**MARKET NEWSLETTER**
**No 99 – November 2015**

**103rd session of the IOC Council of Members** – The Council of Members met at IOC headquarters in Madrid in the last week of November for their 103rd session. During the session, the Economic Committee held its 16th meeting to discuss the olive oil and table olive figures presented in the balances for 2013/14 (final), 2014/15 (provisional) and 2015/16 (estimated). The approved balances for the three crop years can be viewed at: **http://www.internationaloliveoil.org/estaticos/view/134-approved-balances?lang=es_ES**

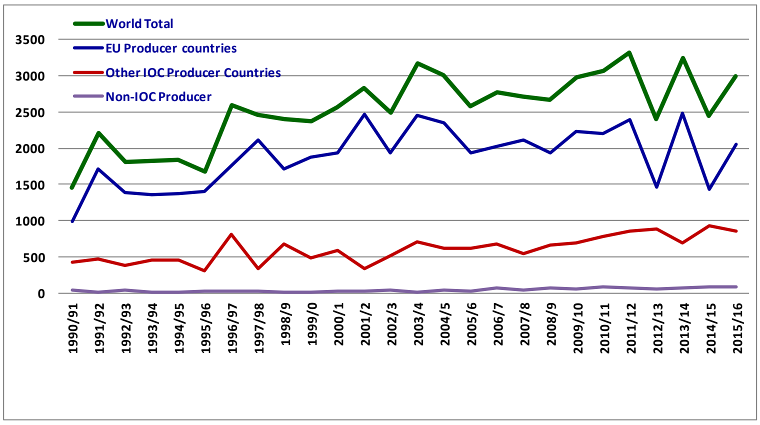
Other items on the committee agenda included producer prices and world market trends as well as the study on olive oil production costs in IOC member countries, which received the green light for publication. This is the first international of this kind to calculate the per-kilo cost of producing olive oil in the IOC member countries. This information is meant to help olive growers to identify the technical stages where they are less competitive than farmers elsewhere and to encourage them to apply strategies to improve their position. The study is divided into five sections, beginning with the Introduction, Methodology and Diagnosis, and ending with the Conclusions and Recommendations which analyse and interpret the findings. **See full study**

- **World olive oil balances for the 2014/15 and 2015/16 crop years**

The 2014/15 crop year opened with 743 000 t of olive oil held in world stocks. **World production** is provisionally assessed at 2 444 000 t, down by 25 pc from 2013/14. The figure for the aggregate olive oil production of the IOC member countries stands at 2 359 000 t, equal to 97 pc of the world total. EU olive oil production is assessed at 1 433 500 t, recording a decrease of 42 pc on the previous season. The individual figures show Spain in first place with 841 200 t, followed by Greece (300 000 t), Italy (220 000 t), Portugal (61 000 t), Cyprus (6 200 t) Croatia (1 000 t), France (1 900 t) and Slovenia (200 t). Overall output in the rest of the IOC Members is 33 pc higher than in 2013/14. The leader of the group is Tunisia with a record output of 340 000 t (+386%). Turkey comes next (170 000 t), and then Morocco (120 000 t), Syria (105 000 t), Algeria where production is moving constantly upwards (69 500 t), Jordan (23 000 t), Egypt and Lebanon (21 000 t each), Israel (17 500 t), Libya (15 500 t), Albania (11 000 t), Argentina (6 000 t) and Iran (4 500 t). Production volumes in the remaining Members are on a smaller scale. Chart 1 plots the trend of world production, broken down by three producer groups: EU/IOC Members, other IOC Members and non-IOC Members.

World consumption in 2014/15 is provisionally assessed at 2 857 500 t, showing a drop of 7 pc from the season before. The EU/28 consumed 1 532 000 t of this tonnage, equating with an 11 pc decrease on 2013/14 levels (−199 000 t), located primarily in Italy, France and Spain. The consumption figure for the rest of the IOC member countries is 1 pc higher than the season before. The biggest increases are seen in the figures for Turkey (+40 pc) and Algeria (+33 pc) although these are offset by decreases in Argentina, Syria, Tunisia, Jordan and Lebanon. Consumption in 2014/15 was generally lower than in 2013/14 in the group of non-IOC Members. Japan is the exception. Consumption is 9 pc higher in this country where an IOC promotion campaign is currently underway.

Chart I – Trend of world olive oil production over the last 26 years



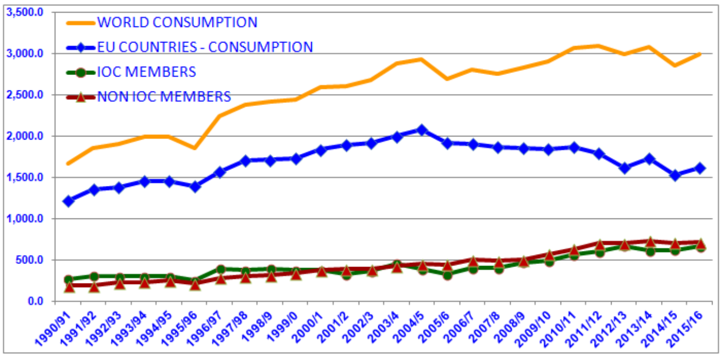

Olive oil imports in 2014/15 totalled 891 000 t while imports came to 894 000 t.

According to the latest official estimates, world olive oil production in **2015/16** is expected to reach around 2 988 500 t (+22 pc). This forecast positions production halfway between the levels of 2014/15 and 2013/14. The aggregate output of the IOC membership is estimated at 2 900 500 t. EU producers are expected to account for 2 049 500 t of this tonnage, thus showing 43 pc season-on-season growth. Further itemisation shows production forecasts of 1 300 000 t for Spain (+55 pc), 350 000 t for Italy (+58 pc), 300 000 t for Greece (no change) and 82 000 t for Portugal (+34 pc). Smaller tonnages are forecast for the rest of the EU producers. Elsewhere among the IOC membership the outlook is for olive oil production to be 8 pc lower than in 2014/15. The estimates report −16% in Turkey (143 000 t), −59 pc in Tunisia (140 000 t), −20 pc in Israel (14 000 t), −5 pc in Lebanon (20 000 t) and −4 pc in Albania (10 500 t). Conversely, listed by order of volume, production is forecast to be higher in Syria (215 000 t), Morocco (130 000 t), Algeria (73 500 t), Jordan (29 000 t), Argentina and Egypt (25 000 t). The forecasts for the other countries are smaller.

**Chart II – Trend of world olive oil consumption over the last 26 crop years**

World olive oil consumption for 2015/16 is forecast at 2 989 000 t, i.e. 5 pc more than the season before.

Chart II shows the trend of world consumption divided into three groups: EU countries, IOC member countries and non-IOC member countries.




Anyone interested can view historical time series data (1990/91–2015/16) for production, consumption, imports and exports of olive oil and table olives at: http://www.internationaloliveoil.org/estaticos/view/131-world-olive-oil-figures and http://www.internationaloliveoil.org/estaticos/view/132-world-table-olive-figures?lang=es_ES

# I. WORLD TRADE IN OLIVE OIL AND TABLE OLIVES

## 1. WORLD OLIVE OIL TRADE IN 2014/15

As can be seen from the table below, at the close of the 2014/15 crop year (October 2014–September 2015), Japanese imports of olive oil (customs heading 15.09) and olive pomace oil (customs heading 15.10) were 10 pc higher than in 2013/14, and have shown strong growth since March 2015. Imports into the United States and China have held steady, whereas they have dropped in Russia (–33 pc), Australia (–21 pc), Brazil (-8 pc) and Canada (–7 pc).

The September 2015 data were not available for the EU at the time of publication but the 11-month figures for the crop year show a drop in intra-EU acquisitions (–2 pc) and a steep 311 pc rise in extra-EU imports versus the same period a season earlier. This situation was prompted by the heavy drop in production in Spain and Italy in 2014/15. As a result, extra-EU imports by both countries soared, particularly imports from Tunisia (+1070 pc and +329 pc respectively on 2013/14 levels). As reported in the previous issue of this newsletter, this upward movement began in December 2014 and is connected with the large climb in Tunisian production in 2014/15, which positioned Tunisia as the world's top exporter that season.

**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 | May 14 | May 15 | June 14 | June 15 | July 14 | July 15 | August 14 | August15 | September 14 | September 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 | 2104.3 | 1721.5 | 2002.0 | 1646.9 | 3558.0 | 1881.9 | 2471.5 | 1883.4 | 2231.8 | 1537.8 |
| 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 | 4769.3 | 5110.2 | 2781.4 | 5158.0 | 3971.6 | 6416.0 | 4613.7 | 5759.2 | 5267.2 | 6060.0 | 4594.9 |
| 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 | 4118.7 | 3866.0 | 4229.0 | 4810.3 | 3353.7 | 2700.1 | 3368.0 | 2683.8 | 2395.3 | 2352.0 | 2934.9 |
| 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 | 2954.8 | 2534.2 | 4032.4 | 4139.4 | 4367.1 | 4161.0 | 3387.3 | 3361.2 | 2327.3 | 2449.8 |
| 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 | 5394.0 | 6550.0 | 3961.0 | 4603.0 | 5574.0 | 5129.0 | 4163.0 | 5474.0 | 5578.0 | 5595.0 |
| 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 | 2655.7 | 1126.1 | 3034.5 | 1612.2 | 2807.1 | 1882.4 | 2927.7 | 1485.4 | 3305.7 | 1656.3 |
| 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 | 23534.5 | 25085.9 | 28791.5 | 31444.9 | 30075.8 | 28484.5 | 20486.0 | 23631.4 | 25852.0 | 22061.0 |
| 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 | 26731.0 | 3741.0 | 32426.3 | 2090.7 | 28187.5 | 2611.7 | 25734.0 | 4987.3 | 23316.0 | 3496.8 | 22293.1 | 5982.2 | nd |
| | 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 | 105097.7 | 96205.0 | 88340.2 | 103856.8 | 93655.1 | 97045.0 | 82117.0 | 115649.5 | 84179.0 | 96039.7 | 76516.2 | 86722.8 | nd |
| | **Total** | **151478.3** | **147924.0** | **131106.9** | **157765.8** | **147888.7** | **177385.2** | **147285.7** | **163889.4** | **145435.6** | **172732.5** | **155809.6** | **181063.2** | **162520.4** | **172826.1** | **151567.0** | **165870.7** | **151446.4** | **158622.7** | **176134.9** | **157015.5** | **141415.0** | **142307.2** | **140411.8** | |

## 2. WORLD TABLE OLIVE TRADE IN 2014/15

At the close of the 2014/15 crop year (October 2014–September 2015), table olive imports (see next table) into the United States show an increase of 12 pc on the season before whereas they remain stable in Canada. Conversely, decreases are reported for the rest of the countries listed, i.e. Russia (–16 pc), Australia (–12 pc) and Brazil (–9 pc).

At the time of publication, the data for September 2015 were not available for the EU but in eleven months of the 2014/15 season, intra-EU acquisitions and extra-EU imports went up by 6 and 1 pc respectively versus 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 | May 14 | May 15 | June 14 | June15 | July 14 | July15 | August 14 | August 15 | September 14 | September 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 | 1437.0 | 1316.0 | 1195.0 | 1154.0 | 1440.0 | 1405.0 | 1128.0 | 975.0 | 1421.0 | 1376.0 |
| 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 | 9928.2 | 9197.6 | 9644.0 | 8558.6 | 11386.0 | 6822.6 | 9981.0 | 6790.3 | 11800.0 | 7394.7 |
| 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 | 2558.0 | 2721.0 | 2384.0 | 2500.0 | 2755.0 | 2567.0 | 1781.0 | 2342.0 | 2378.0 | 2186.0 |
| 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 | 3564.1 | 4924.2 | 2856.5 | 4688.3 | 4034.7 | 5430.0 | 3614.0 | 6269.3 | 4804.4 | 6695.5 | 6245.1 |
| 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 | 10722.0 | 14616.0 | 12165.0 | 11579.0 | 14505.0 | 15387.0 | 13194.0 | 12520.0 | 9598.0 | 12256.0 |
| 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 | 8813.4 | 9239.0 | 7204.6 | 9457.0 | 8031.0 | 9069.0 | 8364.0 | 5804.0 | 5763.0 | 8181.0 | 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 | 22863.4 | 23028.8 | 24928.1 | 25163.3 | 29340.3 | 29218.3 | 29732.6 | 19366.7 | 22256.0 | 22019.0 | 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** | **61714.9** | **61837.2** | **62839.8** | **64696.6** | **65197.6** | **73803.3** | **67892.2** | **57524.0** | **55450.7** | **62092.5** | |

## II. PRODUCER PRICES

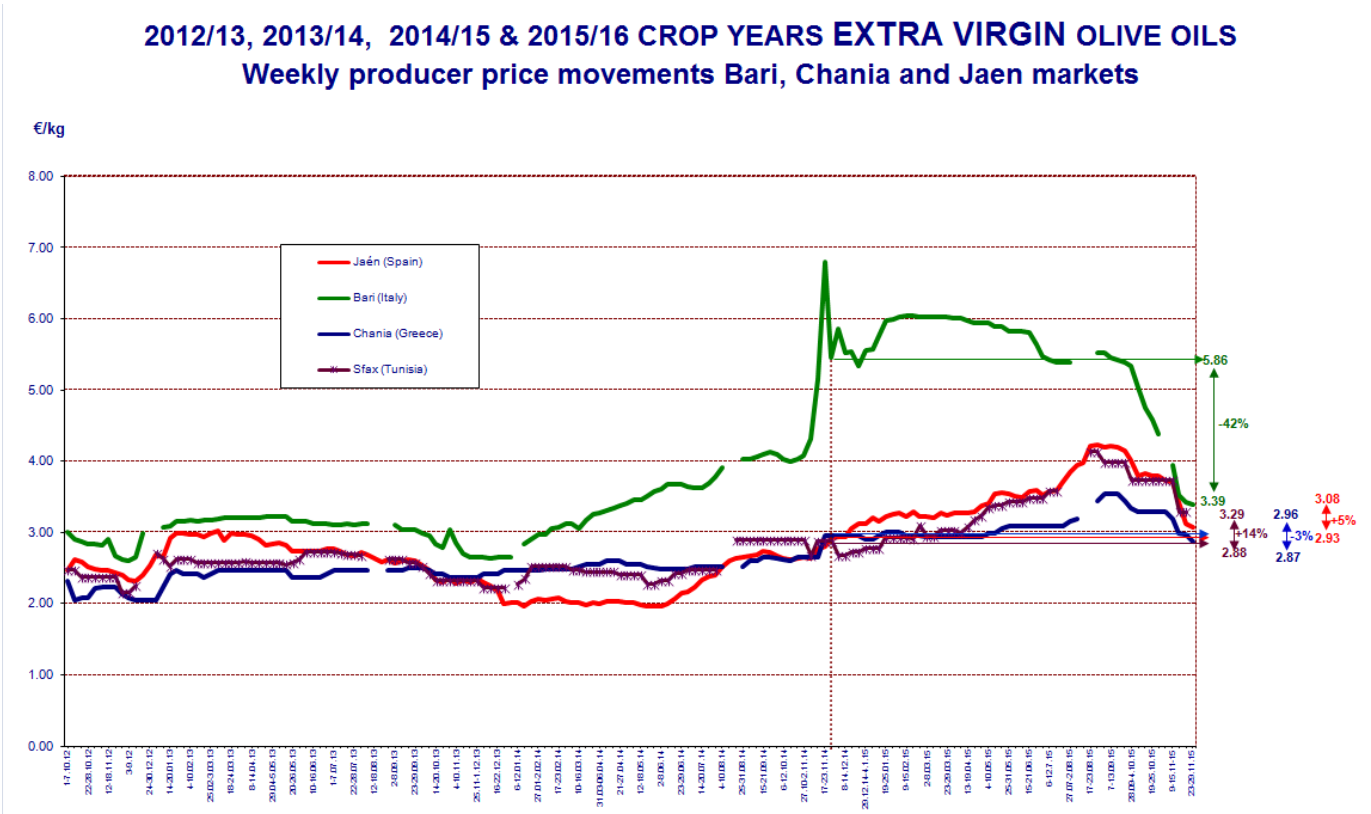
Graph 1 tracks the weekly movements in the prices paid to producers for extra virgin olive oil in the three top EU producing countries plus Tunisia while Graph 3 shows the weekly changes in the producer prices for refined olive oil in the three main EU producers. The monthly price movements for the same two grades of oil are tracked in Graphs 2 and 4.

**Extra virgin olive oil**: Producer prices in **Spain** started to rise in November 2014. After peaking at €4.23/kg in the third week of August 2015, they switched direction and started to drop, gathering momentum from the last week of September. It is noteworthy that this downward movement in prices started later in Spain than in Italy. Some circles attribute the decrease to the fact that a better harvest than expected has been announced for European countries and that distributors are waiting for new-season oil to come in. In the last week of November, prices were lying at **€3.08/kg** (similar to December 2014 prices). This is 5 pc higher than a year earlier and 57 pc more than the low recorded in the third week of May 2014 (€1.96/kg), but 27 pc below the peak recorded in the third week of August 2015 (€4.23/kg).

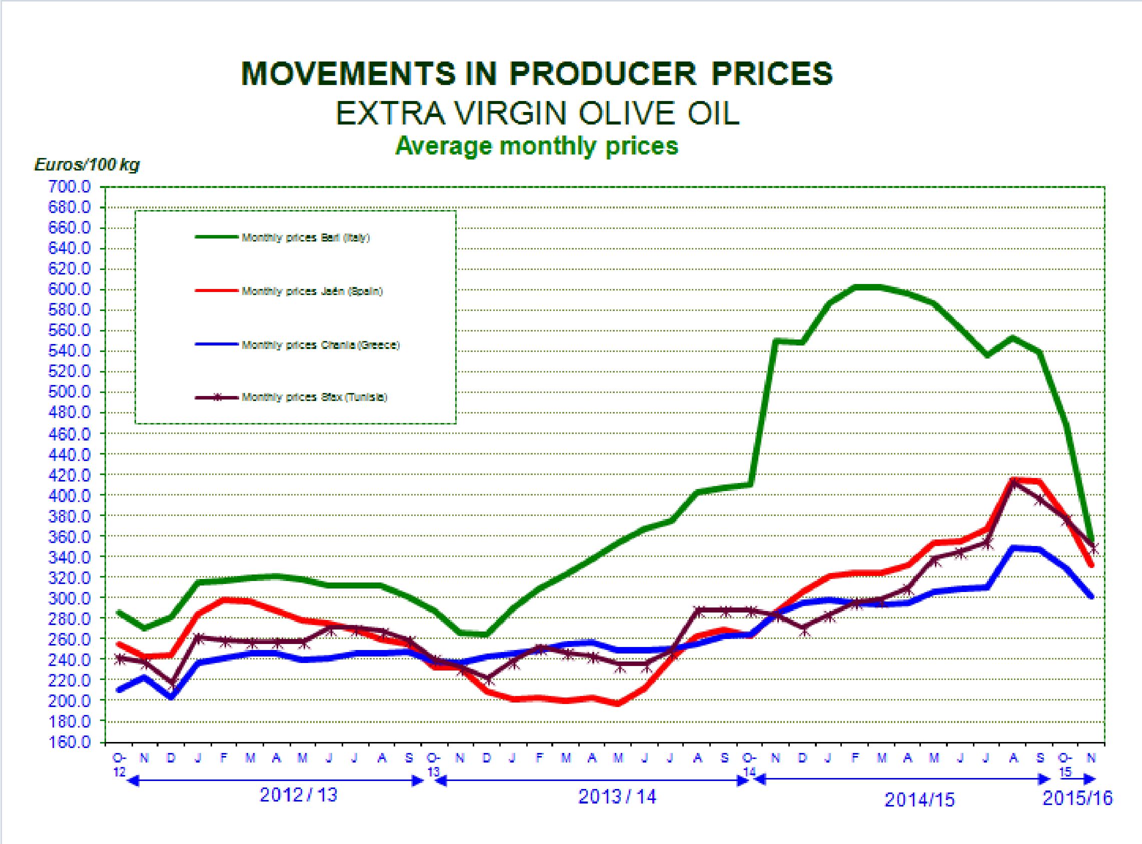
**Italy:** In the week from 10 to 16 November 2014, producer prices in Italy hit the highest level of both the period under review and the last decade, reaching €6.79/kg. After dipping in the second last week of December 2014, prices turned back upwards, only to fluctuate again and then drop sharply, reaching **€3.39/kg by the end of November 2015**, i.e. still 7 pc higher than a year earlier and 28 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**: In the third week of January 2015, prices in Greece crossed the three-euro/kg line. After small fluctuations, they rose to period highs (€3.54/kg) in the last weeks of August and first week of September 2015. After holding steady for a while, they reacted in the same way as the other markets and were lying at **€2.87/kg** by the **end of November 2015**, 1 pc lower than the same period a season earlier.

**Tunisia**: After starting to move upwards in the first week of January 2015, producer prices recorded some small fluctuations, then climbing to period highs in the last weeks of August. Then, like elsewhere, they started to drop, reaching **€3.29/kg by the end of November 2015**. Even so, this level still showed period-on-period growth of +14 pc.



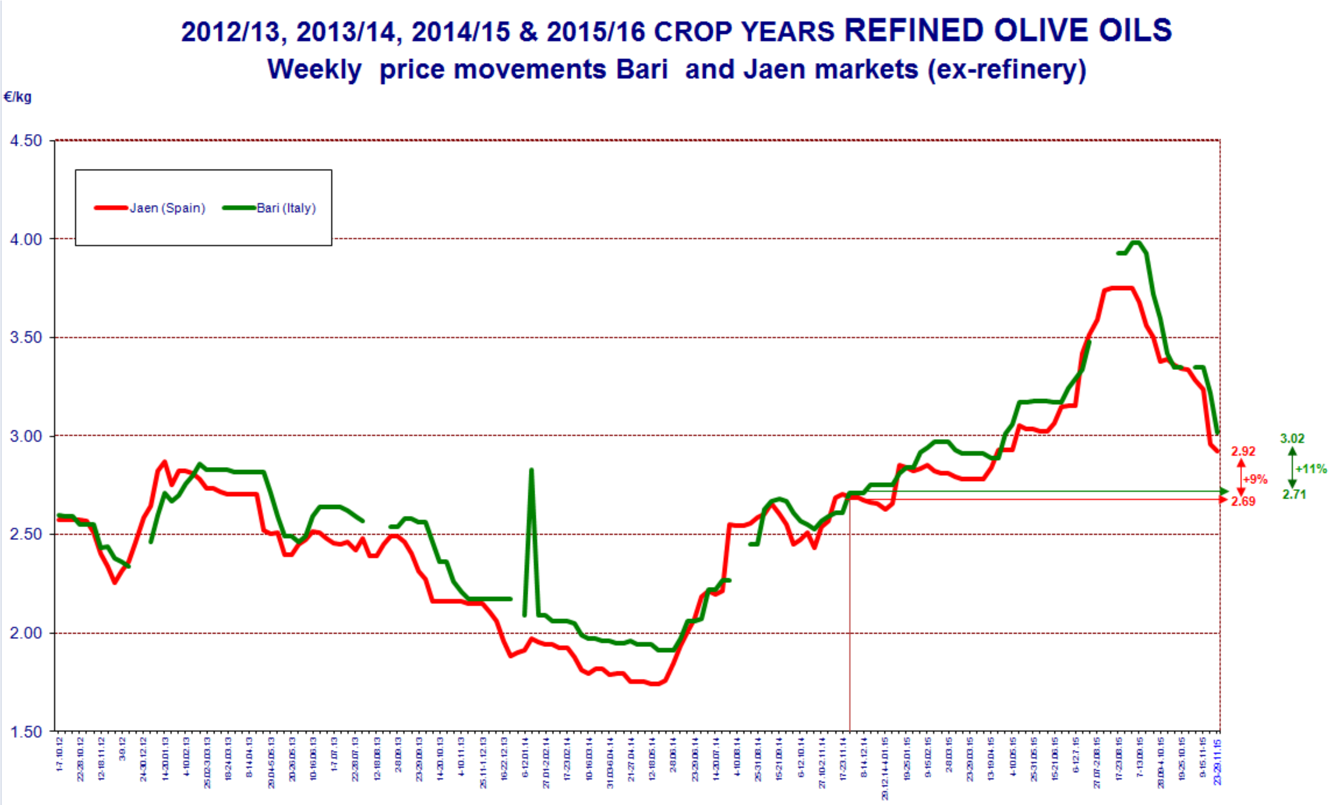
Graph 1



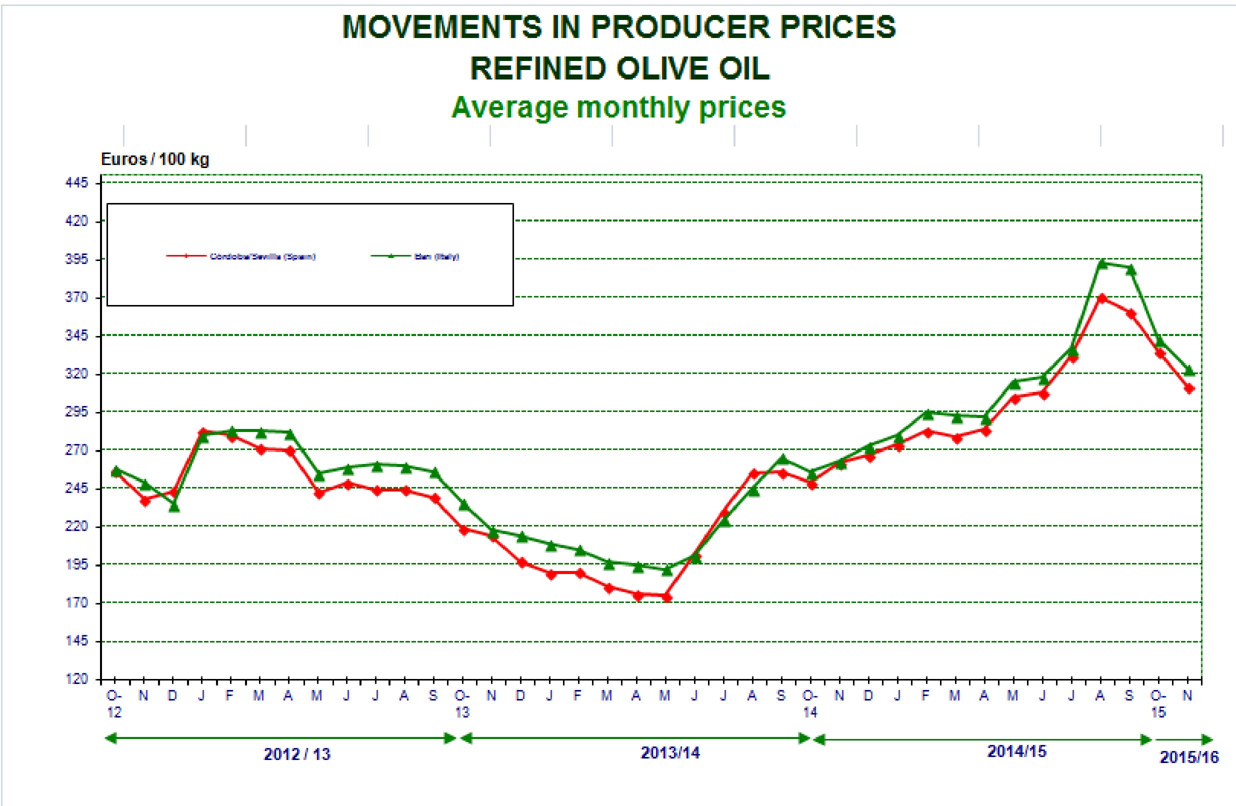

Graph 2

- **Refined olive oil**: After peaking in August 2015, producer prices for refined olive oil have followed in the footsteps of extra virgin prices. In **Spain** where they started to drop ahead of elsewhere, they have dropped sharply to reach **€2.92/kg** by the end of November 2015, although this level was still 9 pc higher than in the same period of the preceding crop year. The trend in **Italy** has been similar, but more pronounced in that prices were lying at **€3.02/kg** by the end of November 2015, although again this was still higher (+11 pc) than the same period the season before. No price data are available for this product category in Greece.

  At the end of November 2015, the price of refined olive oil (€2.92/kg) and extra virgin olive oil (€3.08/kg ) differed by €0.16/kg in Spain whereas in Italy the difference between the two categories was wider (€0.37/kg - Graph 3).




Graph 3




Graph 4

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Lastly, some parting words from the outgoing IOC Executive Director, Jean-Louis Barjol:

For seven years, I have supervised and contributed to this newsletter. I hope it has made useful reading for the 6625 subscribers we have so far. I am proud of it and have had a lot of enjoyment out of it. It was my calling card when approaching many of you at trade shows or visiting you at olive oil mills and olive farms, or in ministry or association offices. Last week, the Council selected Mr Ghedira as the next Executive Director. It will be his job to oversee the next issues of the newsletter, starting with the 100th. I am certain he will do a good job and that he will receive the same support that I received from the IOC Economic Survey Unit. The time has therefore come for me to thank you all for our many stimulating conversations and for teaching me so much. I hope the world of virgin olive oils, olive oil, olive pomace oil and table olives brings you all the very best.