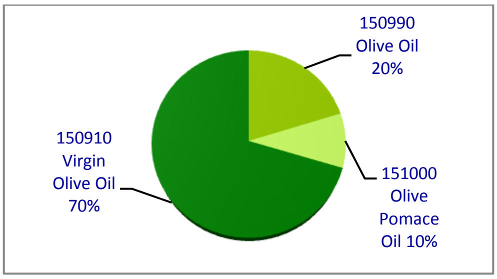
Spain – In the first quarter of the 2013/14 crop year, Spain produced 759 000 t of olive oil according to figures released by the Spanish Ministry of Agriculture's Food Data & Control Agency, known as AICA in Spanish. This is 94 pc more than in the first three months of 2012/13. Interestingly, Spain's production for the whole of 2012/13 came to 616 300 t. The same source also reports a figure of 122 700 t for domestic sales, equating with 2 pc growth on the previous season. Spanish olive oil exports, including intra-EU supplies, also increased in the first quarter of the current season (October–December 2013), going up to 237 000 t. This shows 33 pc growth and, says AICA, is a record.

Exports and intra-EU supplies[1] of olive oil and olive pomace oil in the three leading European producing countries – 2012/13 crop year

At the close of 2012/13**, Spain** had exported 728 621 t (including intra-EU supplies), down by 25 pc on the previous crop year. Spain's exports to countries outside the EU totalled 226 505 t; its main customers were the United States, China, Japan, Brazil and Australia. The sharp fall in home production in 2012/13 obliged it to buy large volumes of olive oil from its fellow EU Member States (114 485.8 t in all, i.e. 47 429 t more than the previous season). Greece, Portugal and Italy benefited from this increase in Spanish acquisitions. Spanish imports from non-EU countries also climbed to 61 455.7 t, recording an increase of 40 093.2 t. The bulk of this increase came from Tunisia, Turkey and Morocco.

Supplies of Spanish olive oil to other EU Members came to a total of 502 116 t, down by 26 pc from their level in 2011/12 when they accounted for 69 pc of all Spain's exports. Ranked by volume, the EU countries that bought the most olive oil from Spain were Italy (218 162 t, i.e. 47 pc less than the previous crop year), Portugal (96 248.30 t), France (95 199.70 t) and the United Kingdom (41 308.80 t).

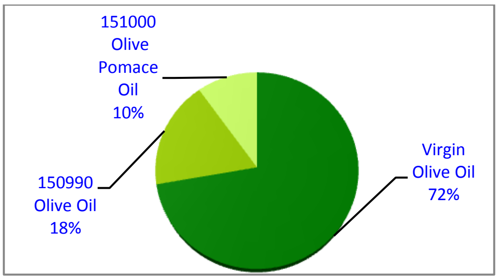


Spanish exports (incl. intra-EU supplies) itemised by % share of oil type – 2012/13 crop year

In 2012/13, **Italy** exported a total of 392 000 t, which shows a drop of 5 pc versus the season before. EU countries took 40 pc of this tonnage, the main destinations being Germany, France, Spain, the United Kingdom and Belgium by volume ranking. Italian exports to non-EU countries, which accounted for 60 pc of its total exports, declined by 8 pc from their 2011/12 level. The chief buyers were the United States, which took more than 30 pc of Italy's exports, followed by Japan, Canada, China and Switzerland. Italian imports from outside the EU were 8 pc higher in 2012/13 than a year earlier, totalling 79 800 t, most of which came from Tunisia (70 967 t), and then Turkey and Chile.

A look at Italian purchases of olive oil inside the EU shows that it bought the largest volume from Spain, although its acquisitions of Spanish olive oil did drop by 48 pc in 2012/13. The next source of Italy's intra-EU acquisitions was Greece where Italian acquisitions increased by 67 726 t (+67 pc) as a result of the drop in Spain's production in 2012/13.

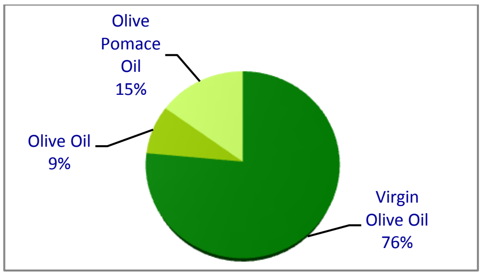
[1] In EU terminology, 'intra-EU supplies' are the equivalent of exports in world trade and 'intra-EU acquisitions' are the equivalent of imports in world trade.



Italian exports (incl. intra-EU supplies) itemised by % share of oil type – 2012/13 crop year

By the close of the 2012/13 crop year, **Greece** had exported a total of 229 137 t, up by 73 pc on the season before. Greek exports to non-EU countries rose by 10 pc and went chiefly to the United States, followed by countries such as Canada, China, Russia and Australia. Notably, Greece produced 357 900 t of olive oil in 2012/13, i.e. 22 pc more than in 2011/12.

Intra-EU supplies of Greek olive oil were 83 pc higher than in 2011/12 and represented 91 pc of total Greek exports. The main destinations, ranked by volume, were Italy, which bought 154 437 t (+67 726 t) and Spain, which bought 37 375 t (+34 865 t). Germany, the United Kingdom and Bulgaria purchased smaller volumes.



Greek exports (incl. intra-EU supplies) itemised by % share of oil type – 2012/13 crop year

I. WORLD MARKET FOR OLIVE OIL AND TABLE OLIVES

1. THE OLIVE OIL MARKET AS 2013/14 GETS UNDERWAY

In October and November 2013, the first two months of the 2013/14 crop year, trade in olive oil and olive pomace oil decreased by 37 pc in Australia, 22 pc in China, 19 pc in Brazil, 18 pc in Russia, 12 pc in Canada, 6 pc in the United States and 1 pc in Japan. It is presumed that these data reflect the drop in production in 2012/13 because it was too early in October and November for new season olive oil to be produced and exported. It is important to wait and see what the December 2013 figures have to say. The EU data for November 2013 were not available at the time of publication, but the figures for October report a drop of 7 pc in intra-EU acquisitions and no change in extra-EU imports.

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

No	Importing country	October 12	October 13	November 12	November 13
1	Australia	3518.5	2169.9	3857.8	2461.2
2	Brazil	9847.4	9075.3	8995.4	6239.6
3	Canada	4392.0	4014.7	3361.0	2845.6
4	China	2826.8	2609.4	4443.8	3030.7
5	Japan	4431.0	4410.0	4474.0	4386.0
6	Russia	3678.1	2982.0	3358.9	2763.7
7	USA	28507.3	23274.0	25118.0	27163.1
8	Extra-EU/28	14267.4	14233.4	10093.5	
	Intra-EU/28	92208.6	85727.1	76066.0	
	Total	**163677.1**	**148495.8**	**139768.4**	**48889.9**

2. THE TABLE OLIVE MARKET AS 2013/14 GETS UNDERWAY

Table olive imports in the first two months of the 2013/14 crop year (October and November 2013) rose by 2 pc in the United States but fell by 7 pc in Russia, 5 pc each in Canada and Brazil and 1 pc in Australia. Again, the EU data for November 2013 were not available when writing this newsletter. However, in October 2013, intra-EU acquisitions dropped by 14 pc and imports from non-EU countries decreased by 5 pc.

Table olive imports

Nº	Importing country	October 12	October 13	November 12	November 13
1	Australia	1330.0	1511.0	1858.0	1657.0
2	Brazil	12957.5	11769.2	11357.4	11299.5
3	Canada	2942.0	2795.0	2807.0	2656.0
4	Russia	9574.4	8882.2	9692.4	9073.0
5	USA	10404.0	11434.0	11100.0	10396.0
6	Extra-EU/28	9125.0	8645.3	8147.7	nd
	Intra-EU/28	35174.6	30248.3	30242.8	nd
	Total	**81507.5**	**75285.0**	**75205.3**	**35081.5**

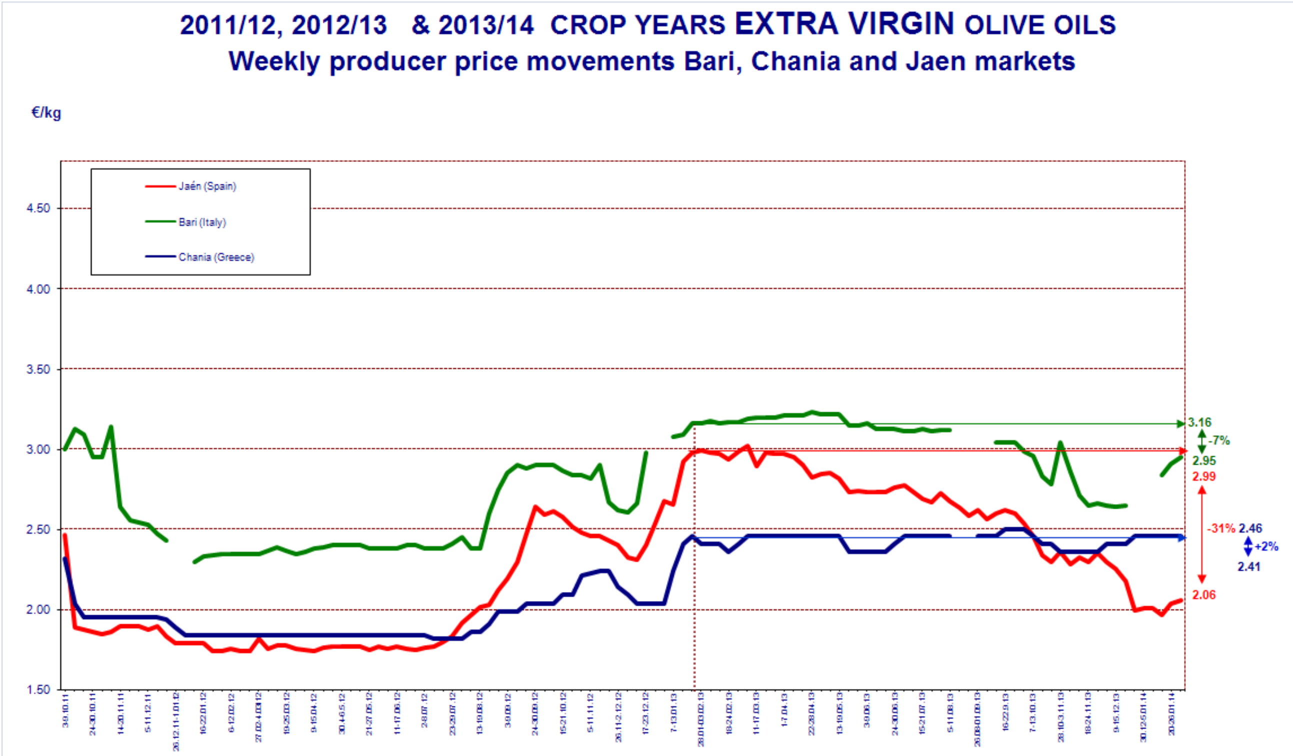
II. PRODUCER PRICES

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 three top EU producing countries. The monthly price movements for the same two grades of oil are given in Graphs 2 and 4.

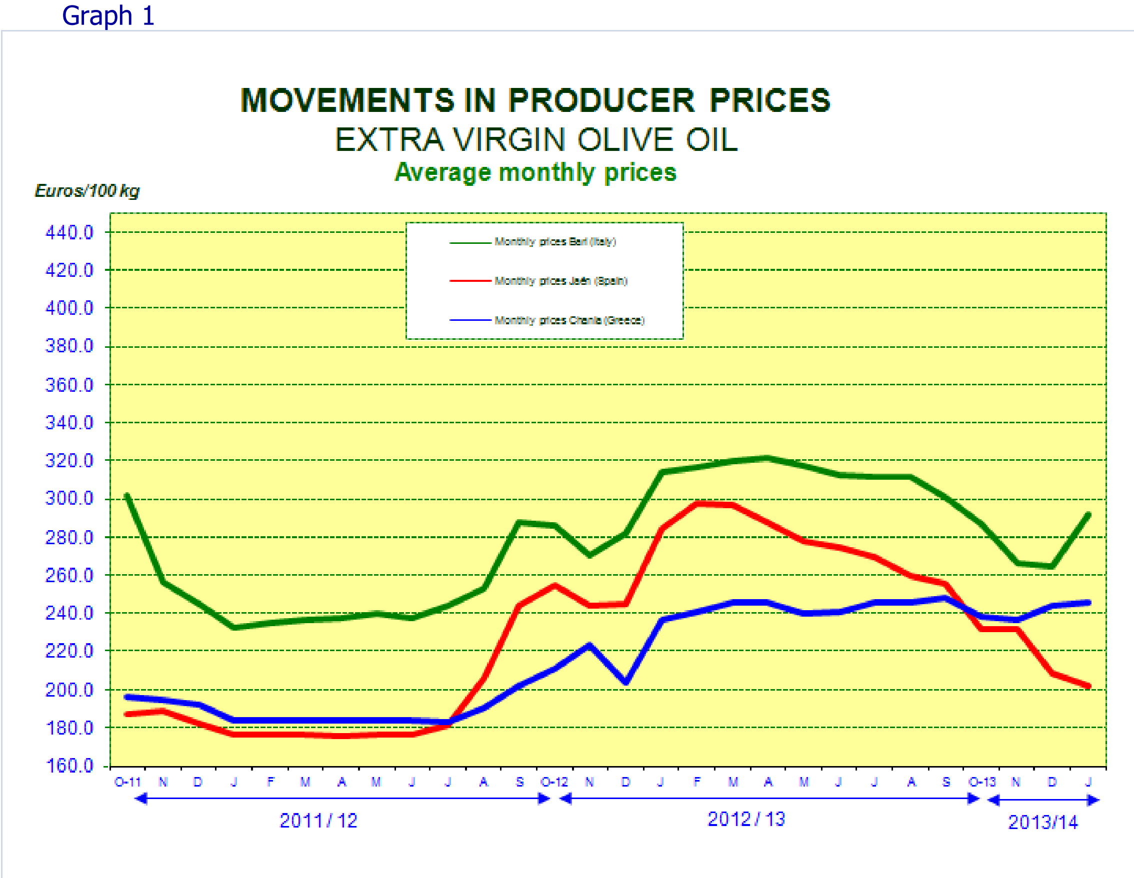
Extra virgin olive oil: The tendency in recent months has been for producer prices in **Spain** to fall. However, after dropping to €1.97/kg in the second week of January, they picked up slightly in the next two weeks, reaching €2.06/kg by the end of the month. Despite this recovery, prices were still 31 pc lower than the same time a year earlier. At first glance, this trend appears to mirror the recovery in the level of Spain's production but it does not seem to take into account the lower output in Greece and Tunisia, both of which compete with Italy for Spanish oil. It will be remembered that prices had started to decrease in April 2013 and gathered downward momentum in September 2013, perhaps as a reaction to the announcements of a good harvest in 2013/14. During the period analysed, prices peaked at €3.02/kg in March 2013 (see Graph 1).

Italy. After falling until the beginning of December 2013, producer prices in Italy started to rise, reaching €2.95/kg by the end of January although prices were still 7 pc lower than the same time a year earlier. This price movement is probably linked to the harvest in Greece, which will be small and will not put pressure on prices on the Italian market. As can be seen from Graph 1, prices peaked at €3.23/kg in mid-April 2013.

Greece. Since the middle of December 2013 producer prices in Greece have been holding steady at €2.46/kg, up by 2 pc on the same period of the preceding season. In all probability, this level ties in with the lower level of Greek production for 2013/14. It should be noted that in September 2013, prices held at €2.50/kg for three consecutive weeks, probably already reflecting the expected drop in production in 2013/14.



Graph 1



Graph 2

- **Refined olive oil:** The prices paid to producers for refined olive oil continued downwards in Spain until the middle of January 2014. They then turned upwards to reach €1.96/kg at the end of the month. This is 29 pc lower than the level the same time a year earlier. Prices in Italy have behaved similarly but reached €2.83/kg by the third week of January, then dropping to €2.09/kg in the last week. This translates into a decrease of 26 pc between the two weeks and of 22 pc compared with prices a year earlier. No data are available on this category for Greece. The gap between the price of refined olive oil and extra virgin olive oil is currently around €0.10/kg in Spain and €0.86/kg in Italy (Graph 3).
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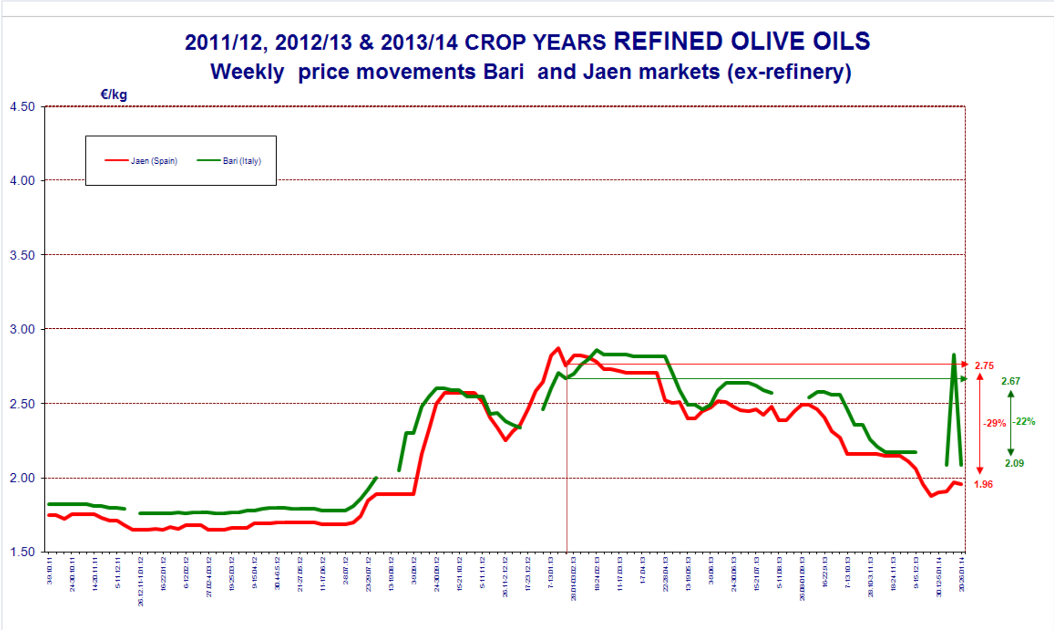
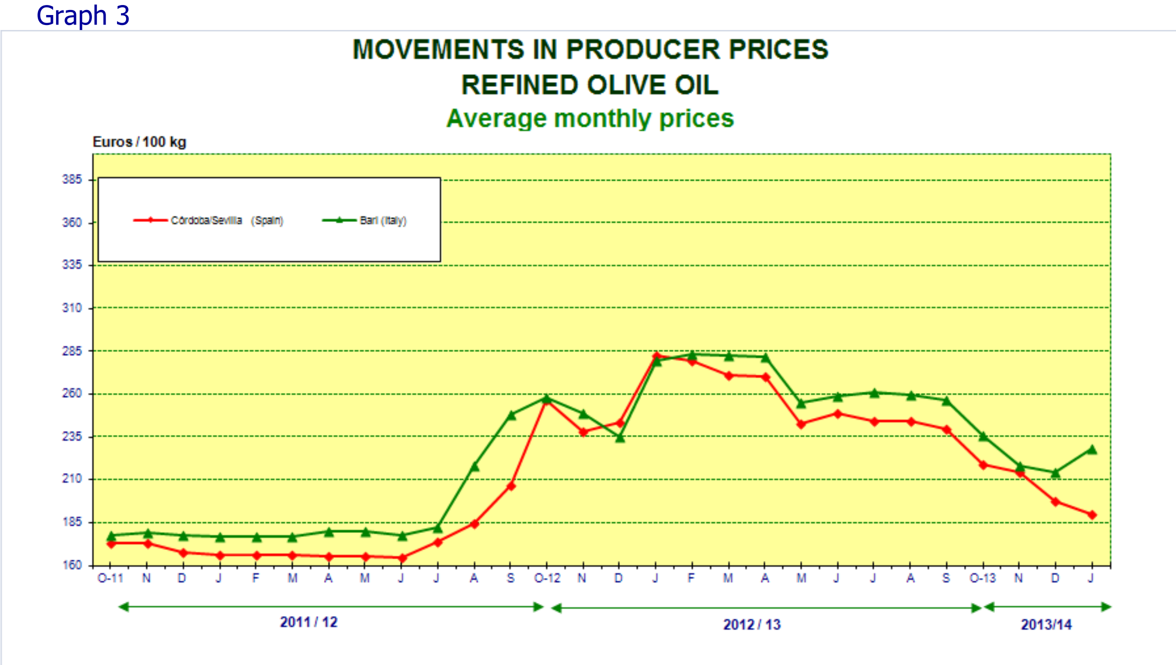


Graph 3



Graph 4

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