JAPAN AND SOUTH KOREA: IMPORTS OF OLIVE OIL AND OLIVE POMACE OIL IN 2014/15

JAPAN: At the close of the 2014/15 crop year, Japanese imports of olive oil and olive pomace oil totalled 61 877 t, recording 10 pc growth on the previous season. Imports are itemised by country of origin in Table 1, which shows that 96 pc of the aggregate tonnage came from European Union countries. For the second year running, Spain is in the lead, accounting for 54 pc of the total tonnage. Next in line comes Italy with 41 pc and Greece with 1 pc. Among the EU countries, Spain has seen its share of the Japanese market widen by 14 points from 40 pc in 2008/09 to 54 pc in 2014/15, contrasting with Italy whose share narrowed by 11 points from 52 pc to 41 pc in the same period. The remaining 4 pc of imports came from non-EU countries, notably Turkey, although its market share fell by 3 points from 6 to 3 pc. Chart 1 gives the import breakdown by category for the last seven crop years. Virgin and extra virgin olive oil accounted for 71 pc of total imports, olive oil for 25 pc and olive pomace oil for 5 pc.

Between 2008/09 and 2014/15 imports rose overall by 86 pc from 33 307 t to 61 877 t. Growth has been constant, except for a decrease in 2010/11.

Country	2008/09		2009/10		2010/11		2011/12		2012/13		2013/14		2014/15	
	t	%	t	%	t	%	t	%	t	%	t	%	t	%
Spain	13,291	40	17,328	41	14,873	40	19,502	43	23,526	44	26,455	47	33,584	54
Italy	17,196	52	21,897	51	19,788	53	23,267	51	25,959	48	24,691	44	25,066	41
Greece	445	1	492	1	449	1	505	1	599	1	670	1	794	1
France	62	0	50	0	53	0	57	0	51	0	66	0	45	0
Portugal	30	0	30	0	42	0	0	0	26	0	27	0	128	0
United Kingdom	7	0	18	0	7	0	12	0	11	0	8	0	12	0
Germany	0	0	0	0	1	0		0	1	0	1	0	0	0
Netherlands		0		0	8	0	32	0	4	0	2	0	6	0
Tunisia	4	0	9	0	14	0	32	0	103	0	79	0	83	0
Argentina	48	0	102	0	87	0	111	0	105	0	103	0	8	0
Chile	4	0	13	0	28	0	61	0	180	0	71	0	104	0
Australia	28	0	33	0	33	0	63	0	63	0	60	0	75	0
United States	10	0	31	0	15	0	29	0	31	0	32	0	50	0
Israel	50	0	10	0	45	0	20	0	35	0	34	0	9	0
Turkey	2,041	6	2,506	6	2,049	5	1,841	4	3,219	6	3,893	7	1,884	3
Others	89	0	115	0	32	0	38	0	38	0	27	0	30	0
TOTAL	**33,307**	**100**	**42,634**	**100**	**37,523**	**100**	**45,571**	**100**	**53,949**	**100**	**56,218**	**100**	**61,877**	**100**

Table 1– Japan: olive oil and olive pomace oil imports by country of origin

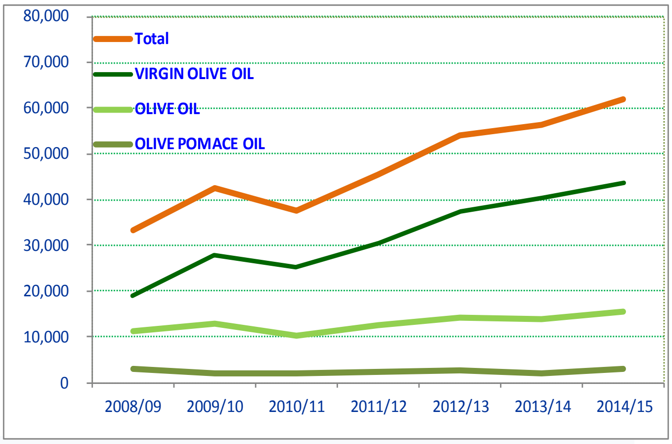


Chart 1 – Japan: imports by category

In our May 2015 issue (No 94), we announced that the IOC *Believe in Olive Oil* promotion campaign in Japan would be getting off the ground in July. With the campaign now underway, recent events have included four workshops in four different Japanese cities (Tokyo, Nagoya, Kyoto and Fukuoka) targeted at the media, chefs, restaurateurs and olive oil importers. Held over four days from 20 to 23 October 2015, the workshops were a great success and received extensive media coverage. In each of the city venues, IOC officials described what the IOC does and explained about the grades and definitions of the different types of oil obtained from olives. These presentations were followed by a lecture on the health benefits of olive oil by renowned specialists and an olive oil tasting. A cookery demonstration brought the workshops to a close with well-known chefs showing participants how to pair olive oil with dishes from Japanese cuisine. Afterwards, the team from the IOC Executive Secretariat met with the authorities and olive oil producers in the Kagawa region where the IOC standard is already applied; the goal is to achieve the application of the IOC standard nationwide in Japan. Promotion will continue up to the end of the year and will feature a tour to Italy for media professionals and an olive oil recipe competition on the COOKPAD portal, which has over 20 million users. Find out more at **http://believe-oliveoil.jp/**.

SOUTH KOREA: At the end of the 2014/15 crop year, South Korean imports totalled 16 352 t of olive oil and olive pomace oil, down by 7 pc on 2013/14. Even so, though still small in volume terms, imports have grown by 71 pc between 2008/09 (9 590 t) and 2014/15 (16 352 t). Spain was the source of 71 pc of South Korean imports, followed by Italy with 25 pc, Turkey with 2 pc and the rest of the countries listed in Table 2. Chart 2 shows the breakdown of imports by category: 72 pc virgin and extra virgin; 9 pc olive oil (blend of refined and virgin) and 19 pc olive pomace oil.

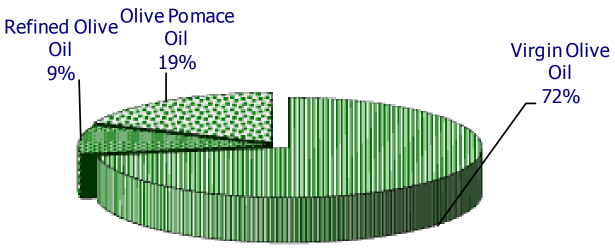


Chart 2 – South Korea: imports by category

SOUTH KOREA - OLIVE OIL IMPORTS BY SOURCE COUNTRY (including any olive-pomace oils)

COUNTRY	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
GERMANY	4	17	7	8	0	16	16
SPAIN	7150	8903	9642	8460	8022	12737	11656
FRANCE	14	8	6	10	19	11	17
GREECE	97	79	99	93	127	112	161
ITALY	1705	1786	2500	2825	2889	4209	4106
UNITED KINGDOM		4	14	0	10	11	12
Others EU	12	18	18	2	18	36	2
TOTAL EU	8982	10815	12287	11400	11084	17133	15969
TURKEY	563	573	516	489	556	459	327
UNITED STATES	20	9	14	13	16	1	12
Others	25	18	27	29	33	43	44
TOTAL	9590	11415	12844	11931	11690	17637	16352

Table 2– South Korea: olive oil and olive pomace oil imports by country of origin

I. WORLD TRADE IN OLIVE OIL AND TABLE OLIVES

1. WORLD TRADE IN OLIVE OIL – 2014/15 CROP YEAR

Imports of olive oil (customs heading 15.09) and olive pomace oil (customs heading 15.10) through eleven of the 12 months in the 2014/15 crop year (October 2014–August 2015) are reported in the table below for a number of countries. Compared with the same period in 2013/14, Japanese imports have risen by 11 pc, showing strong growth since March 2015. Imports into the United States have gone up by 1 pc while remaining stable in China. Conversely, imports are lower in Australia (–20 pc, moving constantly downward since November 2014), Canada (–9 pc) and Brazil (-6 pc), which recorded sharp decreases in May and June. The August 2015 data for Russia were not available at the time of writing but the ten-month figures are lower (–29 pc), prompted by a switch of trend in December 2014.

The August 2015 data were not available either for the EU at the time of publication but the figures for the first ten months of 2014/15 show steady intra-EU acquisitions but a steep 295 pc in extra-EU imports compared with the same period a season earlier. Owing to the heavy drop in 2014/15 production in Spain and Italy, extra-EU imports by both countries soared, particularly imports from Tunisia (+1300 pc and +359 pc, respectively) compared with a season earlier. 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
1	Australia	2169.9	3125.1	2461.2	2391.8	2004.0	1652.1	2211.3	1856.8	2022.2	1607.8
2	Brazil	9075.3	9584.6	6239.6	7269.9	7156.7	6249.3	5163.6	6367.2	5215.4	5517.4
3	Canada	4014.7	3985.0	2845.6	3257.6	2662.2	3069.3	3649.0	2341.2	2785.6	3008.9
4	China	2609.4	2410.8	3030.7	3651.5	4007.6	3530.5	3268.3	2850.1	1050.3	1471.1
5	Japan	4410.0	4776.0	4386.0	4735.0	3967.0	3965.4	4271.0	4531.1	4039.0	3474.0
6	Russia	2982.0	4259.5	2763.7	3192.4	3174.3	2653.1	1914.2	1513.0	2641.5	1216.5
7	USA	23274.0	23332.0	27163.1	28449.8	21455.9	18755.6	26704.8	24296.3	17979.9	27443.4
8	Extra-EU/27	14233.0	6722.0	6659.0	6801.8	5141.0	14707.0	6711.3	18871.7	2110.4	22619.4
	Intra-EU/27	88710.0	89729.0	75558.0	98016.0	98320.0	122803.0	93392.2	101262.0	107591.3	106374.0
	Total	**151478.3**	**147924.0**	**131106.9**	**157765.8**	**147888.7**	**177385.2**	**147285.7**	**163889.4**	**145435.6**	**172732.5**

No	Importing country	March 14	March 15	April 14	April 15	May 14	May 15	June 14	June 15	July 14	July 15	August 14	August15
1	Australia	2946.1	1790.2	2703.3	1727.6	2104.3	1721.5	2002.0	1646.9	3558.0	1881.9	2471.5	1883.4
2	Brazil	6746.9	6662.1	5281.0	4769.3	5110.2	2781.4	5158.0	3971.6	6416.0	4613.7	5759.2	5267.2
3	Canada	3955.1	2873.2	5650.3	4118.7	3866.0	4229.0	4810.3	3353.7	2700.1	3368.0	2683.8	2395.3
4	China	2323.1	2503.5	2532.7	2835.5	2954.8	2534.2	4032.4	4139.4	4367.1	4161.0	3387.3	3361.2
5	Japan	4840.0	6753.0	5634.0	6319.0	5394.0	6550.0	3961.0	4603.0	5574.0	5129.0	4163.0	5474.0
6	Russia	3256.9	1589.2	3350.6	1163.6	2655.7	1126.1	3034.5	1612.2	2807.1	1882.4	2927.7	nd
7	USA	29814.3	27063.3	37422.5	31125.9	23534.5	25085.9	28791.5	31444.9	30075.8	28484.5	20486.0	23631.4
8	Extra-EU/27	3849.5	26731.0	3741.0	32426.3	2090.7	28187.5	2611.7	25734.0	4987.3	23316.0	3496.8	nd
	Intra-EU/27	98077.7	105097.7	96205.0	88340.2	103856.8	93655.1	97045.0	82117.0	115649.5	84179.0	96039.7	nd
	Total	**155809.6**	**181063.2**	**162520.4**	**172826.1**	**151567.0**	**165870.7**	**151446.4**	**158622.7**	**176134.9**	**157015.5**	**141415.0**	

2. WORLD TRADE IN TABLE OLIVES - 2014/15 CROP YEAR

In the eleven months from October 2014 to August 2015, table olive imports (see next table) were higher in the United States (+11 pc) and Canada (+1 pc) but lower in the rest of the countries reported, i.e. Australia (–12 pc since November 2014) and Brazil (–6 pc since April 2015). In the case of Russia, again the August 2015 data were not available at the time of writing but the ten-month data show a constant drop since December 2014 (–16 pc).

At the time of publication, the data for August 2015 were not available for the EU but in the first ten 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
1	Australia	1511.0	1547.0	1657.0	1234.0	1905.0	1580.0	1740.0	1409.0	1431.0	1064.0	1640.0
2	Brazil	11769.2	12930.3	11299.5	10285.5	8721.4	8685.1	6171.8	8007.7	6273.1	6715.2	7564.4
3	Canada	2795.0	2413.0	2656.0	2469.0	2074.0	2810.0	2622.0	2144.0	2308.0	2390.0	2210.0
4	Russia	8882.2	11076.5	9073.0	8719.1	5026.1	7288.0	4861.8	3413.8	4713.8	2313.8	6308.1
5	USA	11434.0	10367.0	10396.0	10164.0	10937.0	12219.0	10483.0	11629.0	9452.0	10732.0	10932.0
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
	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
	Total	**69607.4**	**73760.8**	**65756.5**	**63152.3**	**58965.5**	**68073.4**	**52464.0**	**54254.4**	**52079.7**	**51743.5**	**60055.5**

No	Importing country	March 15	April 14	April 15	May 14	May 15	June 14	June15	July 14	July15	August 14	August 15
1	Australia	1418.0	1408.0	1365.0	1437.0	1316.0	1195.0	1154.0	1440.0	1405.0	1128.0	975.0
2	Brazil	9256.8	9458.1	8610.0	9928.2	9197.6	9644.0	8558.6	11386.0	6822.6	9981.0	6790.3
3	Canada	1890.0	2620.0	2704.0	2558.0	2721.0	2384.0	2500.0	2755.0	2567.0	1781.0	2342.0
4	Russia	3292.9	5709.6	3564.1	4924.2	2856.5	4688.3	4034.7	5430.0	3614.0	6269.3	nd
5	USA	16677.0	11764.0	13795.0	10722.0	14616.0	12165.0	11579.0	14505.0	15387.0	13194.0	12520.0
6	Extra-EU/27	9319.3	9138.0	8813.4	9239.0	7204.6	9457.0	8031.0	9069.0	8364.0	9069.0	nd
	Intra-EU/27	24769.9	22340.5	22863.4	23028.8	24928.1	25163.3	29340.3	29218.3	29732.6	29218.3	nd
	Total	**66623.9**	**62438.2**	**61714.9**	**61837.2**	**62839.8**	**64696.6**	**65197.6**	**73803.3**	**67892.2**	**70640.6**	

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.

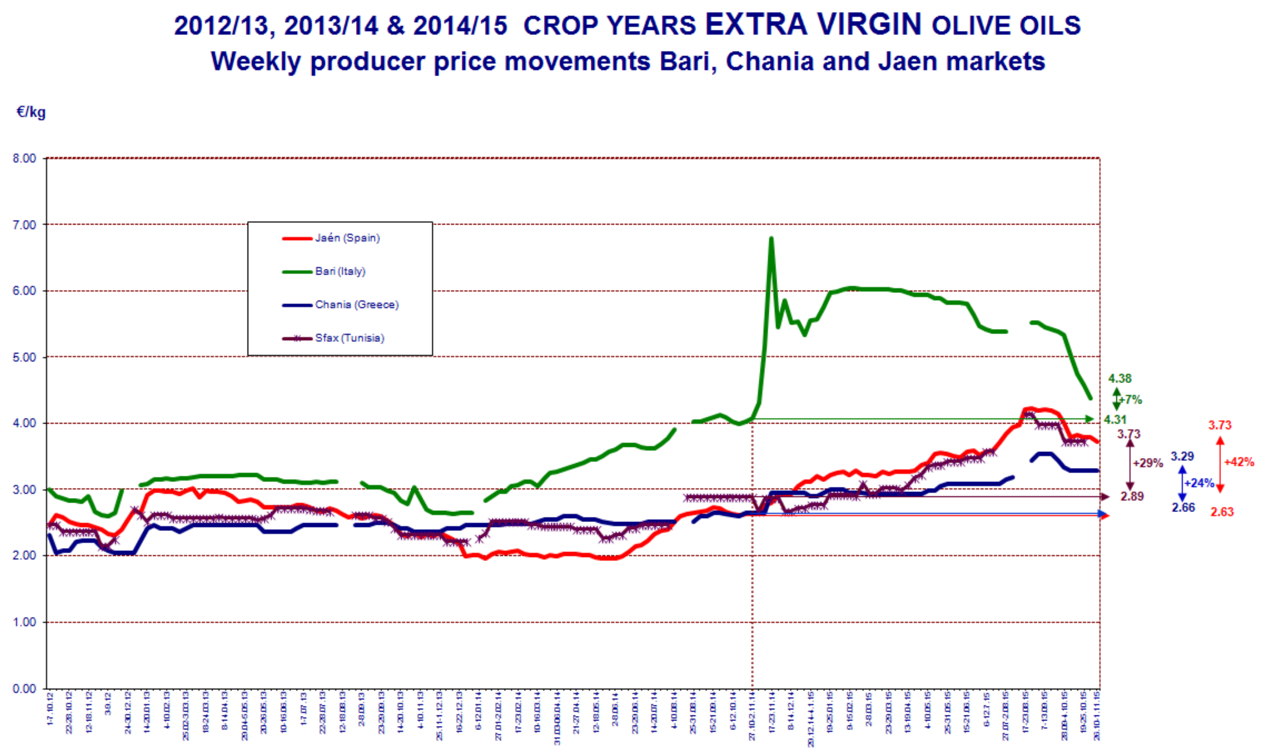
It is not for the IOC to judge whether these price levels reflect an adequate balance between production costs along the supply chain and the prices that consumers are prepared to pay in their domestic currency to continue consuming olive oil. Nevertheless, this is a concern that all the players on the market will no doubt take into account with an eye to the long-term sustainable equilibrium and development of the sector.

Extra virgin olive oil: Producer prices in **Spain** started to rise in November 2014. After topping €4/kg in the second week of August 2015, they continued upwards to reach a period high (€4.23/kg) in the third week of August, at which point they switched direction, falling to **€3.73/kg by the last week of October 2015.** This latest price level is still 42 pc higher than a year earlier and 90 pc above the low recorded in the third week of May 2014 (€1.96/kg).

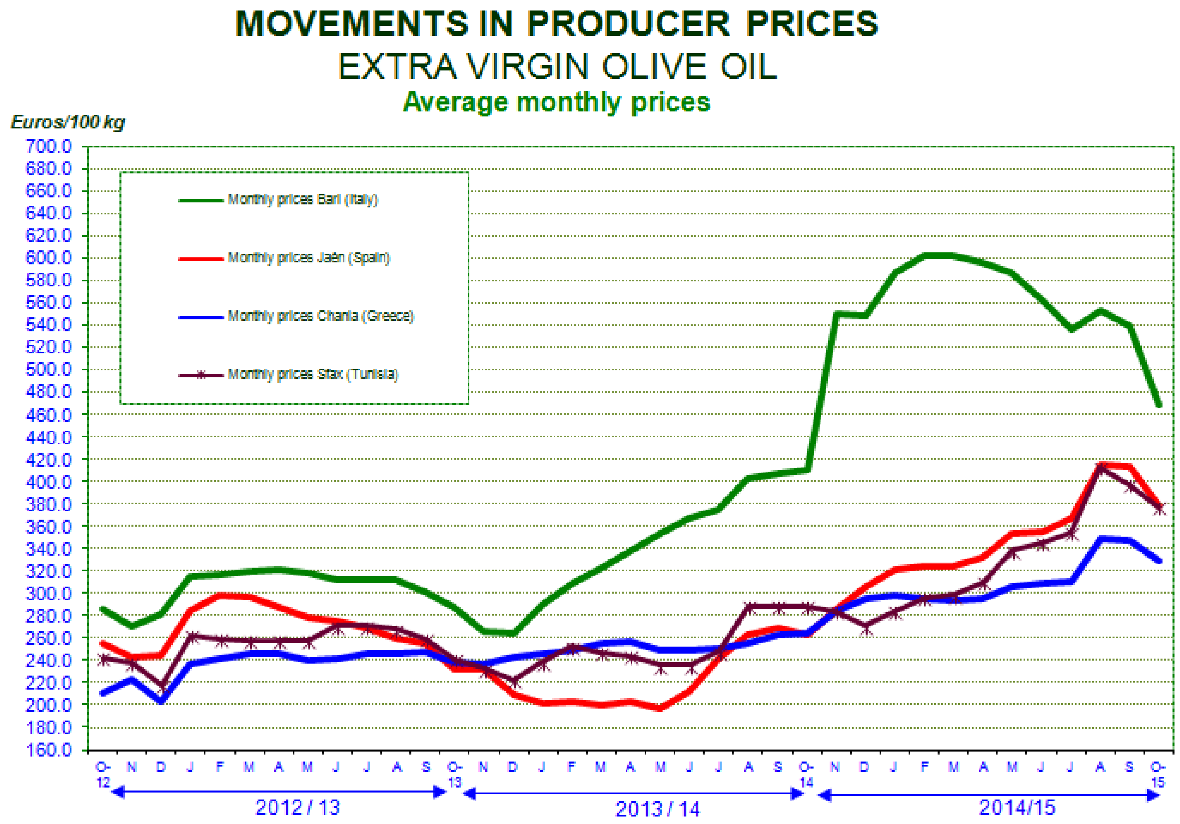
Italy: In the week from 10 to 16 November 2014, producer prices in Italy hit the highest level of both the period under review and the last decade, reaching €6.79/kg. After decreasing slightly in the second last week of December 2014 prices turned back upwards, only to fluctuate again and then drop sharply, reaching **€4.38/kg by the end of October 2015**, i.e. still 7 pc higher than a year earlier and 66 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. In recent weeks they have been holding steady and were lying at **€3.29/kg** at the **end of October 2015**, +24 pc higher 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 **€3.73/kg by the end of October 2015**, equating with period-on-period growth of +29 pc.



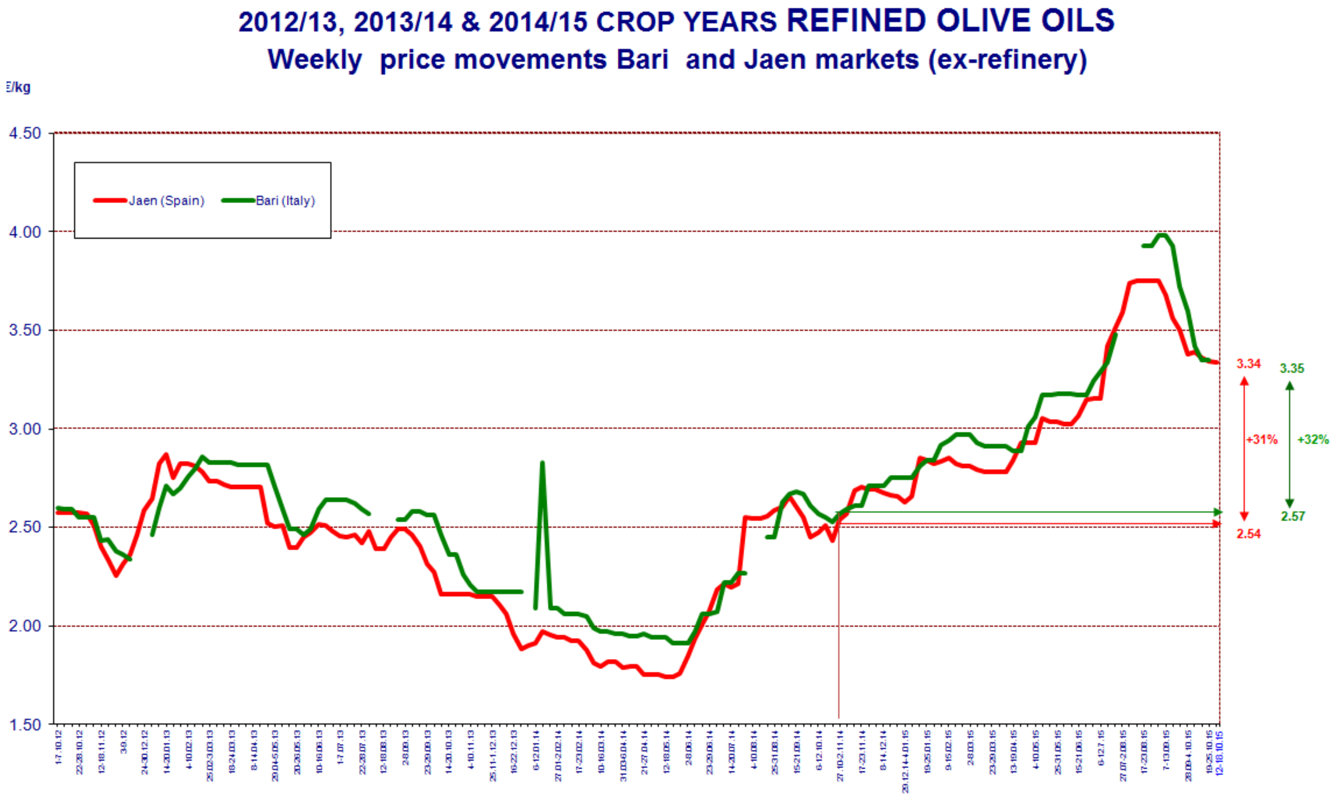
Graph 1



Graph 2

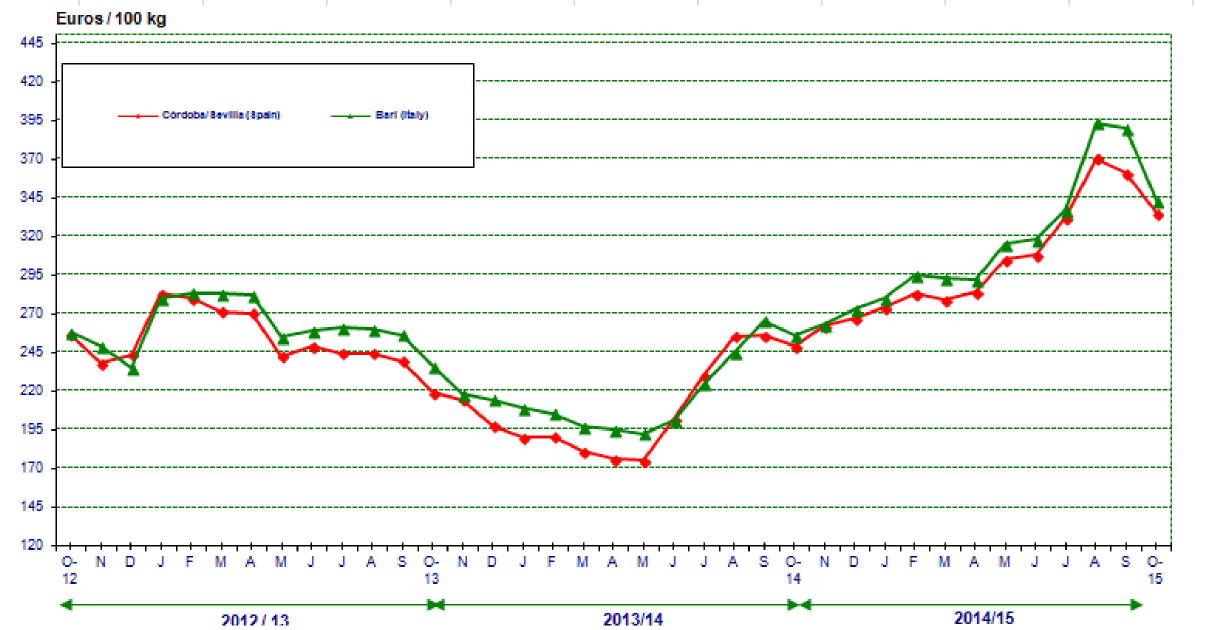
- **Refined olive oil**: In August 2015 producer prices for refined olive oil hit their highest levels for the period under review. In **Spain** they then started to drop, reaching **€3.34/kg** by the end of October 2015, although this level was still 31 pc higher than in the same period of the preceding crop year. The trend in **Italy** has been similar in that prices had dropped to **€3.35/kg** by the end of October 2015, although again this was still higher (+32 pc) than the same period the season before. No price data are available for this product category in Greece.

  At the end of October 2015, the price of refined olive oil (€3.34/kg) and extra virgin olive oil (€3.73/kg) differed by €0.39/kg in Spain whereas in Italy the difference between the two categories was considerably wider (€1.03/kg - Graph 3).



Graph 3

MOVEMENTS IN PRODUCER PRICES
REFINED OLIVE OIL
Average monthly prices



Graph 4

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