URUGUAY JOINS IOC MEMBERSHIP

On 30 July 2013 the Government of Uruguay filed its instrument of accession to the International Agreement on Olive Oil and Table Olives with the Ministry of Foreign Affairs of Spain, the official depositary of the Agreement. It thus joins the current IOC membership comprising Albania, Algeria, Argentina, Croatia (which became an EU Member in July 2013), Egypt, the European Union, Iran, Iraq, Israel, Jordan, Lebanon, Libya, Morocco, Montenegro, Syria, Tunisia and Turkey.

Olive production is expanding at full steam in Uruguay. Over the 10-year period between 2002 and 2012 crop area increased from 500 ha to 9 000 ha, of which 92 pc is rainfed and the rest is irrigated. Fifty-five percent of the orchards are between 5 and 15 years old and 45 pc is under the age of five. The area under olives is expected to reach 11 500 ha by 2015.

The whole of Uruguay is potentially suitable for olive production and olive orchards can be found in every region although crop area is concentrated in three major growing zones. The chief growing area is located in the South-east while the other two areas are in the South-west and North-west (see map below).

Small and larger orchards exist side by side in the different growing regions. The predominant size of orchard is between 10 and 100 ha. Currently, there are around 20 olive oil mills, which process their own crop – all the mills and packing plants in Uruguay have their own orchards – as well as olives delivered by other growers.

Production is still small with olive oil output for the 2013/14 crop year estimated at 800 t. Output is expected to grow in volume once the majority of the young orchards start bearing crops. This will allow Uruguay to build up its export channels, which have been rather limited so far because of the small level of production.

Producer efforts and governmental policies concentrate on producing quality olive oil. Uruguay has taken part in numerous international olive oil competitions where it has made known Uruguayan olive oil and earned recognition for the quality of its product. A number of companies plan to branch out into table olive production, but for the time being output is very small.

Owing to its low volume, the bulk of olive oil production has gone to the domestic market, which has experienced regular growth in recent years, recording an annual consumption rate of ½ kg/capita. However, the domestic market is not large enough to cope with the production generated by the areas under olives, which is why exports are the widespread goal of the industry.

Uruguay's fledgling exports go primarily to Brazil and Central America, the United States, Canada and Japan. The growth of production will help to expand and consolidate its exports.

OLIVE OIL							
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14 (Estimated)	Average 08/09-13/14
PRODUCTION (tm)	40.0	140.0	135.0	500.0	120.0	800.0	289.2
IMPORTS tm)	1016.0	1121.0	1302.0	1486.0	1405.0	1200.0	1255.0
CONSUMPTION tm)	1050.0	1250.0	1400.0	1600.0	1600.0	1650.0	1425.0
EXPORTS tm)	0.6	5.5	9.0	25.0	102.0	300.0	73.7

Table I. Data on olive growing in Uruguay (tonnes)

Table I reports the data for Uruguay over the last six crop years.

The *Asociación Olivícola Uruguaya* (ASOLUR, the Uruguayan Olive Growing Association), represents 85 pc of domestic production and encompasses every branch of the national industry.

I. WORLD MARKET FOR OLIVE OIL AND TABLE OLIVES

1. OLIVE OIL MARKET IN 2012/13

Trade in olive oil and olive pomace oil expanded in the first nine months of the 2012/13 crop year (October 2012–June 2013) in the import markets listed below, rising by 26 pc in Japan, 9 pc in Russia, 8 pc in China and 6 pc in Brazil, while decreasing by 7 pc in Australia, 3 pc in Canada and 1 pc in the United States. The EU data for June 2013 were not available at the time of publication, but the figures for the first eight months of the crop year (October 2012–May 2013) report an increase of 53 pc in extra-EU/27 imports and a decrease of 7 pc in intra-EU acquisitions versus the same period a season earlier. This is obviously linked to the low level of EU olive oil production in 2012/2013.

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

No	Importing country	October 11	October 12	November 11	November 12	December 11	Decembre 12	January 12	January 13	February 12	February 13	March 12	March 13	April 12	April 13	May 12	May 13	June 12	June 13
1	Australia	2571.2	3521.0	3027.0	3858.0	1580.0	1506.0	3060.0	2227.0	2289.0	1905.0	3491.0	2225.0	2082.0	2485.0	2121.0	1927.0	2820.0	1770.0
2	Brazil	5247.0	9847.4	8866.7	8995.4	6004.8	6001.3	6414.7	5500.7	6453.8	7855.8	5615.9	6592.4	4583.7	4457.3	5845.0	3600.0	4715.5	4125.3
3	Canada	2925.7	4392.0	4080.0	3360.9	2979.7	2570.1	2471.5	4040.1	2263.6	3389.7	4939.5	2882.0	3455.1	2376.7	3794.9	2878.1	2896.4	2930.3
4	China	2364.0	2826.8	2901.2	4443.8	5638.7	4732.9	3897.1	6360.5	2063.1	1766.4	2524.6	2510.5	2472.9	3382.6	3200.7	2430.4	3922.2	2863.2
5	Japan	3085.0	4431.0	3064.0	4474.0	3392.0	3994.0	3597.0	4253.0	3519.0	3599.0	2670.0	4184.0	3897.0	4480.0	3801.0	5050.0	3994.0	4467.0
6	Russia	2477.2	3678.1	3435.1	3356.9	2789.5	2766.0	1728.7	1616.5	1909.2	2346.4	2895.7	2245.9	1992.2	2663.9	2521.5	2651.5	2575.4	3107.7
7	USA	20939.5	28507.0	29832.0	25118.0	23574.0	26505.0	27739.0	24571.0	17383.0	19018.8	33277.0	33208.0	24527.0	27271.0	28958.0	19927.5	23642.0	23850.0
8	Extra-EU/27	6122.0	14270.4	4982.0	10097.7	6254.7	4413.4	5174.4	8924.3	9766.9	15411.0	8034.6	14689.6	7439.0	14352.6	16223.0	15689.5	8252.0	nd
	Intra-EU/27	83267.6	91192.4	92717.7	73953.2	103378.2	94665.0	88265.9	98115.8	101533.0	81258.2	92686.2	83414.1	74969.3	78132.2	85354.0	65566.6	84683.6	nd
	Total	**128999.2**	**162666.1**	**152905.7**	**137657.9**	**155591.6**	**147153.7**	**142348.3**	**155608.9**	**147180.6**	**136550.3**	**156134.5**	**151951.5**	**125418.2**	**139601.3**	**151819.1**	**119720.6**	**137501.1**	

2. TABLE OLIVE MARKET IN 2012/13

As can be seen from the next table, table olive imports in the first nine months of the 2012/13 crop year (October 2012–June 2013) rose by 23 pc in Brazil, 11 pc in Russia, 8 pc in Canada, 4 pc in Australia, and 1 pc in the United States. Again, the EU data for June 2013 were not available when writing this newsletter. However, in the eight months from October 2012 to May 2013, extra-EU/27 imports increased by 3 pc and intra-EU/27 acquisitions by 1 pc compared with the same period the season before.

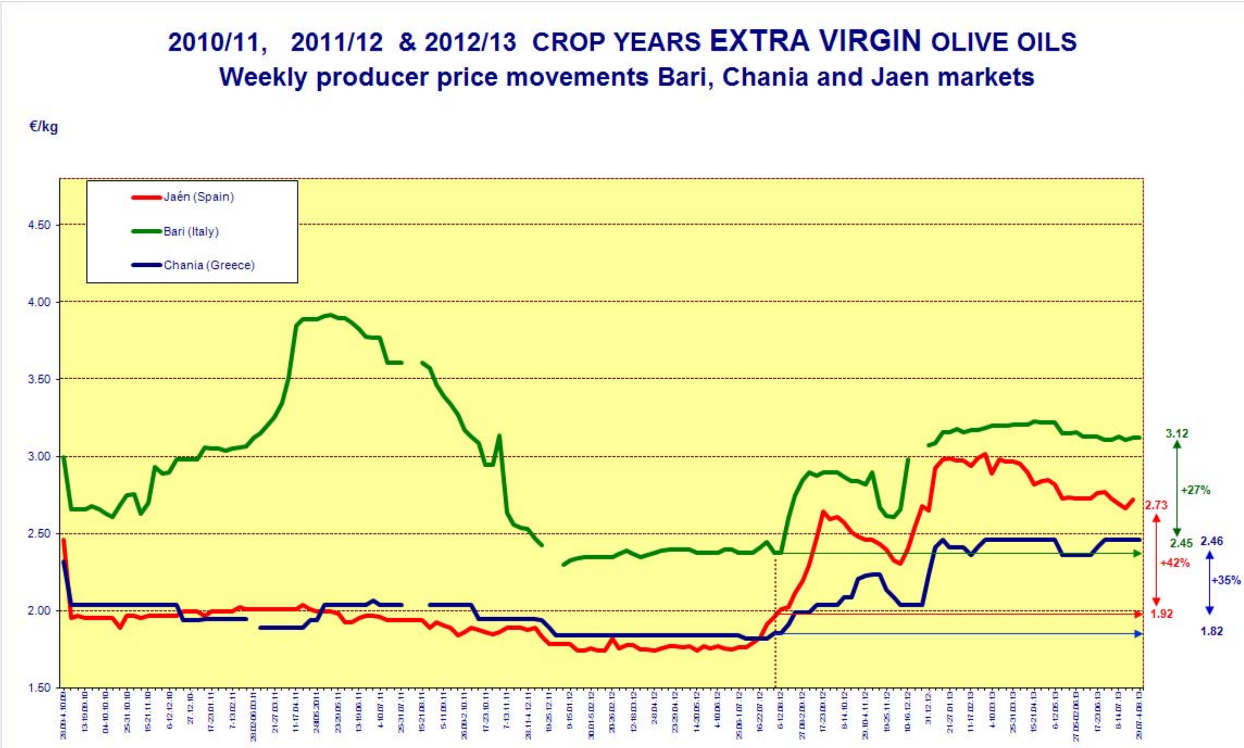
Table Olive Imports (t)

Nº	Importing country	October 11	October 12	November 11	November 12	December 11	December 12	January 12	January 13	February 12	February 13	March 12	March 13	April 12	April 13	May 12	May 13	June 12	June 13
1	Australia	1072.0	1330.0	1734.0	1858.0	1613.0	1821.0	1510.0	1597.0	1515.0	1906.0	1768.0	1423.0	1239.0	1161.0	1686.0	1785.0	1426.0	1183.0
2	Brazil	9746.1	12957.5	12350.8	11357.0	10340.0	10731.5	7069.0	7005.4	5554.5	7419.6	7868.7	7229.7	7641.4	7199.0	3941.8	8824.2	2256.9	9408.0
3	Canada	2953.7	2942.0	2577.0	2807.0	2024.0	2998.0	1755.0	2831.0	2020.0	1805.0	2270.0	1939.0	2071.0	2033.0	2488.0	2365.0	2364.5	2409.0
4	Russia	7707.0	9574.4	9949.0	9692.4	7889.0	6485.1	3001.9	5680.9	5430.6	5886.7	5501.0	6415.8	4395.7	5403.9	3959.4	4913.4	4489.0	3764.5
5	USA	10492.0	10404.0	10928.0	11100.0	9927.0	10050.0	10015.0	9317.0	8512.0	8969.5	11674.0	12126.0	12373.0	12451.0	11914.0	12608.0	11965.0	11428.0
6	Extra-EU/27	9240.2	9115.4	8571.5	8117.9	8318.6	8744.1	8243.4	8454.5	8302.9	8259.7	10304.7	10723.5	10978.8	12203.3	11688.2	12309.7	10145.0	nd
	Intra-EU/27	26663.6	31815.0	27978.6	30431.8	25353.6	26116.5	37203.3	26184.8	24356.5	24420.0	27946.2	27369.5	26313.6	31623.2	30452.8	31138.3	29461.2	nd
	Total	**67874.6**	**78138.3**	**74088.9**	**75364.1**	**65465.2**	**66946.2**	**68797.6**	**61070.6**	**55691.5**	**58666.5**	**67332.6**	**67226.5**	**65012.5**	**72074.4**	**66130.2**	**73943.6**	**62107.6**	

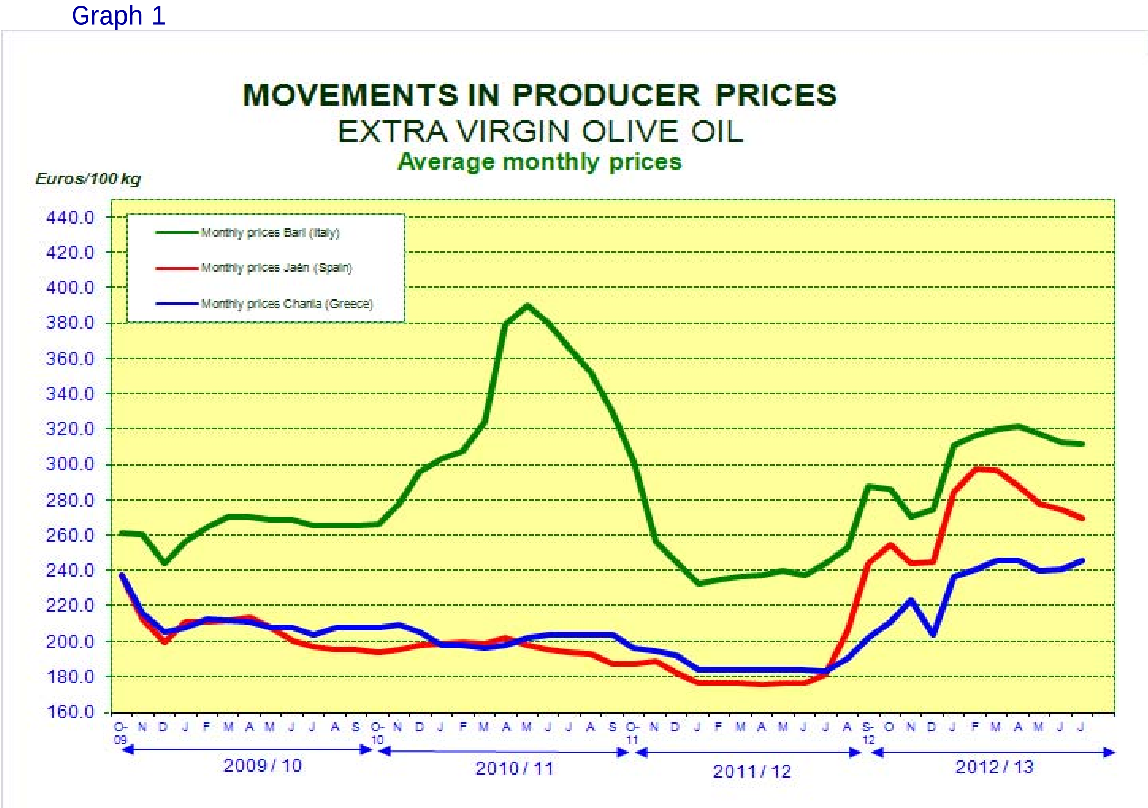
II. PRODUCER PRICE MOVEMENTS

Graphs 1 and 3 track the weekly movements in the prices paid to producers for extra virgin olive oil and refined olive oil in the top EU producing countries. The monthly price movements for the same two grades of oil are given in Graphs 2 and 4.

- **Extra virgin olive oil**: Prices in Spain started to climb sharply in late July 2012, reaching €2.64/kg by the third week of September. They then switched course in the second week of October, dropping until the second week of December when they reached €3.02/kg. They continued to oscillate around this level until the second week of March 2013, at which point they started to descend again. After a slight increase, they were standing at €2.73/kg in the last week of July 2013, thus showing 42 pc growth on year-ago prices. In Italy, they rose from the low of €2.61/kg recorded in the last week of November 2012 to €3.23/kg in the last week of April 2013, at which point they progressively dipped to €3.12/kg, where they held steady. This translates into 27 pc growth on the same period a season earlier (see Graph 1). Prices in Greece moved in the last weeks of July 2013 to reach €2.46/kg, increasing by 35 pc on the previous period. These latest prices are globally quite flat on all three markets and probably reflect market expectations before more accurate data are available about the level of production in the 2013/2014 season.

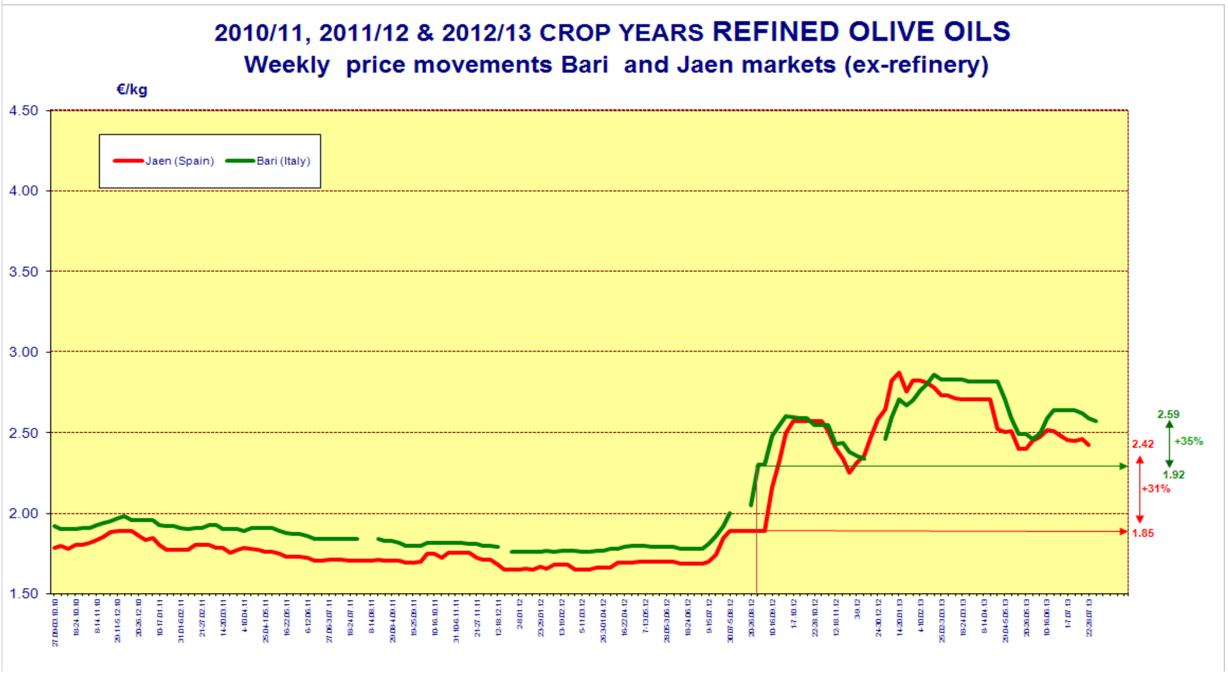


Graph 1

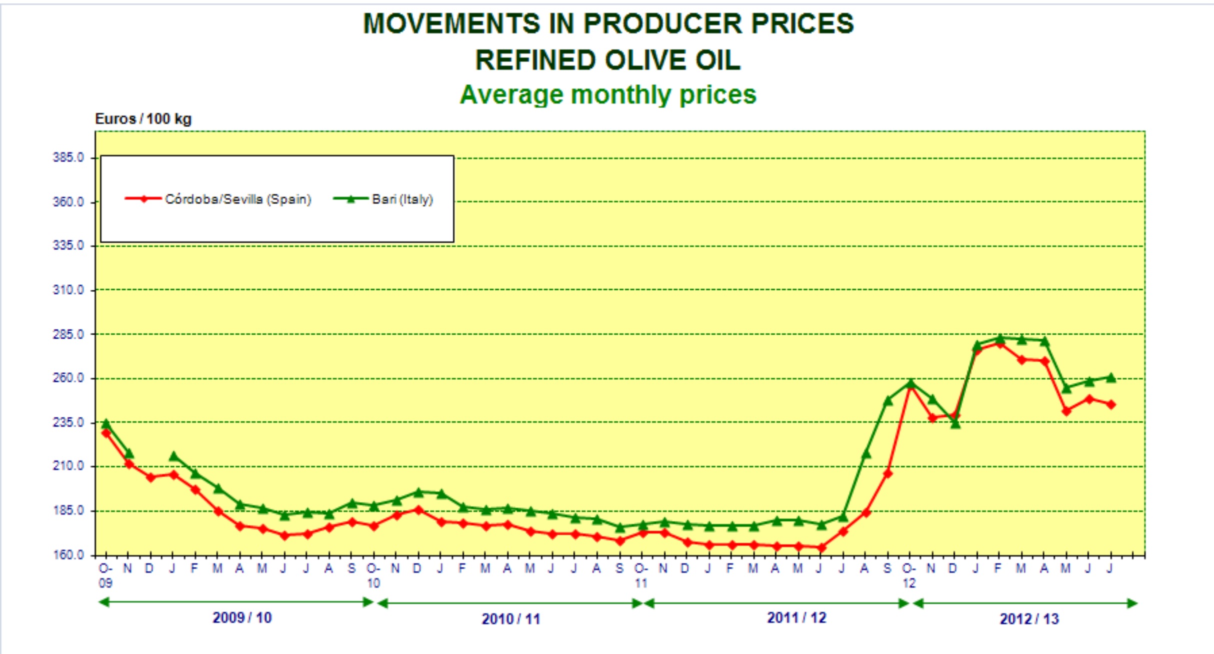


Graph 2

- **Refined olive oil**: Prices also started to climb sharply in Spain and Italy as of the last week of July until late October 2012 when they dipped. In early December they started to pick up again and prices in Spain moved ahead of those in Italy. Later, however, prices dropped to reach €2.42/kg in Spain in the last week of July 2013 and around €2.59/kg in Italy. Despite these decreases, prices recorded respective growth rates of 31 pc and 35 pc (Graph 3) versus the same period of the previous crop year. No data are available for Greece. The difference between the price of refined olive oil and extra virgin olive oil currently lies at around €0.31/kg in Spain and €0.53/kg in Italy.



Graph 3



Graph 4

Notice

The IOC is still offering a 50 pc discount on online sales of the *World Olive Encyclopaedia* (available in Arabic, English, French, Greek, Italian, Portuguese, Spanish and Turkish) and the *World Catalogue of Olive Varieties* (available in Arabic, English, French, Italian, and Spanish).

http://www.internationaloliveoil.org/store/index/664-world-olive-encyclopaedia-publications