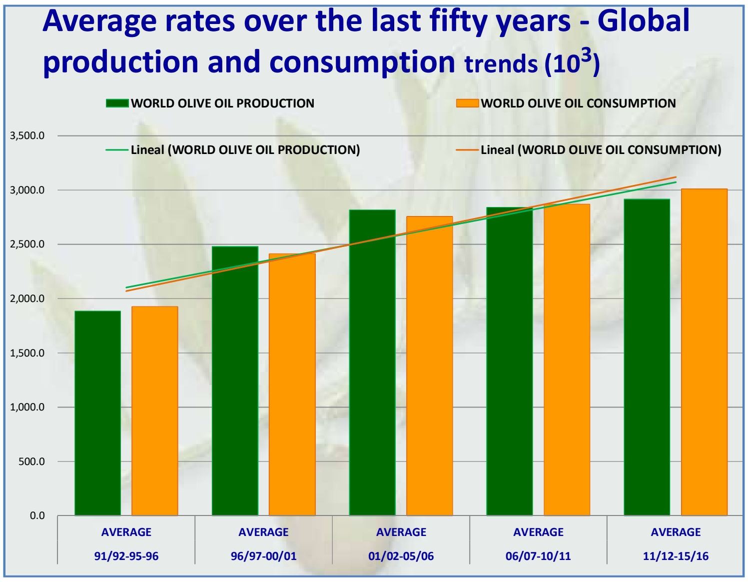
World olive oil and table olive market trends in 2016/17

Olive oil

The IOC held the 105th regular session of the Council of Members in Rome (Italy) from 23 to 26 May 2017. The proceedings of the Economic and Promotion Committee included an update of the figures sent by the member countries for 2015/16 (definitive) and 2016/17 (provisional). These figures will be subject to change until November 2017, which is when the world balances are approved by the Council of Members. According to the new figures received, **world production of olive oil** in 2016/17 will decrease by approximately 20% compared to the previous crop year. This decrease is the result of a fall in production in producer countries in general and in particular in European producer countries, which will together see a 25% decrease. Spain is set to produce up to 1 280 000t, and although this is a 8% drop from the previous crop year, it will account for 50% of world production; production in Italy and Greece will fall by 61% and 39%, respectively, while Portugal will see a decline of approximately 30%. Production in the remaining IOC member countries will as a whole shrink by 7%, with the notable exception of Turkey, which will see a 24% increase in its production compared to the previous crop year.

World consumption will exceed production by 13% which means that the demand for olive oil continues to grow. As ilustrated in graph I on the averages for the period 2006/07-2010/11, global demand has exceeded supply for the last decade. Olive oil is a product that, due to its nutritional properties and health benefits is ever more present in households the world over.



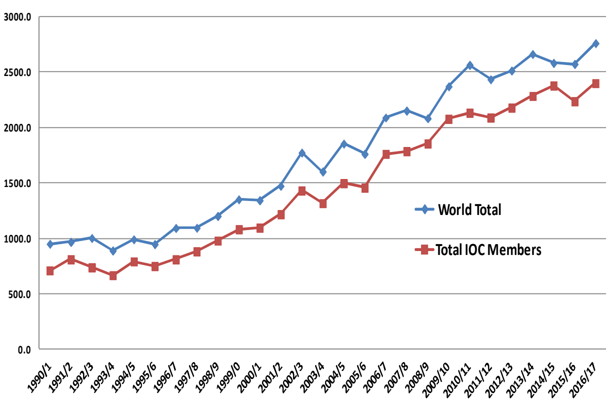
Graph 1 – Average over the last five-year periods. Production and consumption trends (10^3t)

On 18 May 2017, the 49th meeting of the Advisory Committee on Olive Oil and Table Olives was held in Lisbon (Portugal). This Committee brings together representatives of professional organisations (producers, consumers, industry and trade) from both sectors. Participants from Brazil, China and Japan also attended as observers. The representatives of both the olive oil and the table olive sectors predicted a year-on-year increase in production in 2017/18. The current flowering conditions point to a good crop in most producer countries provided the favourable climatic conditions continue.

Table olives

The world production of table olives in **2016/17** is expected to increase by 7% compared to the previous crop year, reaching approximately 2 758 500 t, which would be the best campaign until now. Graph II shows the trend in world production and that of IOC member countries, which in this campaign will produce more than 86% of the world total. The European producers as a block see a 4% drop compared to the previous crop year, while production in the rest of the member countries is expected to grow by 15%. In the ranking of table olive producer countries, Egypt is expected to become the second world producer with 500 000t, followed by Spain, which will reach close to 595,000t, Turkey is expected to come in third position with 433 000 t, followed by Algeria with 234 000t, Greece with 180 000t, Morocco with 110 000t, Iran with 75 500 t and Argentina with 60 000t, with other countries producing smaller volumes.

World consumption in 2016/17 is expected to increase by 5% compared to 2015/16. Section 1.2 provides an outline of table olive imports over this crop year.



Graph II – Trend world production of table olives

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 six months (October 2016–March 2017) of the 2016/17 crop year, grew by 39% in Australia; 37% in Brazil; 19% in China; 4% in Japan; and 2% in Russia. In the United States imports fell by 7%, compared to the previous year. At the time of publishing the Newsletter, data for Canada was only available for the month of February 2017, showing a 9% year-on-year increase.

EU[1] figures for the first five months of the current crop year (October–February 2017) report that intra-EU acquisitions have risen by 9% and imports from outside the EU have fallen by 7% 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
1	Australia	1717.8	2295.4	1818.9	3524.7	1265.9	2510.3	2065.8	3516.9	2109.3	2376.7	2868.5	2206.4
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
3	Canada	3092.5	3580.2	2875.6	4873.0	3193.2	2883.7	3015.8	3222.4	3835.0	2842.6	3745.1	nd
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
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
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
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
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	nd
	Intra-EU/27	65823.0	81875.5	81263.5	93162.0	112768.4	113387.6	96573.4	92682.8	102171.0	117886.9	89644.1	nd
	Total	**131695.6**	**133122.3**	**128664.2**	**163011.3**	**165197.8**	**182450.3**	**149618.8**	**145501.6**	**152181.0**	**162855.8**	**158287.7**	

2. TABLE OLIVES - 2016/17

Table olive imports in the first seven months of the 2016/17 crop year[2] (September 2016–February 2017) in the five markets that appear in the table below, report an increase of 23% in Brazil and 1% in Australia; they however fell in the United States by 3% compared to the previous crop year. At the time of publishing the Newsletter, data for Canada was only available for the month of February 2017, showing a 1% year-on-year decrease.

EU[3] figures for the first six months of the 2016/17 crop year (September 2016 - January 2017) reported that intra-EU acquisitions decreased by 3% and that extra-EU imports increased by 4%, 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
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
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
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	nd
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
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	nd
	Intra-EU/27	26220.1	24999.2	30114.0	29334.5	31646.4	30830.4	30882.0	27758.6	21716.1	20904.1	22609.5	23783.9	26037.7	nd
	Total	**55405.1**	**59330.7**	**60824.1**	**59362.3**	**64285.0**	**66729.4**	**64235.2**	**62036.5**	**46365.9**	**51684.5**	**52222.8**	**51842.7**	**63096.7**	

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

II. PRODUCER PRICES – OLIVE OIL

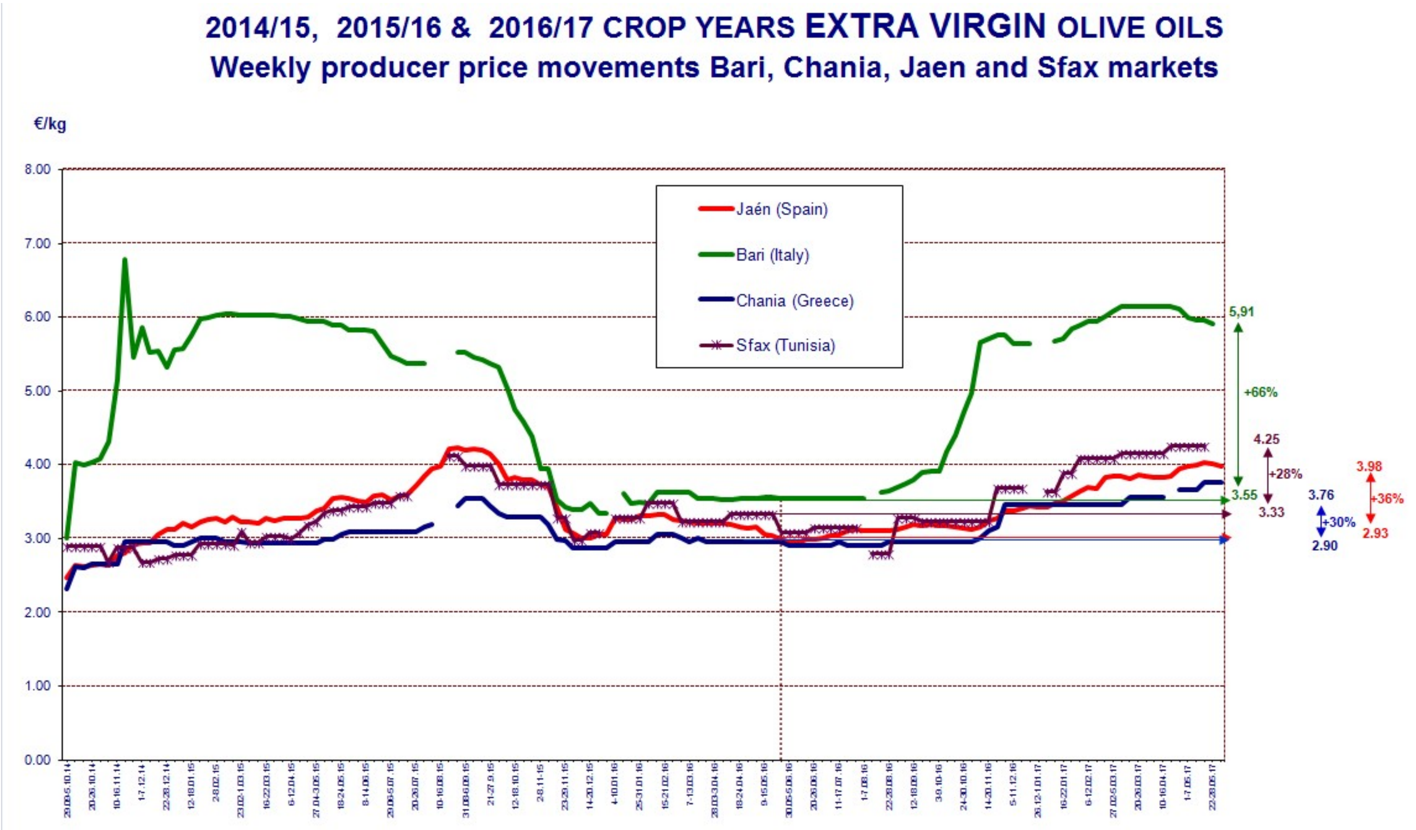
Graph 1 tracks the weekly movements in the prices paid to producers for extra virgin olive oil in the top three EU producing countries and in Tunisia, while graph 3 shows the weekly changes in producer prices for refined olive oil in the three main EU producer countries. The monthly price movements for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

Extra virgin olive oil – Producer prices in **Spain** over the last few weeks continued increasing steadily, coming in at **€3.98/kg** at the end of **May 2017**, which was a 36% 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 6% decrease (Graph 1).

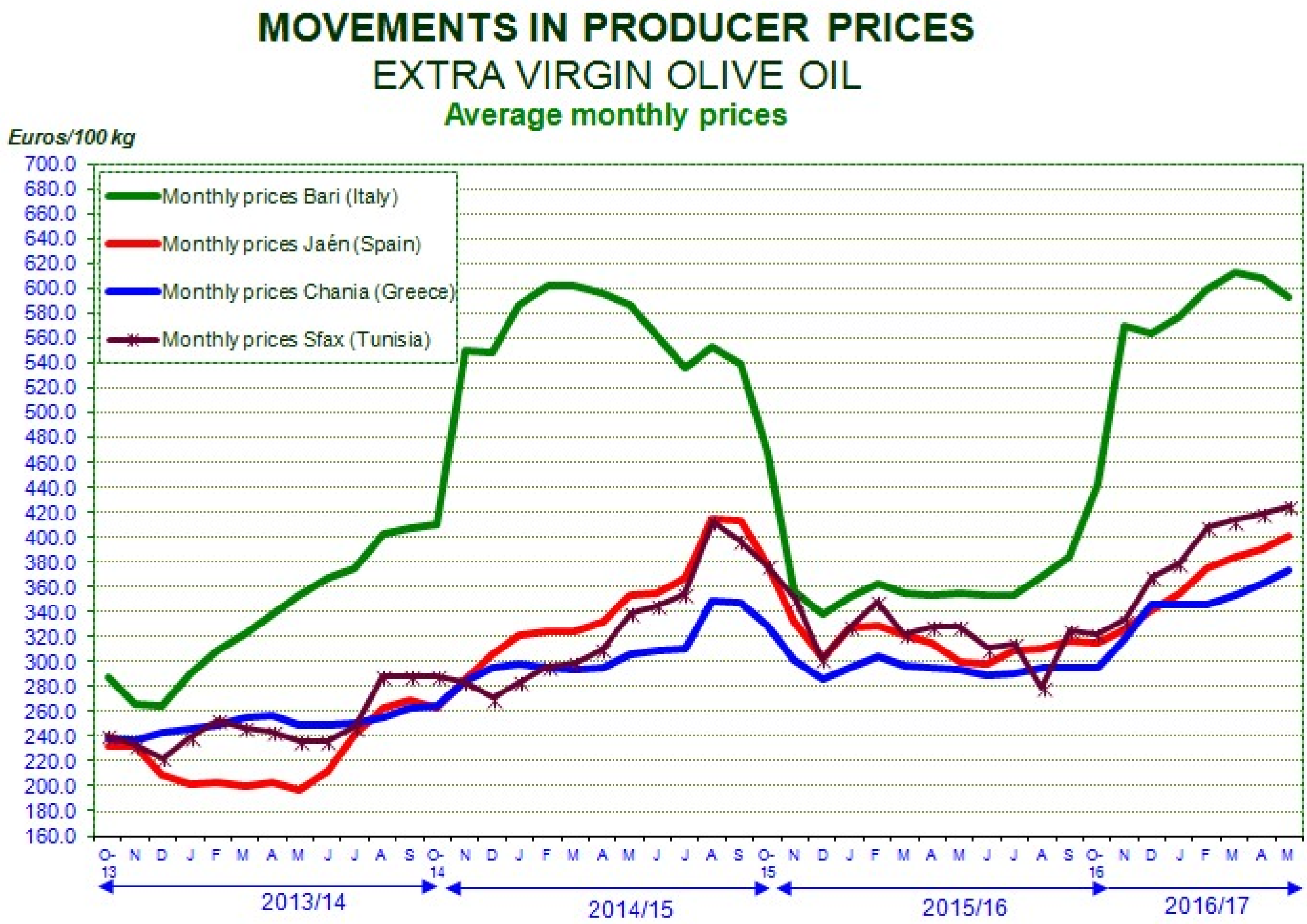
Italy – In February 2017 producer prices broke the €6/kg barrier, dropping off somewhat in recent weeks and coming in at **€5.91/kg** at the end of May, which is a 66% year-on-year increase. Graph 2 shows the movements in monthly prices for the extra virgin olive oil category in recent crop years.

Greece – The prices in Greece rose until the end of November and, after remaining stable in recent months, rose again slightly as of mid-March, coming in at **€3.76/kg** at the end of May, which is a 30% increase compared to the same period the previous year.

Tunisia – Prices in Tunisia, following some weeks of relative stability, increased as of the third week of January, breaking the €4 barrier and coming in at **€4.25/kg** at the end of May 2017 for a 28% year-on-year increase.



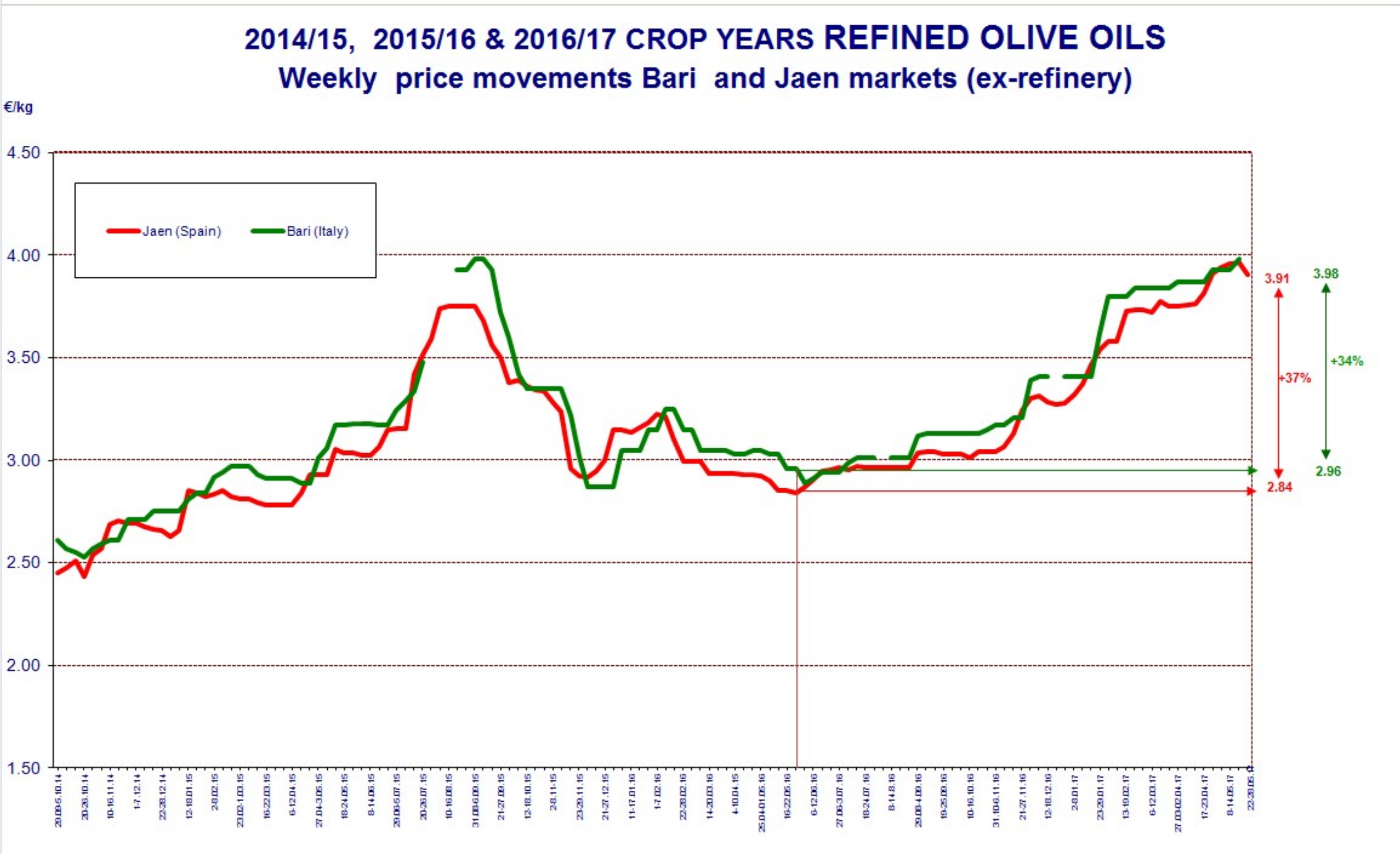
Graph 1



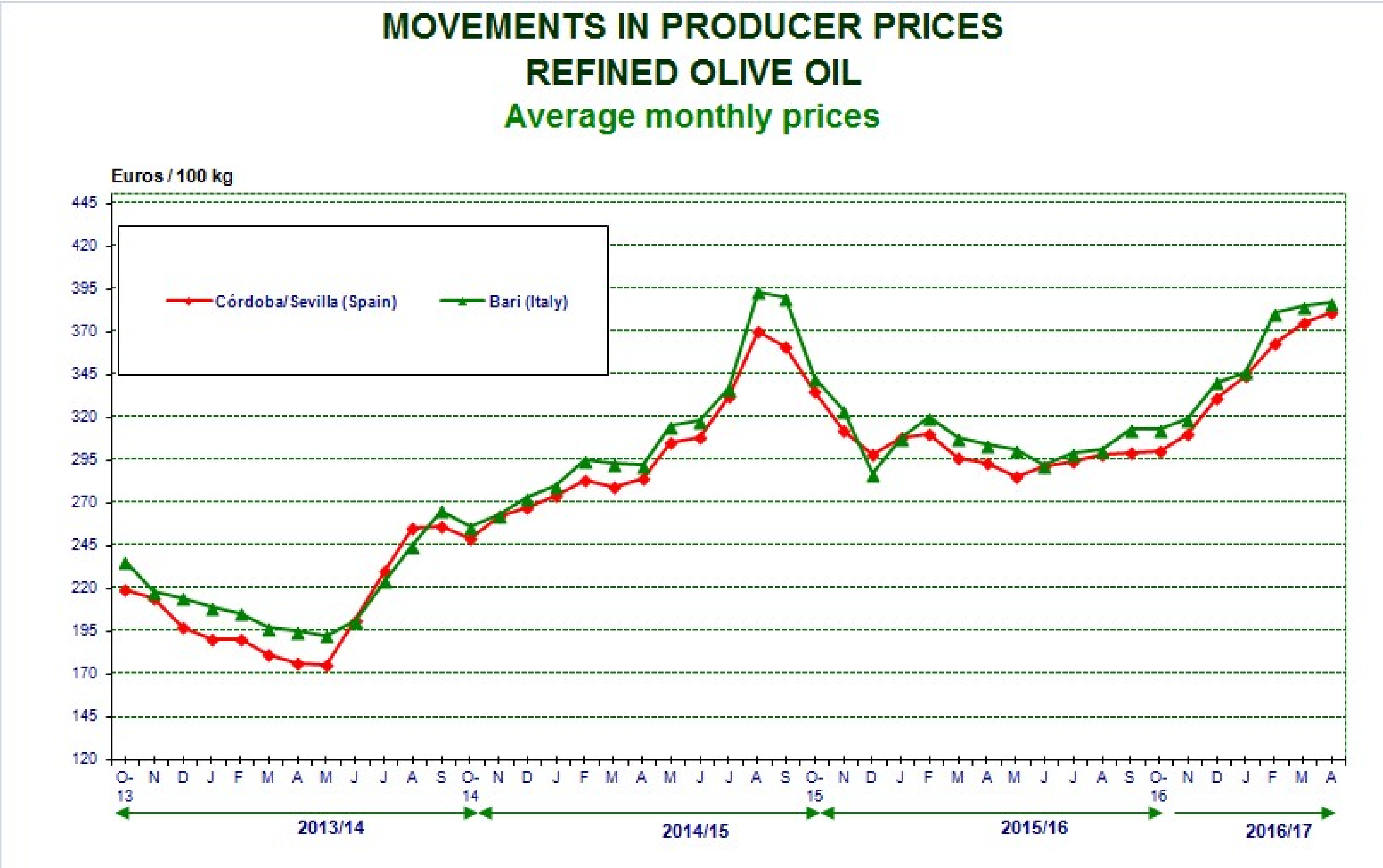
Graph 2

▪ **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 May 2017 stood at **€3.91/kg**, up by 37% compared to the previous year. In **Italy** it came in at **€3.98/kg,** which is a 34% year-on-year increase. No price data are available for this product category in Greece.

At the end of May 2017, the price difference in Spain between refined olive oil (€3.91/kg) and extra virgin oil (€3.98/kg) was of €0.07/kg. In Italy, the price difference between the two categories was greater than in Spain at €1.93/kg (Graph 3).



Graph 3



Graph 4

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