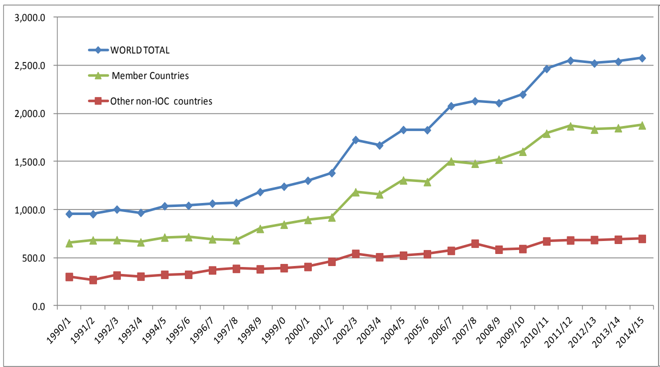
SPOTLIGHT ON WORLD TABLE OLIVE CONSUMPTION

Over the past 25 years, world table olive consumption has seen a 2.7-fold increase, rising by 169.4 pc from 1990/91 to 2014/15. This trend is illustrated in Chart 1 where it can be seen that consumption has increased the most in the member countries of the IOC, which are the top producers. In some cases, consumption has climbed on the back of sharp increases in production, for instance in Egypt where table olive consumption has soared from 11 000 t in 1990/91 to 320 000 t in 2014/15, or in Algeria and Turkey where it has gone up from 14 000 t to 215 000 t and from 110 000 t to 350 000 t, respectively. Consumption has risen on a smaller scale in the rest of the IOC membership. Chart 2 reports annual per capita consumption of table olives in 2013. Albania leads the ranking with 14.8 kg/capita/year; total table olive consumption in this country amounts to 41 000 t while it has a population of no more than 2 774 000 people. Far behind comes Lebanon (5.6 kg), followed by Turkey, Syria, Algeria and Egypt (between 4.0 kg and 4.7 kg), Jordan (3.6 kg), Israel (3.0 kg), Libya (2.3 kg), Tunisia (2.0 kg) and Uruguay (1.2 kg). The rest (Morocco, Argentina, Iraq and Iran, in descending order) consume between 1 and 0.6 kg of table olives per annum.



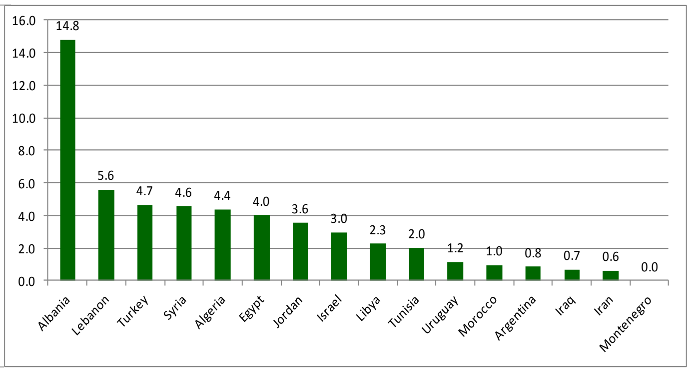


Chart 1: Trend of world table olive consumption

Chart 2: Per capita consumption of table olives in IOC member countries (kg) in 2013

During the same time span (1990/91–2014/15), consumption in the European Union increased by 81.5 pc from 346 400 t to 629 000 t. Annual per capita consumption is reported in Chart 3. As can be observed, Spain, the world's top producer is also the leading consumer (4.0 kg), followed by Malta (3.8 kg), Cyprus (3.0 kg) and Italy (2.4 kg). Further down the ranking are countries with a per capita consumption between 1.8 kg and 1.0 kg (Bulgaria, Greece, Luxembourg and France, listed in descending order), between 0.9 and 0.5 kg (Romania, Czech Republic, Belgium, Sweden, Portugal, United Kingdom, Germany, Austria and Croatia) and not more than 0.4 kg (Denmark, Estonia, Finland, Slovakia, Slovenia, Lithuania, Latvia, Ireland, Poland, Netherlands and Hungary).

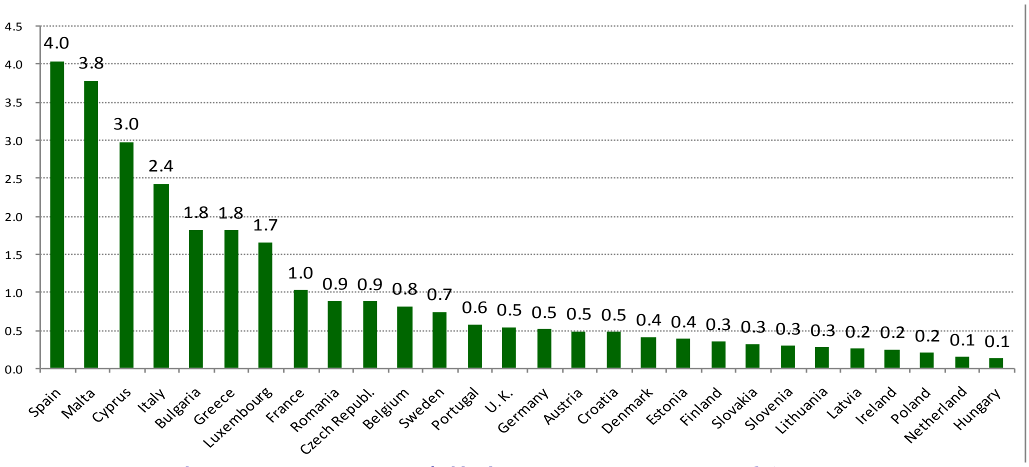


Chart 3: Per capita consumption of table olives in European Union countries (kg) in 2013

Lastly, Chart 4 plots annual per capita consumption of table olives in non-IOC member countries. The top four consumers are also producers and consume between 1.9 kg and 1.3 kg (Palestine, Chile, Saudi Arabia and Peru). Next come Australia and Canada with 0.9 kg and 0.8 kg respectively; Switzerland and the United States with 0.7 kg each; Brazil and Russia, each with 0.5 kg (although total table olive consumption has risen steeply in these two countries, this is not mirrored in per capita consumption owing to the size of their population); and Mexico with 0.1 kg.

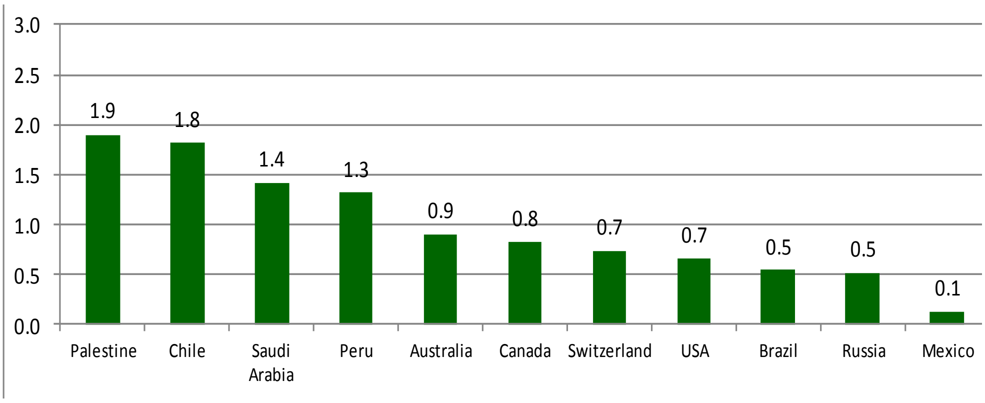


Chart 4: Per capita consumption of table olives in non-IOC member countries (kg) in 2013

I. WORLD MARKET FOR OLIVE OIL AND TABLE OLIVES

1. WORLD OLIVE OIL MARKET IN THE EARLY MONTHS OF 2014/15

In the first four months of the 2014/15 crop year (October 2014–January 2015), the figures for trade in olive oil and olive pomace oil in the countries listed in the table show year-on-year import increases for Brazil (+7 pc), Japan (+6 pc) and Australia (+2 pc) but decreases for Canada, China and the United States (−4 pc each). Import data for Russia are only available for the first three months of the year and point to a 13 pc rise.

The figures for December 2014 and January 2015 show large decreases in imports compared with the same months a season earlier. Specifically, season-on-season imports were down in December in Russia, in December and January in China and the United States, and in January in Australia and Canada. It will be necessary to keep track of developments over the coming months to see whether these decreases are one-off or whether they are linked to the lower supply on the world market caused by this season's small harvest and higher prices. On the other hand, in January Brazil more than made up for the decrease in imports recorded in December.

The January 2015 data were not available for the EU at the time of publication but the October–December 2014 data show an increase of 18 pc in intra-EU acquisitions and of 8 pc in extra-EU imports compared with the same period a season earlier. Owing to the hefty drop in Spain and Italy's output, imports from outside the EU will probably be considerably higher than last season, particularly imports from Tunisia where the harvest is much higher than last year.

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
1	Australia	2169.9	3125.1	2461.2	2391.8	2004.0	1652.1	2211.3	1856.8
2	Brazil	9075.3	9584.6	6239.6	7269.9	7156.7	6249.3	5163.6	6367.2
3	Canada	4014.7	3985.0	2845.6	3257.6	2662.2	3069.3	3649.0	2341.2
4	China	2609.4	2410.8	3030.7	3651.5	4007.6	3530.5	3268.3	2850.1
5	Japan	4410.0	4776.0	4386.0	4735.0	3967.0	3965.4	4271.0	4531.1
6	Russia	2982.0	4259.5	2763.7	3192.4	3174.3	2653.1	1914.2	nd
7	USA	23274.0	23332.0	27163.1	28449.8	21455.9	18755.6	26704.8	24296.3
8	Extra-EU/27	14233.0	6722.0	6659.0	6801.8	5141.0	14707.0	6711.3	nd
	Intra-EU/27	88710.0	89729.0	75558.0	98016.0	98320.0	122500.0	93392.2	nd
	Total	**151478.3**	**147924.0**	**131106.9**	**157765.8**	**147888.7**	**177082.2**	**147285.7**	

2. WORLD TABLE OLIVE MARKET IN THE EARLY MONTHS OF 2014/15

In the first four months of the 2014/15 crop year, i.e. from October 2014 to January 2015, table olive imports (see table below) were higher in Brazil (+5 pc) and the United States (+3 pc) than in the same period a year earlier; note the rise in US table olive imports as of December. Imports move in the opposite direction in the case of Australia (−15 pc since November) and Canada (−3 pc since October, excluding December when imports picked up). Data for Russia are only available for the first three months of the crop year and report an 18 pc rise (due to imports in October and November).

At the time of publication, the January 2015 data were not available for the EU but between October and December 2014, intra-EU acquisitions increased 2 pc and extra-EU imports 30 pc (they started to climb from the very start of the crop year in October) compared with the same period the season before.

Table Olive Imports (t)

No	Importing country	October 13	October 14	November 13	November 14	December 13	December 14	January 14	January 15
1	Australia	1511.0	1547.0	1657.0	1234.0	1905.0	1580.0	1740.0	1409.0
2	Brazil	11769.2	12930.3	11299.5	10285.5	8721.4	8685.1	6171.8	8007.7
3	Canada	2795.0	2413.0	2656.0	2469.0	2074.0	2810.0	2622.0	2144.0
4	Russia	8882.2	11076.5	9073.0	8719.1	5026.1	7288.0	4861.8	nd
5	USA	11434.0	10367.0	10396.0	10164.0	10937.0	12219.0	10483.0	11629.0
6	Extra-EU/27	6204.0	8298.0	5459.0	7062.1	6404.0	8086.7	7154.4	nd
	Intra-EU/27	27012.0	27129.0	25216.0	23218.6	23898.0	27295.4	19431.0	nd
	Total	**69607.4**	**73760.8**	**65756.5**	**63152.3**	**58965.5**	**67964.2**	**52464.0**	

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 the place of 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 (see comments in section I.1 regarding the December 2014 import figures for several countries).

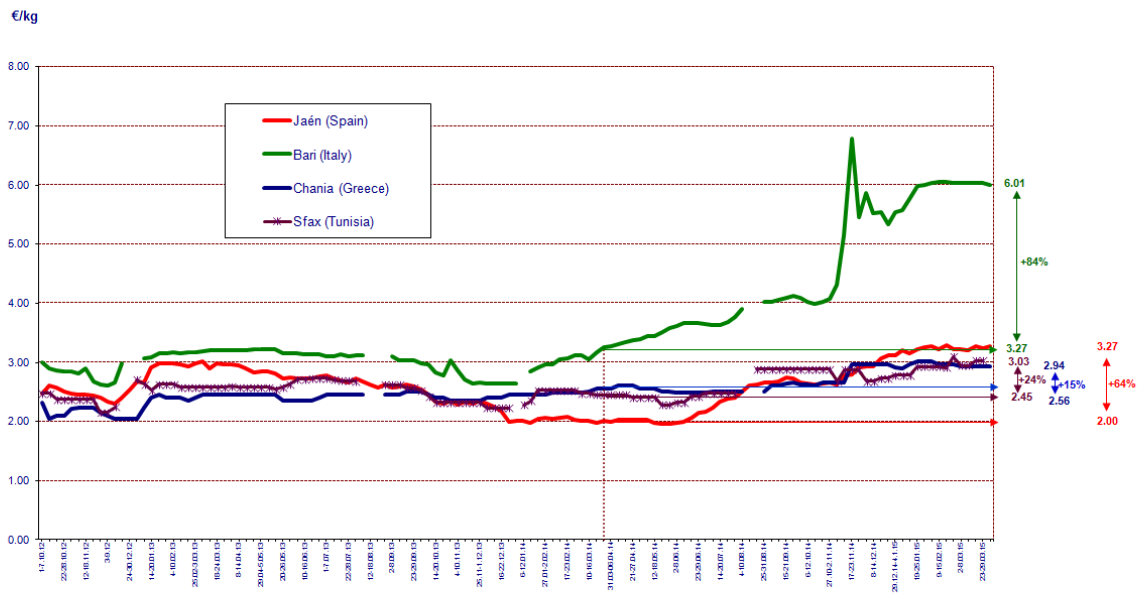
Extra virgin olive oil: Producer prices in **Spain** started to rise constantly in the second half of 2014. After breaking the three-euro barrier in the second week of December 2014, they continued on their upward trajectory to peak at €3.29/kg in the second week of February 2015. After hovering around this level with intermittent upturns, prices stood at **€3.27/kg at the end of March 2015**, 64 pc higher than a year earlier and 67 pc above the low recorded in the third week of 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 and then levelled off, lying at **€6.01/kg at the end of March 2015**, equating with an increase of 84 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: Lately, prices have been high, breaking the three-euro/kg barrier in the third week of January 2015; however, since then they have inched down to **€2.94/kg at the end of March 2015** (+15 pc on the same period a season earlier).

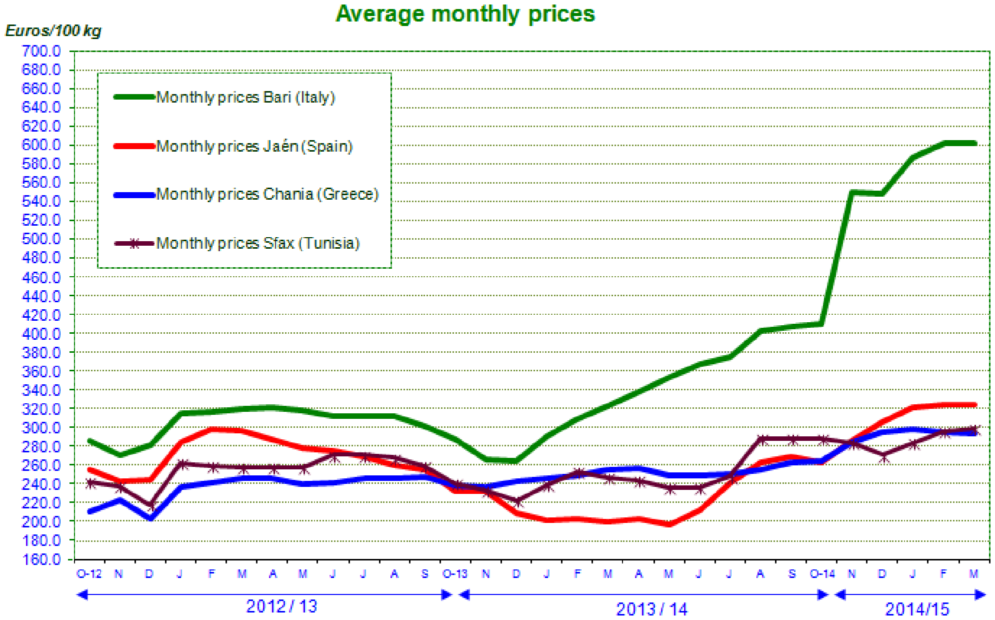
Tunisia: At the end of December 2014, producers were paid €2.73/kg for their extra virgin olive oil. Prices held steady for a few weeks but then started to move upwards and peaked at €3.10/kg by the end of February. However, in recent weeks they have dipped, reaching **€3.03/kg at the end of March 2015**, equating with period-on-period growth of +24 pc.

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



Graph 1

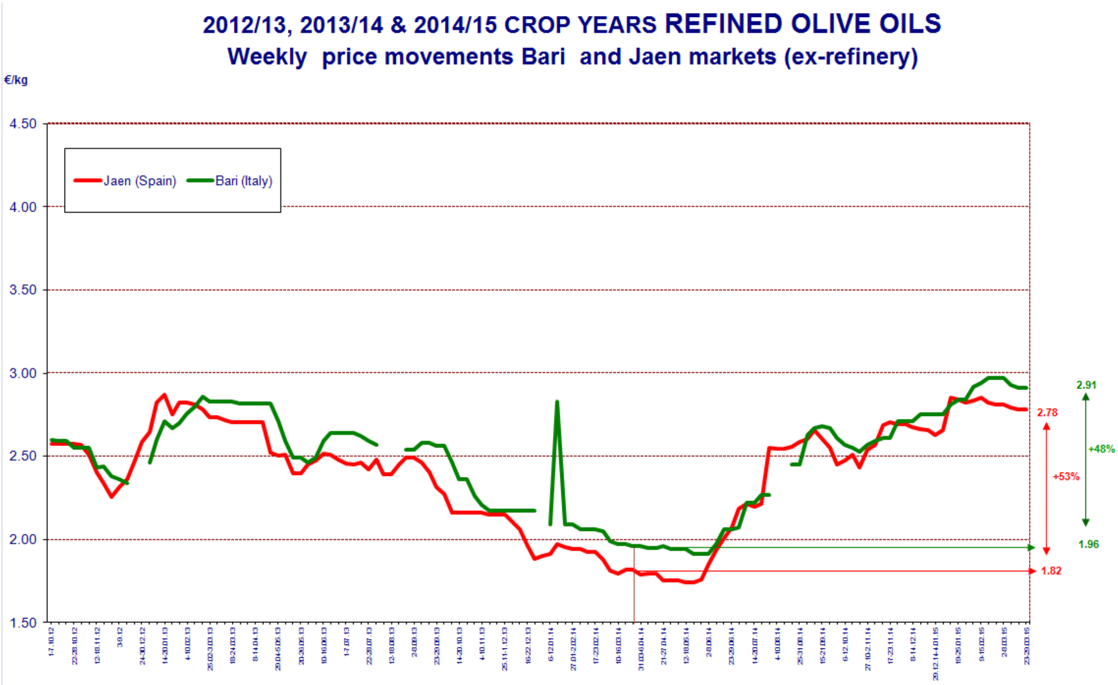
MOVEMENTS IN PRODUCER PRICES
EXTRA VIRGIN OLIVE OIL
Average monthly prices



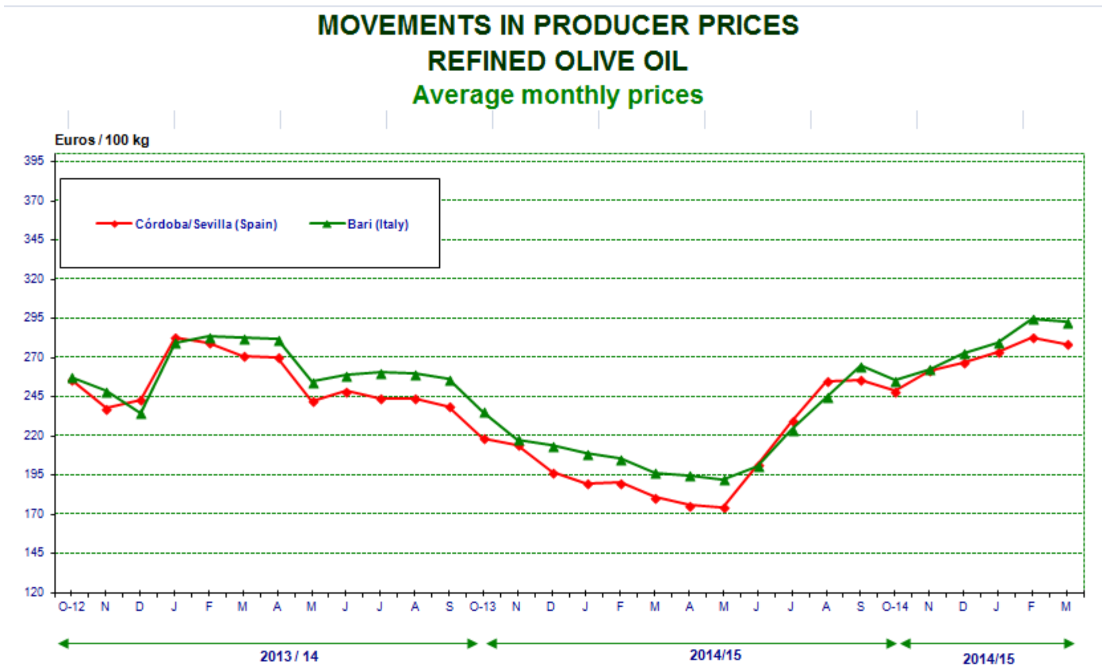
Graph 2

- **Refined olive oil**: After moving upwards, producer prices for refined olive oil in Spain and Italy seem to shifting away from the previous highs. In Spain they have dipped slightly to **€2.78/kg** at the end of March 2015, but still up by 53 pc on the same period of the preceding crop year. In **Italy** prices stood at **€2.91/kg** at the end of March 2015, translating into a period-on-period increase of 48 pc which places Italian prices in their usual position above Spanish prices. No price data are available for this product category in Greece.

  At the end of March 2015, the price of refined olive oil and extra virgin olive oil in Spain differed by €0.49/kg, with €2.78/kg being paid for the first category and €3.27/kg for the second. In Italy, the difference in price between the two categories is considerably wider than in Spain (€3.10/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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