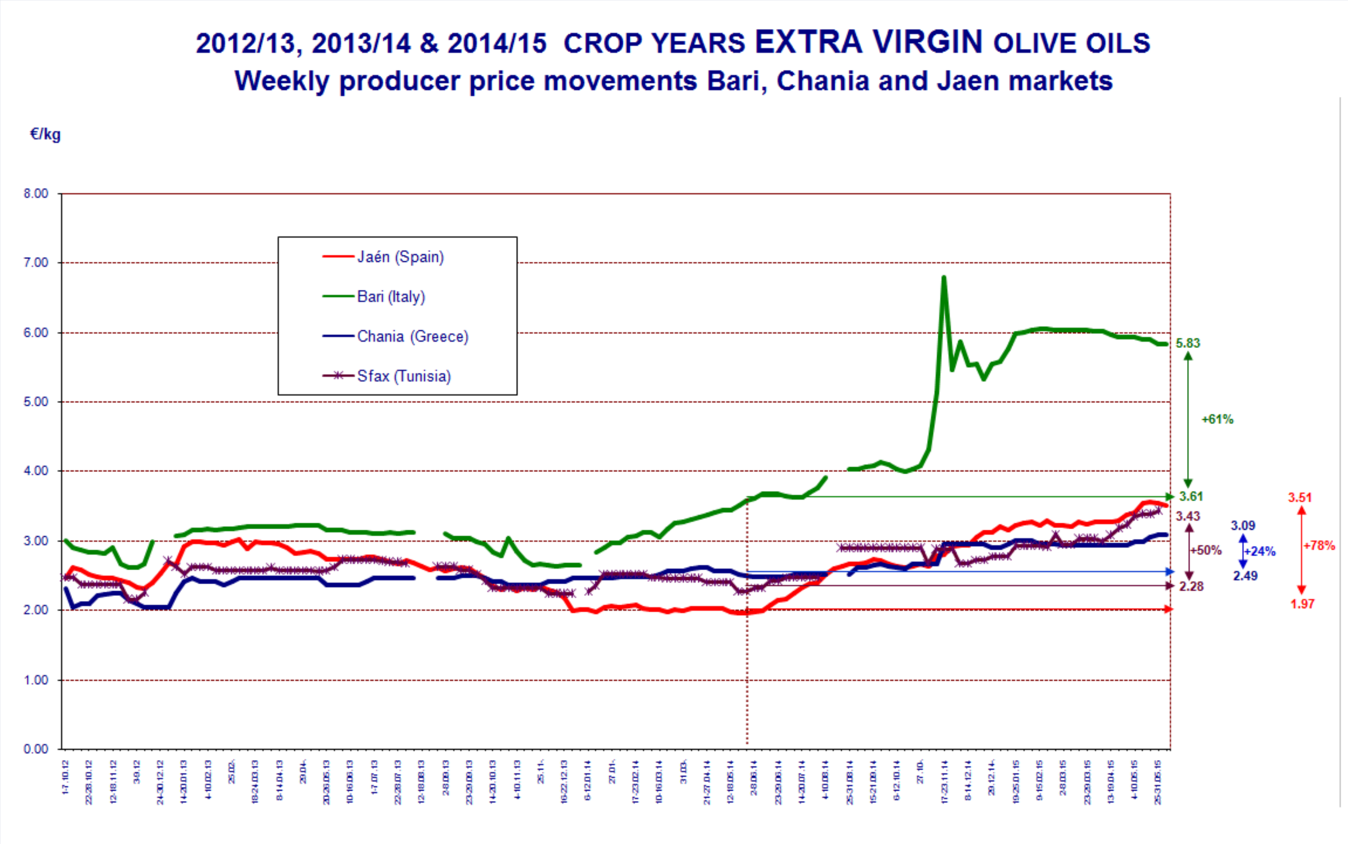
It is not for the IOC to judge whether these price levels reflect an adequate balance between production costs along the supply chain and the prices that consumers are prepared to pay in their domestic currency to continue consuming olive oil but they are a concern that all the players will no doubt take into account for the long-term sustainable equilibrium and development of the sector.

Extra virgin olive oil: Producer prices in **Spain** started to rise constantly in the second half of 2014 from the beginning of July onwards. After breaking the three-euro barrier in the second week of December 2014, they continued on their upward trajectory with some minor fluctuations until they reached **€3.56 kg** in the **second week of May 2015**, the highest level yet during the period plotted in Graph 1, then dipping to **€3.51/kg in the last week of May.** This is 78 pc higher than a year earlier and 79 pc above the low recorded in the third week of May 2014 (€1.96/kg).

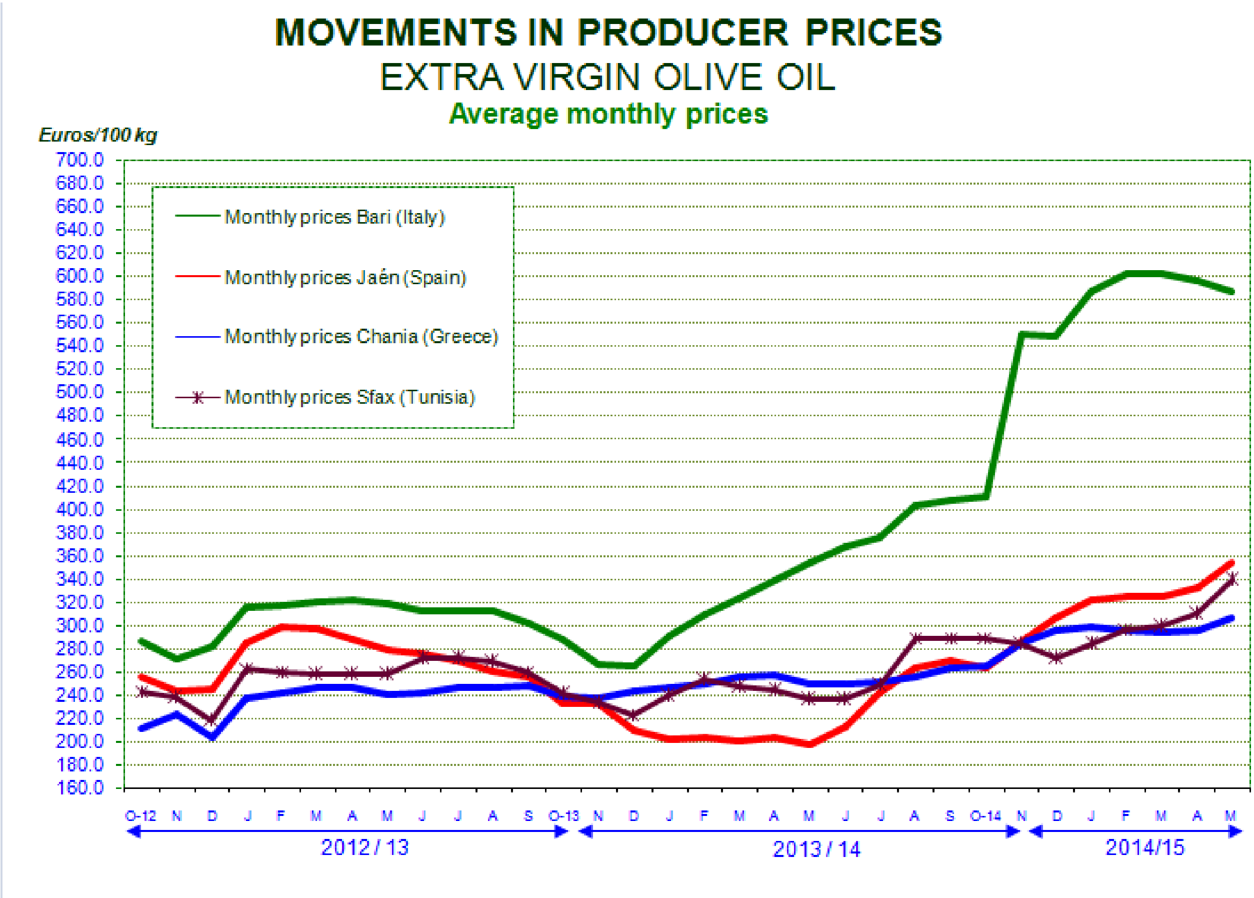
Italy: In recent months, producer prices in Italy have been on a very clear upward trend. In the week from 10 to 16 November 2014, they hit the highest level of both the period under review and the last decade, reaching €6.79/kg. After decreasing slightly in the second last week of December 2014 prices switched back upwards. After some small dips, they were lying at **€5.83/kg at the end of May 2015**, i.e. 61 pc higher than a year earlier and 121 pc more than the low recorded in the second week of December 2013 (€2.64/kg). Graph 2 shows how the monthly prices of extra virgin olive oil have behaved in recent crop years.

Greece: Prices have been high in recent months, breaking the three-euro/kg barrier in the third week of January 2015. In the last few weeks they have been inching up to reach €3.09/kg in the **last week of May 2015**, +24 pc higher than the same period a season earlier.

Tunisia: Towards the end of December 2014, producers were paid €2.73/kg for their extra virgin olive oil. Prices held steady for a while but then started to move upwards in the first week of January 2015. After some small fluctuations, they switched back upwards and peaked at the highest level of the period under review, reaching **€3.43/kg at the end of May 2015**, equating with period-on-period growth of +50 pc.



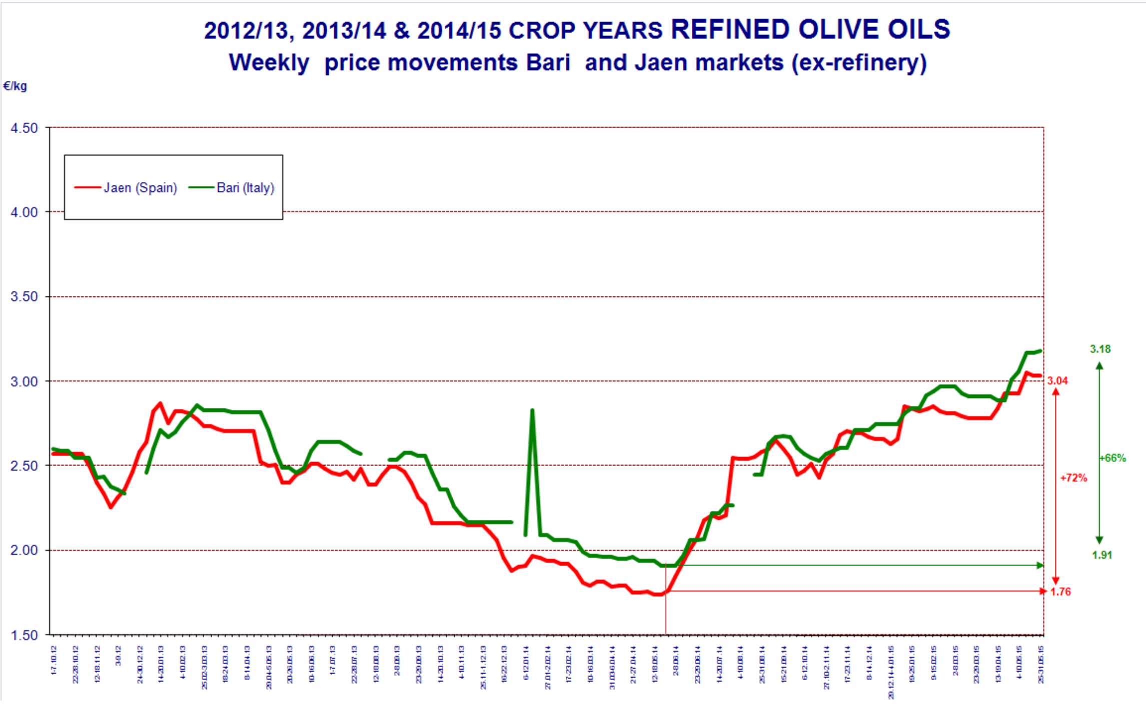
Graph 1



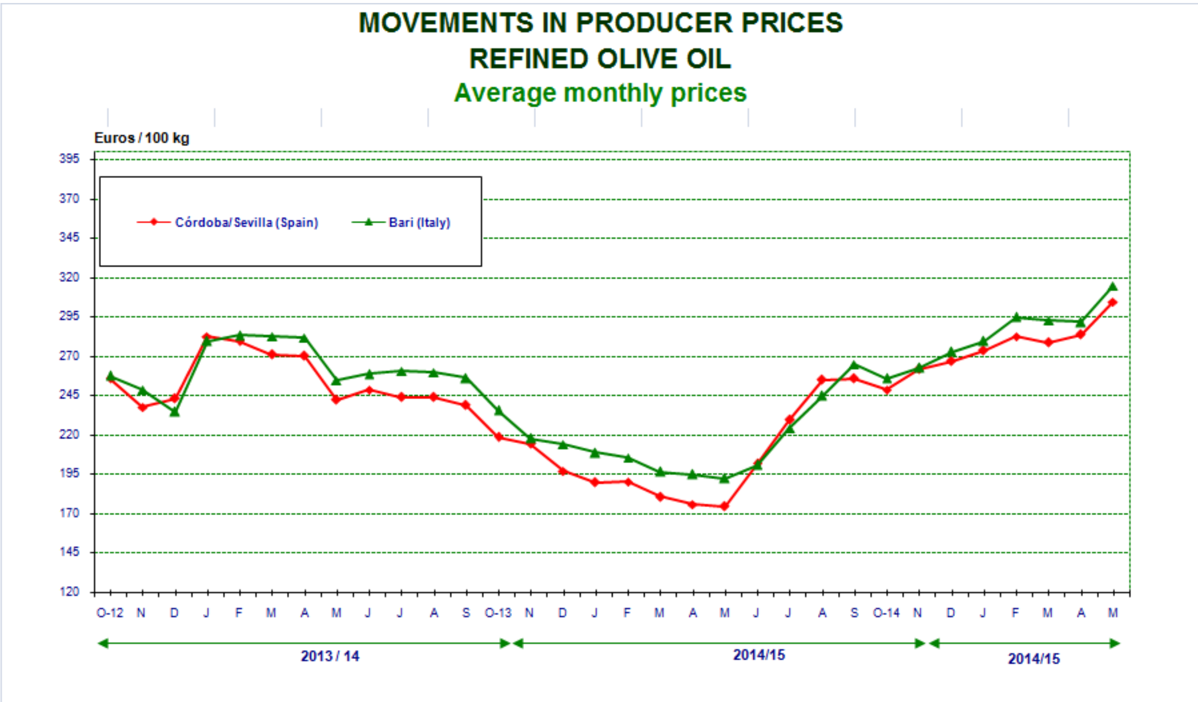
Graph 2

- **Refined olive oil**: Producer prices for refined olive oil have hit their highest levels for the period under review. In Spain they were standing at **€3.04/kg** at the end of May 2015, up by 72 pc on the same period of the preceding crop year. In **Italy** prices stood at **€3.18/kg** at the end of May 2015, translating into a period-on-period increase of 66 pc. As usual, Italian prices lie above Spanish prices. No price data are available for this product category in Greece.

At the end of May 2015, the price of refined olive oil (€3.04/kg) and extra virgin olive oil (€3.51/kg) differed by €0.51/kg in Spain. In Italy, the difference in price between the two categories is considerably wider (€2.55/kg - Graph 3).



Graph 3



Graph 4

Keep track of what's going on in the sector and at the IOC:

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