## Trends in US imports of bulk and packaged olive oil

Two decades ago, US olive oil imports accounted for almost 30 pc of the world total. Now, they account for more than 38 pc. This issue looks at how imports have changed over time in terms of category breakdown and container size.

Between 1993/94 and 2013/14, packaged product (containers < 18 kg) has seen its percentage share of total US imports shrink by 29.9 points from 87 pc to 58.6 pc while bulk containers have gained ground, increasing their share from 13 pc to 41.4 pc. In volume terms, imports in 1993/94 totalled 122 996 t, of which 107 398.70 t were in containers < 18 kg. Italy was the source of 72 pc of this packaged product, 22 pc of which was virgin olive oil imported under customs heading 150910, 50 pc was olive oil (heading 150990) and 1 pc was olive pomace oil (heading 151000). Spain supplied 9 pc of packaged imports, followed by Greece (3 pc) and Turkey (2.5 pc). The remaining tonnage (15 597.30 t) was made up of bulk-container imports, largely from Italy and Spain. By 2013/14, the situation had changed. Imports totalled 312 341 t and the trend was towards higher imports of bulk versus packaged product with virgin olive oil (150910) as the main grade imported (66 pc of total).

As just mentioned, almost 59 pc of the oil imported into the United States in 2013/14 was in containers <18 kg and came mostly from Italy (41.8 pc). Itemised by grade, Italian imports were made up of extra virgin (24 pc), olive oil (11 pc) and organic extra virgin (5 pc), followed by olive pomace oil and the other categories. Spain is the second biggest supplier of the United States, accounting for 11.6 pc of its imports in volume terms. Next are Greece (1.4 pc), Tunisia (1.3 pc), Turkey (1 pc) and other countries with smaller volumes. Extra virgin olive oil was the grade in greatest demand for packaged imports.

As can be seen from Chart 1, bulk-container imports have been winning ground from packaged product over the last 20 years. Italy leads the packaged market while Spain dominates the bulk market. In 2013/14, 41 pc of the olive imported into the United States was in containers > 18 kg, of which 28 pc was from Spain, followed at a distance by Tunisia (4 pc), Argentina (3 pc), Italy (2 pc) and the rest of the countries together (4 pc). Virgin olive oil (150910) is the most popular grade for imports in this category of container (23 pc of the total, of which 16 pc is extra virgin, 4 pc is organic extra virgin and 3 pc is virgin). Seventeen per cent belongs to the olive oil grade (150990) and 1 pc is olive pomace oil. Chart 2 plots the trend of US imports of the two chief categories of product - virgin olive oil (150910) and olive oil (150990) - by container size over the past 20 crop years. Notably, until 2001/02, packaged olive oil was in greatest demand (150990 < 18 kg) but this trend then changed direction and packaged virgin olive oil (150910 < 18 kg) is now predominant.


Chart 1 – USA: olive oil imports by type of container

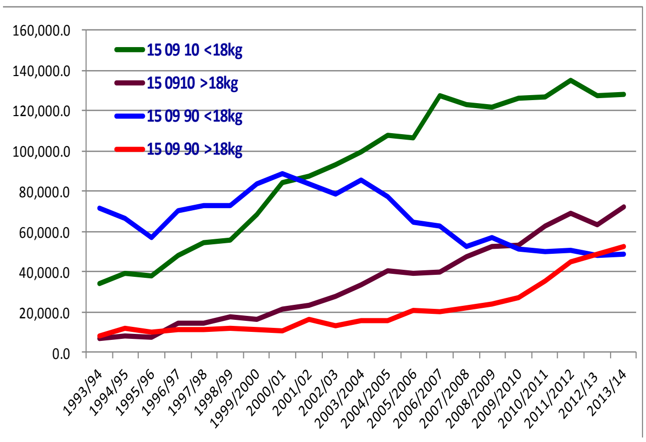



Chart 2 – USA: olive oil imports by grade and container type

The five-season trend of US imports by country of origin and container size between 2009/10 and 2013/14 is reported in Table 1. The picture that emerges is a 43 pc increase in bulk imports, contrasting with an increase of no more than 1 pc in imports of packaged containers. The four top suppliers of packaged product by order of volume are Italy, Spain, Greece, Tunisia and Turkey. In the bulk ranking, Spain is the leader, followed by Tunisia, Argentina and Italy.

Spain clearly dominates the bulk market and is making inroads in packaged product, which is still led by Italy although it has lost ground in volume terms over the five crop years.

| USA - IMPORTS by CONTAINER & by COUNTRY | <18KG | | | | |
|---|---|---|---|---|---|
| | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
| ITALY | 138629.5 | 140115.4 | 147674.5 | 138060.3 | **130654.3** |
| SPAIN | 28194.8 | 28499.8 | 28097.1 | 25305.7 | **36356.4** |
| GREECE | 3651.2 | 3491.1 | 4134.9 | 4239.4 | **4313.7** |
| TUNISIA | 4873.3 | 4235.3 | 4587.6 | 4325.7 | **4066.1** |
| TURKEY | 2060.6 | 703.2 | 1780.5 | 2966.4 | 2804.4 |
| PORTUGAL | 1049.6 | 1100.8 | 1064.8 | 1058.3 | 1121.9 |
| LEBANON | 700.5 | 873.8 | 803.4 | 970.3 | 968.4 |
| CHILE | 416.5 | 644.4 | 746.0 | 1074.1 | 764.7 |
| ARGENTINA | 569.8 | 322.9 | 604.9 | 584.7 | 594.8 |
| MOROCCO | 51.3 | 312.0 | 199.8 | 80.3 | 303.6 |
| ISRAEL | 161.5 | 371.9 | 221.1 | 313.5 | 192.4 |
| AUSTRALIA | 213.2 | 73.0 | 180.6 | 41.6 | 22.4 |
| MEXICO | 21.0 | 161.1 | 86.9 | 70.8 | 12.7 |
| others | 871.7 | 827.6 | 621.0 | 783.3 | 610.6 |
| TOTAL | **181464.5** | **181732.3** | **190803.1** | **179874.4** | **182786.4** |

| USA - IMPORTS by CONTAINER & by COUNTRY | >18KG | | | | |
|---|---|---|---|---|---|
| | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
| SPAIN | 39168.4 | 37784.9 | 64753.1 | 33644.0 | **88107.5** |
| TUNISIA | 20718.6 | 21394.4 | 30918.4 | 31193.7 | **11179.2** |
| ARGENTINA | 4868.6 | 7698.5 | 8483.8 | 4928.0 | **8020.9** |
| ITALY | 7040.7 | 9328.7 | 7396.1 | 7304.3 | **7072.4** |
| MOROCCO | 8435.8 | 27844.2 | 4760.9 | 6890.5 | 3953.0 |
| TURKEY | 5902.0 | 355.3 | 1371.6 | 25762.6 | 3896.7 |
| CHILE | 557.3 | 1267.1 | 3370.5 | 3018.2 | 3742.6 |
| GREECE | 566.3 | 840.2 | 1395.9 | 3252.3 | 1205.6 |
| AUSTRALIA | 1836.5 | 1830.6 | 1804.3 | 175.9 | 918.1 |
| MEXICO | 2.2 | 42.0 | 272.4 | 482.7 | 402.5 |
| LEBANON | 23.3 | 25.1 | 38.7 | 863.5 | 262.4 |
| PORTUGAL | 1011.2 | 789.1 | 809.8 | 204.9 | 130.6 |
| ISRAEL | 84.0 | 119.4 | 38.9 | 36.7 | 12.4 |
| others | 409.6 | 996.8 | 877.7 | 1195.8 | 650.7 |
| TOTAL | **90624.5** | **110316.3** | **126292.1** | **118953.1** | **129554.6** |

In a nutshell, this analysis points to a major change in the structure of the US import market. Compared with 20 years ago, import volume is now 21/2 times higher and import breakdown by container size has shifted with bulk containers increasing their share of total import volume from 13 to 41.4 pc, which is an indicator that bottling has expanded significantly in the US. The breakdown of suppliers has changed too. Spain has seen its bulk exports increase, above all to supply on-site bottling facilities, as have other countries like Tunisia and Argentina that will have to be reckoned with in the future. Other countries will also probably enter the playing field.

## I. WORLD MARKET FOR OLIVE OIL AND TABLE OLIVES

### 1. WORLD PICTURE FOR OLIVE OIL at the start of 2014/15

Trade in olive oil and olive pomace oil got off to a good start in 2014/15 in the majority of the countries listed in the table below. In the first two months of the crop year (October and November 2014), imports were higher in Russia (+30 pc), Australia (+19 pc), Brazil (+10 pc), Japan (+8 pc), China (+7 pc), Canada (+6 pc) and the United States (+3 pc) compared with the same two-month period a year earlier.

November 2014 data were not available for the EU at the time of publication but the October 2014 data show a 2 pc increase in intra-EU acquisitions and a decrease of 53 pc in extra-EU imports compared with October 2013.

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

| No | Importing country | October 13 | October 14 | November 13 | November 14 |
|---|---|---|---|---|---|
| 1 | Australia | 2169.9 | 3125.1 | 2461.2 | 2391.8 |
| 2 | Brazil | 9075.3 | 9584.6 | 6239.6 | 7269.9 |
| 3 | Canada | 4014.7 | 3985.0 | 2845.6 | 3256.9 |
| 4 | China | 2609.4 | 2410.8 | 3030.7 | 3651.5 |
| 5 | Japan | 4410.0 | 4776.0 | 4386.0 | 4735.0 |
| 6 | Russia | 2982.0 | 4259.5 | 2763.7 | 3192.4 |
| 7 | USA | 23274.0 | 23332.0 | 27163.1 | 28449.8 |
| 8 | Extra-EU/27 | 14233.0 | 6722.0 | 6659.0 | nd |
| | Intra-EU/27 | 88710.0 | 90272.0 | 75558.0 | nd |
| | **Total** | **151478.3** | **148467.0** | **131106.9** | |

### 2. WORLD PICTURE FOR TABLE OLIVES at the start of 2014/15

In October and November 2014, the first two months of the 2014/15 crop year, table olive imports in the six countries listed in the table were higher in the cases of Russia (+10 pc) and Brazil (+1 pc) versus the same period a season earlier but lower in Australia (-12 pc), Canada (-10 pc) and the United States (-6 pc).

At the time of publishing this newsletter, the November 2014 data were not available for the EU but in October 2014, the first month of the new crop year, intra-EU acquisitions were 1 pc lower than in October 13 whereas extra-EU imports were 34 pc higher.

**Table Olive Imports (t)**

| Nº | Importing country | October 13 | October 14 | November 13 | November 14 |
|---|---|---|---|---|---|
| 1 | Australia | 1511.0 | 1547.0 | 1657.0 | 1234.0 |
| 2 | Brazil | 11769.2 | 12930.3 | 11299.5 | 10285.5 |
| 3 | Canada | 2795.0 | 2413.0 | 2656.0 | 2469.0 |
| 4 | Russia | 8882.2 | 11076.5 | 9073.0 | 8719.1 |
| 5 | USA | 11434.0 | 10367.0 | 10396.0 | 10164.0 |
| 6 | Extra-EU/27 | 6204.0 | 8298.0 | 5459.0 | nd |
|  | Intra-EU/27 | 27012.0 | 26706.0 | 25216.0 | nd |
|  | **Total** | **69607.4** | **73337.8** | **65756.5** |  |

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

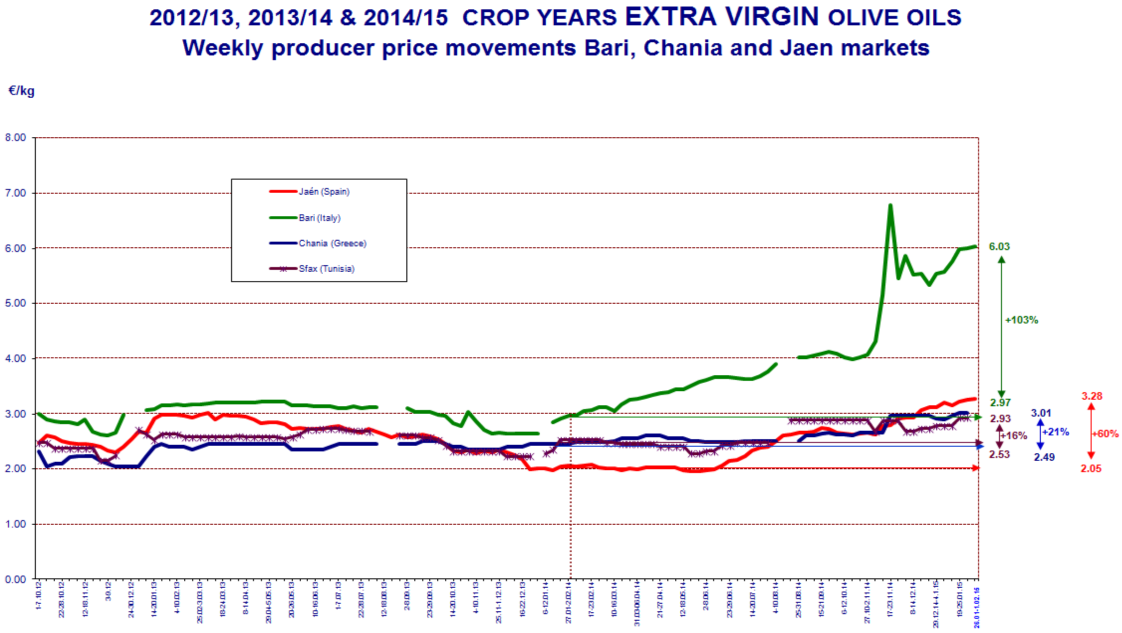
It is not for the IOC to judge whether these price levels reflect an adequate balance between production costs along the supply chain and the prices that consumers are prepared to pay to continue consuming olive oil but they are a concern that all the players will no doubt take into account for the long-term 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. After breaking the three-euro barrier in the second week of December 2014, they continued upwards to reach **€3.28/kg by the end of January 2015**. This is the highest level yet in the period under review and is 60 pc higher than a year earlier and 67 pc above the low recorded in May 2014 (€1.96/kg) (Graph 1).

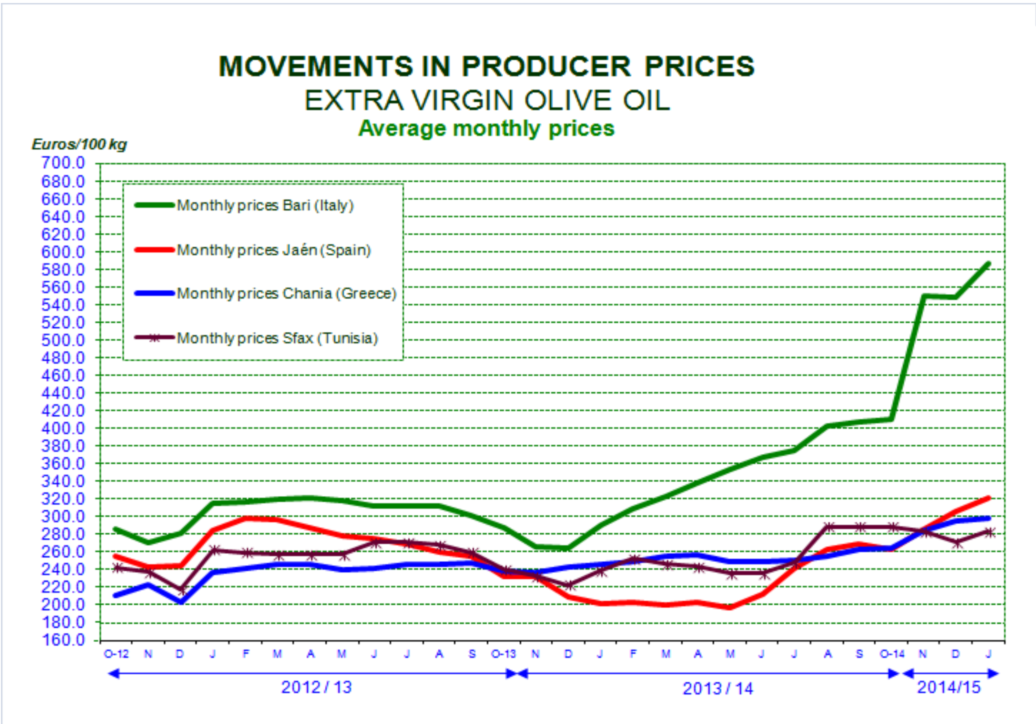
**Italy:** In recent months, producer prices in Italy have been on a very clear upward trend. In the week from 10 to 16 November 2014, they hit the highest level of both the period under review and the last decade, reaching €6.79/kg. After a small dip in the second last week of December 2014, prices switched back upwards to reach **€6.03/kg at the end of January 2015**, equating with an increase of 103 pc on a year earlier and 128 pc compared with 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 changed in recent crop years.

**Greece**: After holding steady at €2.51/kg through July and August 2014, producer prices in Greece climbed for several weeks. After declining at the beginning of October they rose to high levels in the next three months, then breaking the three-euro/kg barrier in the third week of January 2015. By the end of the month, they stood at €3.01/kg, showing 21 pc growth on 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 few weeks but then started to move upwards to €2.93/kg by the end of January 2015 (+16 pc compared with a year earlier). In the coming months it will be interesting to see how and if prices are affected by the flexibility offered by the EU in the monthly quotas fixed for February and March for Tunisian tax-exempted olive oil exports to the EU.



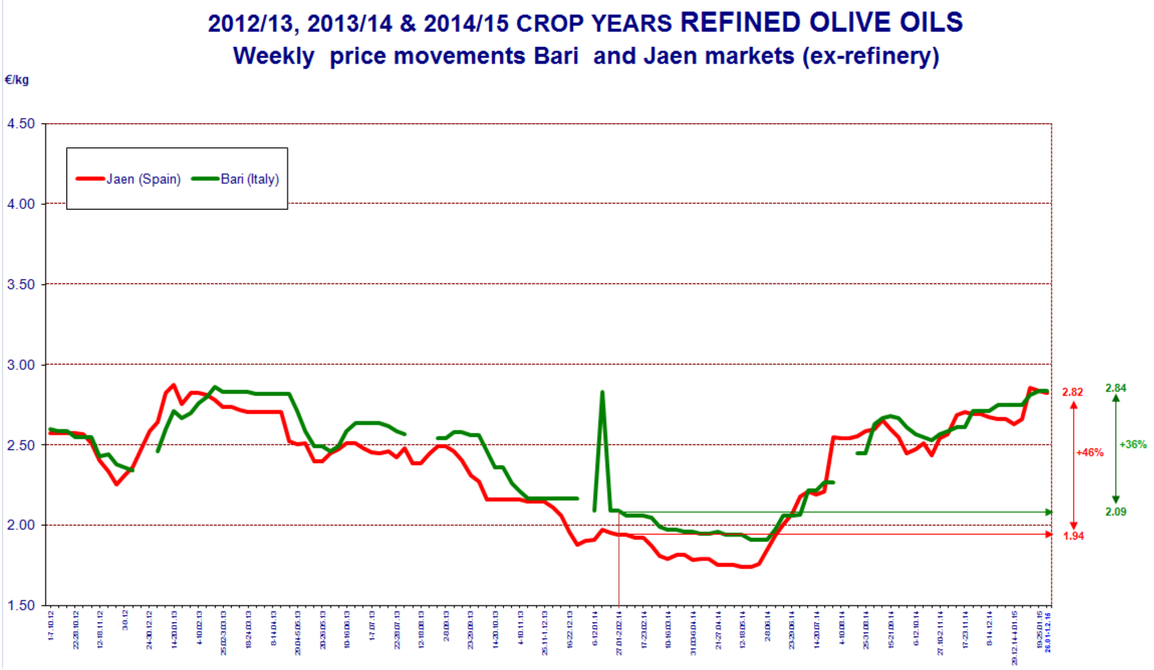

Graph 1



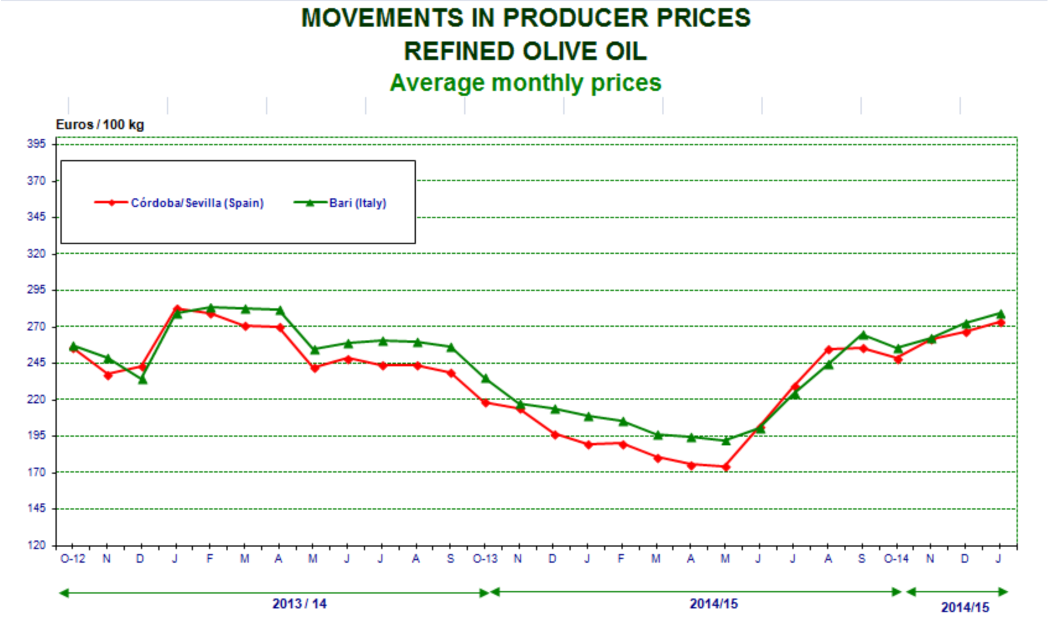

Graph 2

- **Refined olive oil**: Producer prices for refined olive oil moved in a similar upward direction in Spain and Italy from June 2014. In Spain they dipped slightly in the last two weeks of September 2014, then rallying to €2.82/kg by the end of January 2015, up by 46 pc on the same period of the preceding crop year. While prices in Italy generally moved in parallel with those in Spain, they did record a peak in the third week of January 2014 (€2.83/kg). A year later, they were standing at €2.84/kg at the end of January 2015, translating into a period-on-period increase of 36 pc which restores Italian prices to their usual position above Spanish prices. No price data are available for this product category in Greece.

  At the end of January 2015, the price of refined olive oil and extra virgin olive oil in Spain differed by €0.46/kg, with €2.82/kg being paid for the first category and €3.28/kg for the second. In Italy, the difference in price between the two categories is considerably wider than in Spain (€3.19/kg - Graph 3).




Graph 3




Graph 4

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