



Close-up of world balances for 2014/15

Olive oil

The IOC Council of Members recently held their 24th extraordinary session from 16 to 19 June 2015. During the session, the Economic Committee discussed an agenda including the updated data supplied by the member countries for the 2013/14 and 2014/15 crop years. In this issue of the newsletter we present the provisional data for 2014/15 although they are likely to change between now and November 2015 when they will be definitively approved by member countries. According to the figures available at present, the 2014/15 season opened with 796 000 t in starting stocks. **World production** is 29 pc down on 2013/14, chiefly because of a 42 pc drop in production in EU countries largely caused by adverse weather conditions. Greece and Cyprus are the only exceptions. Spain has recorded the biggest drop in output versus 2013/14 (–946 500 t or –53 pc) with Italy in next position (–239 200 t or –52 pc) and then Portugal (–30 000 t or –27 pc), France (–3 400 t or –69 pc) and Croatia (–1 800 t or –36 pc). Conversely, production has been higher in Greece (+168 000 t = +127 pc) and Cyprus (+1 000 t = +17 pc). Elsewhere among the IOC membership, production is 16 pc higher in aggregate. The biggest volume increases have been located in Tunisia where production has hit an all-time high of 280 000 t for the second time (the first was in 2003/04) and is 210 000 t higher (+300 pc) than in 2013/14, and in Turkey where it has risen by 25 000 t (+19 pc). The sharpest decreases have been observed in Syria where production has fallen by –115 000 t (–70 pc), and Morocco (–10 000 t or –8 pc). The production figure for Argentina for the 2014 calendar year, which is entered in the world balance for the 2014/15 season, is 24 000 t lower (–80 pc). In 2014/15, the member countries of the IOC have produced 97 pc of the world's olive oil.

Table olives

The provisional data for 2014/15 assess **world table olive production** at around 2 553 500 t, down by 2 pc on 2013/14. Chart I shows the trend of world and IOC production. In 2014/15, the Members of the IOC have accounted for 92 pc of the table olives produced in the world. Overall production in the EU is 19 pc higher than the season before. At individual level, Spain has produced 6 pc less than in 2013/14 (538 100 t) while Greece has produced 135 pc more (235 000 t). Output has also been higher in Italy (79 500 = +37.5 pc) but remains unchanged in Portugal (17 500 t). Production in the rest of the IOC Members has fallen by 7 pc as a whole. The steepest decreases have been recorded in Syria, which has produced 40 000 t (–68 pc), and Argentina where it came to 28 000 t in 2014 (–80 pc). Output in Iran (65 500 t) is also down on the season-before level, albeit to a smaller extent (–3 pc). In the opposite direction, production in Egypt (450 000 t) is 13 pc higher. It has reached record levels in Turkey (438 000 t) and Algeria (216 000 t), representing respective increases of 2 and 4 pc. Production in Jordan (40 000 t) is also higher (+11 pc) although the volume involved is smaller. The trend of production in the chief IOC producing countries is shown in Chart II where three countries stand out, particularly Turkey from 2008/09 onwards.

At 2 541 000 t, consumption in 2014/15 is higher than the season before according to the provisional figures while exports (689 500 t) are lower than imports (695 500 t). Import movements for 2014/15 are reported in more detail in section I.2 of this issue.

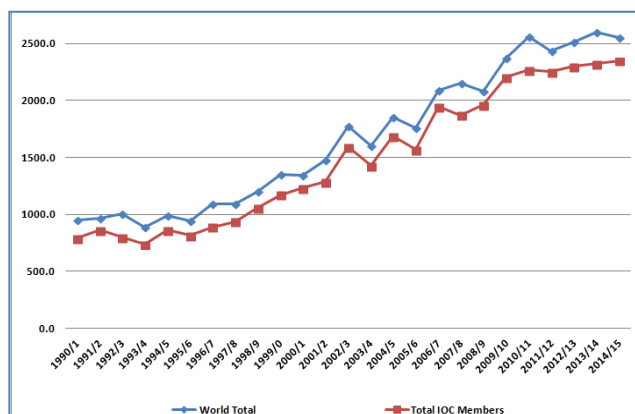


Chart I – Trend of world table olive production

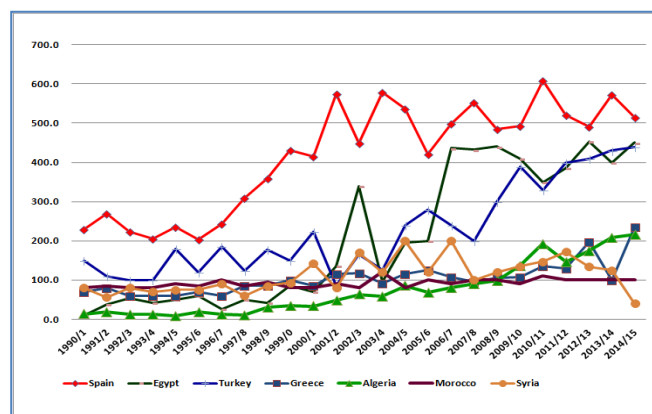


Chart II – Trend in chief IOC table olive producing countries



Mario Solinas Quality Award 2015 for the best extra virgin olive oils

The International Olive Council awarded the prizes for the IOC Mario Solinas Quality Award 2015 during a seminar on *Understanding Olive Oil* addressed by IOC Executive Director Jean-Louis Barjol and Executive Vice President of the North American Olive Oil Association Eryn Balch. The seminar and awards took place on 29 June during the New York Fancy Food Show, the biggest speciality food show in North America. The IOC hosted a dinner that evening for the medallists who were joined by guest media who had the chance to taste the award-winning oils.

Since this kind of event drums up media visibility for the winning extra virgin olive oils, the IOC plans to hold next year's 2016 Mario Solinas Awards in Tokyo.

I. WORLD MARKET FOR OLIVE OIL AND TABLE OLIVES

1. OLIVE OIL MARKET IN 2014/15

The table below reports the figures for imports of olive oil under customs heading 15.09 and olive pomace oil under customs heading 15.10 by a number of countries in the first seven months of the 2014/15 crop year (October 2014–April 2015). The data reveal year-on-year import increases of +10 pc in Japan with strong growth in March and April 2015, +3 pc in Brazil with sharp increases in January and February followed by a decrease in March, and +2 pc in China where imports started to rise in February 2015. On the contrary, imports have been lower in Russia (-22 pc) owing to a switch of trend in December 2014 which has continued until April 2015. They are also down in Australia (-14 pc as of November 2014), Canada (-11 pc) and the United States (-2 pc). Higher US imports in February 2015 offset earlier decreases in December and January but imports then fell again in March and April 2015.

The April 2015 data were not available for the EU at the time of publication but the data for the first six months of 2014/15 show an increase of 11 pc in intra-EU acquisitions and 149 pc in extra-EU imports compared with the same period a season earlier. Owing to the heavy drop in output in Spain and Italy, extra-EU imports by both countries soared, particularly imports from Tunisia (+831 pc and +255 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. This fact is 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	April 14	April 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	2703.3	1727.6
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	5281.0	4789.3
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	5650.3	4114.7
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	2532.7	2835.5
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	5634.0	6319.0
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	3350.6	1163.6
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	37422.5	31125.9
	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	26731.0	3741.0	nd
8	Intra-EU/27	88710.0	89729.0	75558.0	98016.0	98320.0	122803.0	93392.2	101262.0	107591.3	106374.0	98077.7	104311.0	96205.0	nd
	Total	151478.3	147924.0	131106.9	157765.8	147888.7	177385.2	147285.7	163889.4	145435.6	172732.5	155809.6	180276.5	162520.4	

2. TABLE OLIVE MARKET IN 2014/15

In the first seven months of the 2014/15 crop year, i.e. from October 2014 to April 2015, table olive imports (see table below) were higher in the United States (+14 pc) and Brazil (+5 pc) than in the same period a year earlier. In the case of Australia, imports have moved in the opposite direction, dropping by 15 pc since November 2014. Decreases are also reported for Russia (-11 pc since January 2015) and Canada (-3 pc).

At the time of publication, the data for April 2015 were not available for the EU but in the first six months of the 2014/15 season, intra-EU acquisitions increased 4 pc and extra-EU imports rose 13 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	February 14	February 15	March 14	March 15	April 14	April 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	1408.0	1365.0
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	9458.1	8610.0
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	2620.0	2704.0
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	5709.6	3556.2
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	11764.0	13795.0
6	Extra-EU/27	6204.0	8298.0	5459.0	7062.1	6404.0	8090.7	7154.4	7778.9	7134.0	6884.8	9755.0	9319.3	9138.0	nd
	Intra-EU/27	27012.0	27129.0	25216.0	23218.6	23898.0	27400.6	19431.0	19872.0	20767.8	21643.7	21646.0	24769.9	22340.5	nd
	Total	69607.4	73760.8	65756.5	63152.3	58965.5	68073.4	52464.0	54254.4	52079.7	51743.5	60055.5	66623.9	62438.2	

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. Nevertheless, this is a concern that all market 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** rose steadily in the second half of 2014. After breaking the three-euro barrier in the second week of December 2014, they have continued on their upward trajectory with some minor fluctuations until they peaked at a high of **€3.59/kg** in the **third week of June 2015**. A week later they dipped to **€3.53/kg**, which is 63 pc higher than a year earlier and 80 pc above the low recorded in the third week of May 2014 (€1.96/kg).

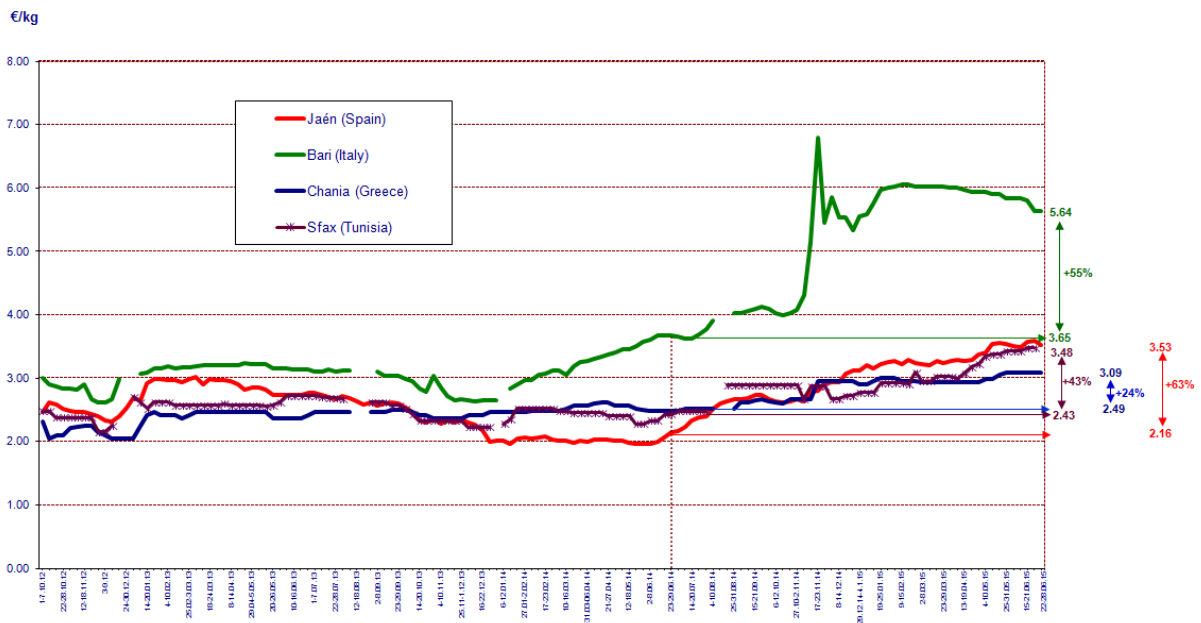
Italy: In recent months, producer prices in Italy have been on a very clear upward trend. In the week from 10 to 16 November 2014, they hit the highest level of both the period under review and the last decade, reaching €6.79/kg. After decreasing slightly in the second last week of December 2014 prices switched back upwards. After some small dips, they were lying at **€5.64/kg at the end of June 2015**, i.e. 55 pc higher than a year earlier and 114 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 lying steady. At the **end of June 2015** they were still at **€3.09/kg**, +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. **By the end of June 2015**, they were lying at **€3.48/kg**, equating with period-on-period growth of +43 pc.

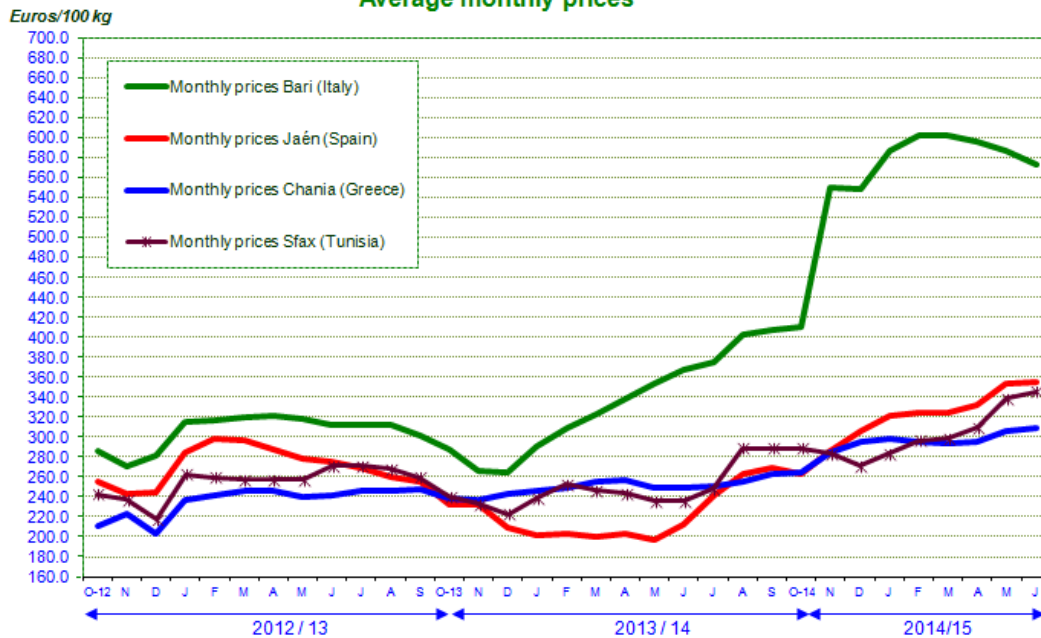


2012/13, 2013/14 & 2014/15 CROP YEARS EXTRA VIRGIN OLIVE OILS
Weekly producer price movements Bari, Chania and Jaen markets



Graph 1

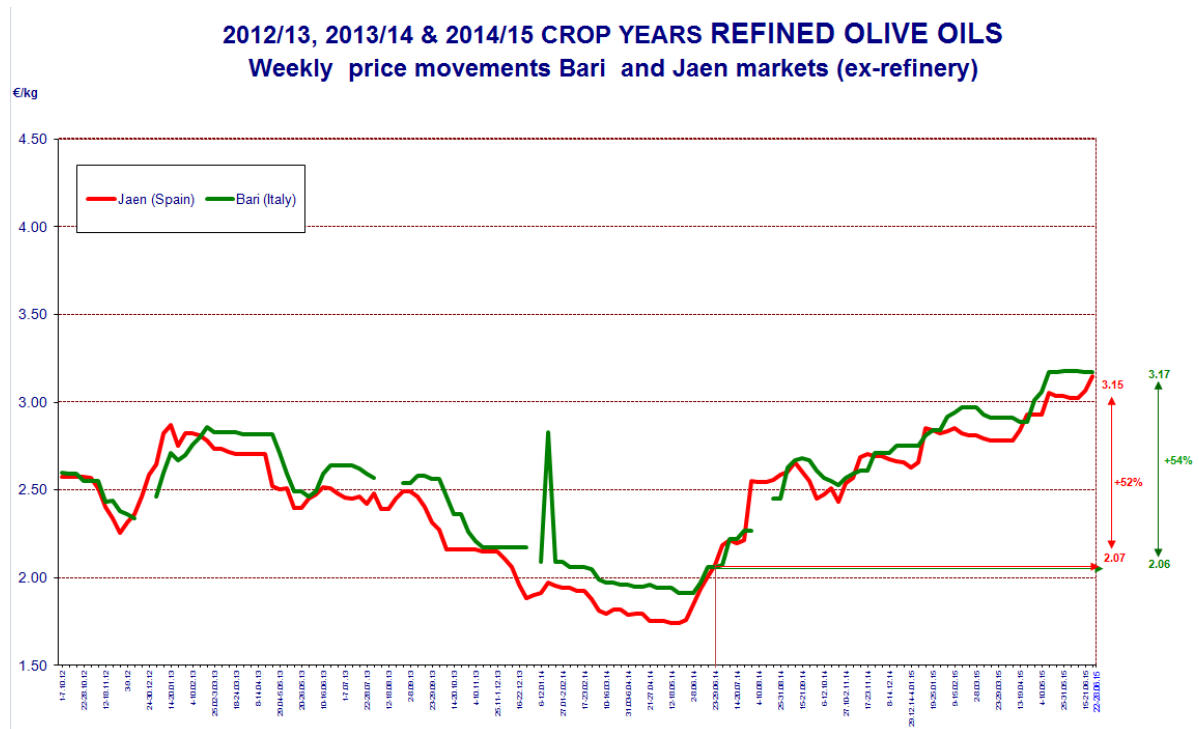
MOVEMENTS IN PRODUCER PRICES
EXTRA VIRGIN OLIVE OIL
Average monthly prices



Graph 2

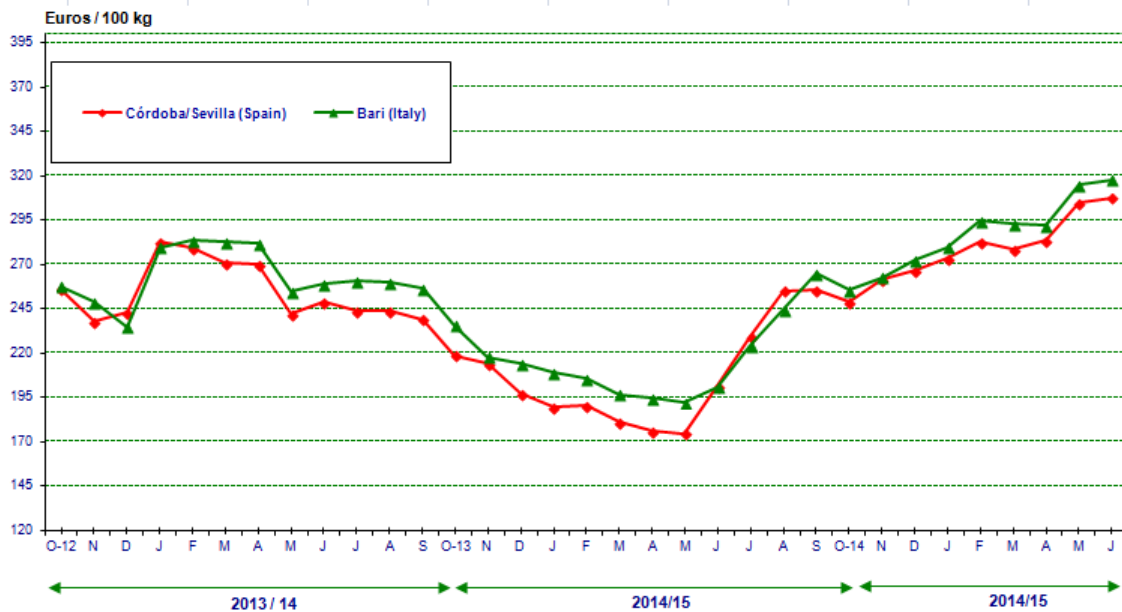
- **Refined olive oil:** Producer prices for refined olive oil have hit their highest levels for the period under review. In Spain they were standing at **€3.15/kg** at the end of June 2015, up by 52 pc on the same period of the preceding crop year. In **Italy** prices stood at **€3.17/kg** at the end of June 2015, translating into a period-on-period increase of 54 pc. No price data are available for this product category in Greece.

At the end of June 2015, the price of refined olive oil (€3.15/kg) and extra virgin olive oil (€3.53/kg) differed by €0.38/kg in Spain. In Italy, the difference in price between the two categories is considerably wider (€2.47/kg - Graph 3).



Graph 3

MOVEMENTS IN PRODUCER PRICES
REFINED OLIVE OIL
Average monthly prices



Graph 4

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