2013/14 crop year

Having started on 1 October 2013, the 2013/14 crop year is currently in swing until 30 September 2014. Confirming the information reported in earlier issues of the newsletter, world olive oil production this season is expected to be much higher than in 2012/13 when output totalled 2 425 000 t. Initially assessed at 3 098 000 t in November 2013, it is now estimated at a slightly lower level of 3 050 000 t according to the latest batch of figures received from some IOC member countries.

The 2013/14 estimates for the producing countries that belong to the European Union differ somewhat from the first forecasts. **Spain** expected to produce 1 536 000 t of olive oil, but according to the latest estimates it will produce 1 595 400 t, i.e. 58 800 t more than initially expected. In October 2013 **Greece** forecast a steep decrease in production to a level of 230 000 t due to the severe drought that summer; however, the latest data point to an even lower tonnage of 157 500 t, some 200 000 t or 56 pc down on the previous season. Greece's production has averaged 318 400 t over the last four crop years. **Italy** expects no change in its production estimate of 450 000 t whereas the outlook for **Portugal** is for production to be higher than expected, reaching 85 000 t. Notably, Portugal's production has been rising in recent years. Elsewhere in the IOC member countries, production appears to be holding at the initial estimates except in **Turkey** where production is expected to total 130 000 t as opposed to 180 000 t, i.e. 50,000 t less than first estimated. Table 1 shows average production in the last four crop years alongside the most recent estimate for 2013/14 and Chart 1 plots the trend of world production between 1958/59 and 2013/14.

Production	Average 2009/10-2011/12	2013/14 (est.)
***EU, of which*:**	**2071.9**	**2244.3**
Spain	**1256.2**	**1536.6**
Italy	**421.2**	450.0
Greece	**318.4**	**157.5**
Portugal	**65.2**	85.0
Other IOC countries, of which:	**803.6**	**647.0**
Tunisia	**168.0**	80.0
Syria	**181.5**	135.0
Turkey	**173.3**	130.0
Morocco	**122.5**	120.0
Algeria	**49.8**	62.0
Argentina	**21.5**	30.0
Jordan	**21.3**	25.0
Non-IOC producers	**73.1**	**93.0**
TOTAL	**2948.7**	**2984.3**

Table 1 –World olive oil production: average for the latest four crop years and figure for 2013/14 (10^3 t)

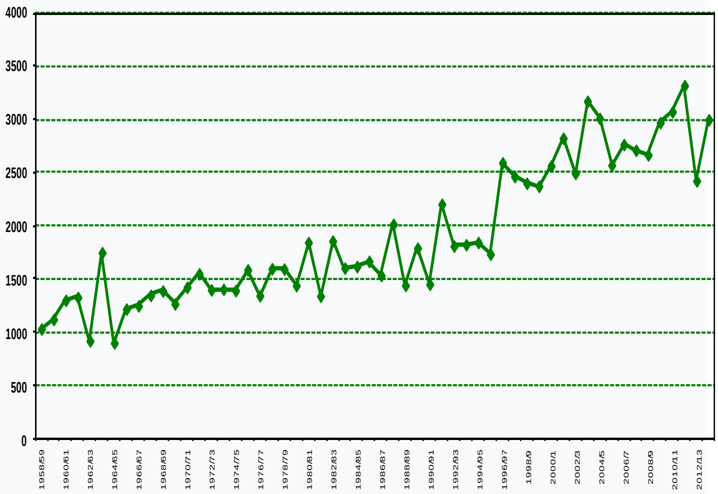


Chart 1 – Trend of world olive oil production, 1958/59-2013/14 (10^3 t)

INDIA – Import trend for olive oil and olive pomace oil

INDIA – Imports of olive oil into India increased by 33 pc in 2012/13 to reach 12 493.4 t. Table 2 lists imports in the last six crop years, itemised by country of origin, and shows that EU countries, led by Spain with Italy, Greece and Portugal following behind, cornered 98 pc of the Indian import market. Chart 2 shows the trend of imports from 2002/03 until 2012/13.

INDIA - OLIVE OIL IMPORT BY COUNTRY OF ORIGIN

Source	2007/08		2008/09		2009/10		2010/11		2011/12		2012/13	
	t	%	t	%	t	%	t	%	t	%	t	%
Germany	0.9	0%	2.9	0%	1.7	0%	38.5	1%	22.8	0%	2.2	0%
Austria							16.0	0%	20.7	0%	1.4	0%
Belgium											12.1	0%
Spain	1,226.2	49%	1,409.0	53%	2,009.4	60%	2,556.3	47%	5,406.6	58%	7,512.8	60%
France	0.9	0%	3.2	0%	1.9	0%	2.6	0%	15.9	0%	5.2	0%
Greece	18.0	1%	18.1	1%	7.9	0%	28.5	1%	38.1	0%	473.8	4%
Italy	1,181.3	47%	1,092.0	41%	1,141.3	34%	2,108.0	39%	3,007.0	32%	4,099.3	33%
Netherlands	0.4	0%	0.2	0%			0.8	0%	6.7	0%	1.5	0%
Portugal					20.2	1%	29.3	1%	113.0	1%	96.7	1%
United Kingdom	9.4	0%	8.7	0%	2.8	0%	5.5	0%	16.2	0%	6.2	0%
Sweden									29.9	0%		
s/Total EU	**2,437.1**	**97%**	**2,534.1**	**94%**	**3,185.2**	**94%**	**4,785.5**	**89%**	**8,676.9**	**92%**	**12,211.1**	**98%**
SouthAfrica							30.0	1%			0.7	0%
Egypt							16.0	0%	19.5	0%		
Morocco							22.1	0%				
Tunisia											52.2	0%
Japan			0.1	0%			15.4	0%	23.0	0%		
Israel			1.0	0%	0.1	0%					0.4	0%
Lebanon			2.8	0%								
Turkey	42.6	2%	127.0	5%	171.3	5%	129.2	2%	175.3	2%	165.8	1%
Siria							0.3	0%	56.9	1%		
Argentina	16.0	1%										
United States	2.1	0%	8.9	0%	3.4	0%	82.7	2%	108.6	1%		
China	0.2	0%					159.5	3%	173.2	2%		
Others	8.7	0%	9.8	0%	14.4	0%	151.9	3%	167.1	2%	63.2	1%
TOTAL	**2,506.7**	**100%**	**2,683.7**	**100%**	**3,374.4**	**100%**	**5,392.6**	**100%**	**9,400.5**	**100%**	**12,493.4**	**100%**

Table 2 – India: trend of imports by country of origin (t)

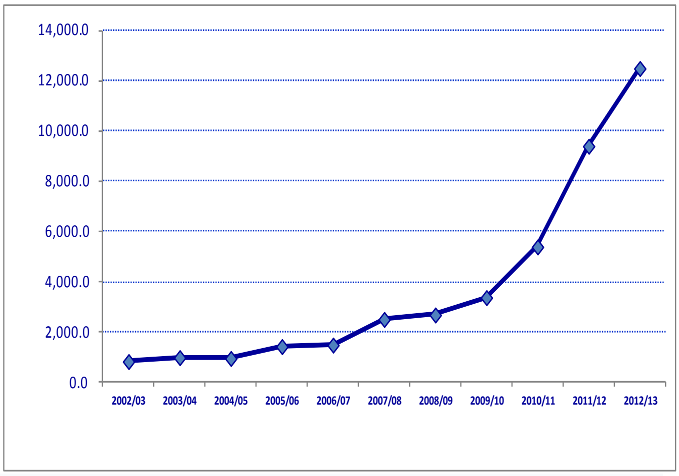


Chart 2 – India: import trend over the last 11 crop years (t)

I. WORLD MARKET FOR OLIVE OIL AND TABLE OLIVES

1. OLIVE OIL MARKET AT THE START OF THE 2013/14 CROP YEAR

Between October and December 2013, the first three months of the 2013/14 crop year, trade in olive oil and olive pomace oil decreased by 25 pc in Australia, 20 pc in China, 10 pc each in Brazil and the United States, 9 pc in Russia, 8 pc in Canada and 1 pc in Japan. The EU data for December 2013 were not available at the time of publication, but the figures for the first two months of the season report a drop of 4 pc in intra-EU acquisitions and of 14 pc in extra-EU imports compared with the same period of the previous crop year.

Comparison of the figures for December 2013 and 2012 would appear to show that imports are recovering, except in China, Japan and the United States where they have gone down. The immediate interpretation is that available supplies in the new season were not at hand for export in the first two months of 2013/14 (October and November 2013), particularly in Spain because of its low level of production in 2012/13, but this does not seem valid for the December figures for China, Japan (to a limited extent) and the United States (where the November figures were better), which are three key importer countries. This situation is worrisome and will require close scrutiny of the figures for January 2014.

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

No	Importing country	October 12	October 13	November 12	November 13	December 12	December 13
1	Australia	3518.5	2169.9	3857.8	2461.2	1506.2	2004.0
2	Brazil	9847.4	9075.3	8995.4	6239.6	6001.3	7156.7
3	Canada	4392.0	4014.7	3361.0	2845.6	2568.1	2662.2
4	China	2826.8	2609.4	4443.8	3030.7	4732.9	4007.6
5	Japan	4431.0	4410.0	4474.0	4386.0	3994.0	3967.0
6	Russia	3678.1	2982.0	3358.9	2763.7	2766.0	3174.3
7	USA	28507.3	23274.0	25118.0	27163.1	26504.0	21455.9
8	Extra-EU/27	14267.4	14233.4	10093.5	6660.6	4407.4	nd
	Intra-EU/27	92208.6	87228.5	76066.0	74039.4	95922.6	nd
	Total	**163677.1**	**149997.2**	**139768.4**	**129589.9**	**148402.5**	

2. WORLD MARKET FOR TABLE OLIVES AT THE START OF THE 2013/14 CROP YEAR

Table olive imports in the first three months of the 2013/14 crop year (October–December 2013) rose by 4 pc in the United States and 1 pc in Australia but fell by 14 pc in Canada, 11 pc in Russia and 9 pc in Brazil. Again, the EU data for December 2013 were not available when writing this newsletter. However, in the first two months of the crop year, intra-EU acquisitions dropped by 11 pc and imports from non-EU countries decreased by 7 pc.

Table Olive Imports (t)

Nº	Importing country	October 12	October 13	November 12	November 13	November 12	November 13
1	Australia	1330.0	1511.0	1858.0	1657.0	1821.0	1905.0
2	Brazil	12957.5	11769.2	11357.4	11299.5	10731.5	8721.4
3	Canada	2942.0	2795.0	2807.0	2656.0	2997.0	2070.0
4	Russia	9574.4	8882.2	9692.4	9073.0	6485.1	5026.1
5	USA	10404.0	11434.0	11100.0	10396.0	10050.0	10937.0
6	Extra-EU/27	9125.0	8645.3	8147.7	7337.5	8740.1	nd
	Intra-EU/27	35174.6	30248.3	30242.8	28073.4	26733.8	nd
	Total	**81507.5**	**75285.0**	**75205.3**	**70492.4**	**67558.5**	

II. PRODUCER PRICES

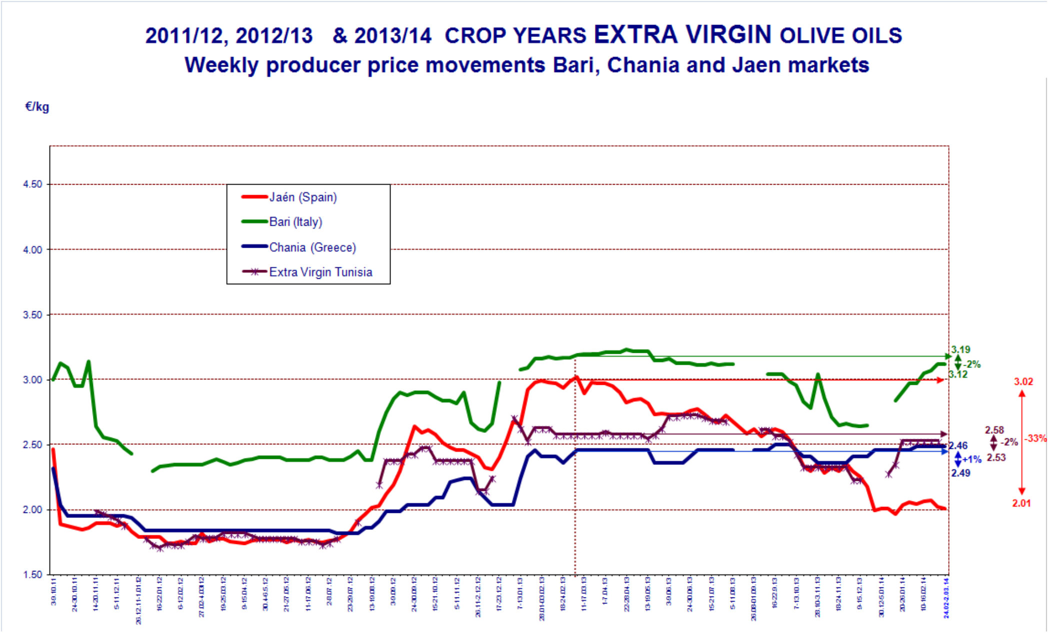
Graph 1 tracks the weekly movements in the prices paid to producers for extra virgin olive oil in the three top EU producing countries plus Tunisia while Graph 3 shows the weekly changes in the producer prices for refined olive oil in the three main EU producers. The monthly price movements for the same two grades of oil are 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 stood at €2.01/kg by the last week of February. This price level was 33 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 at the beginning of March 2013 (see Graph 1).

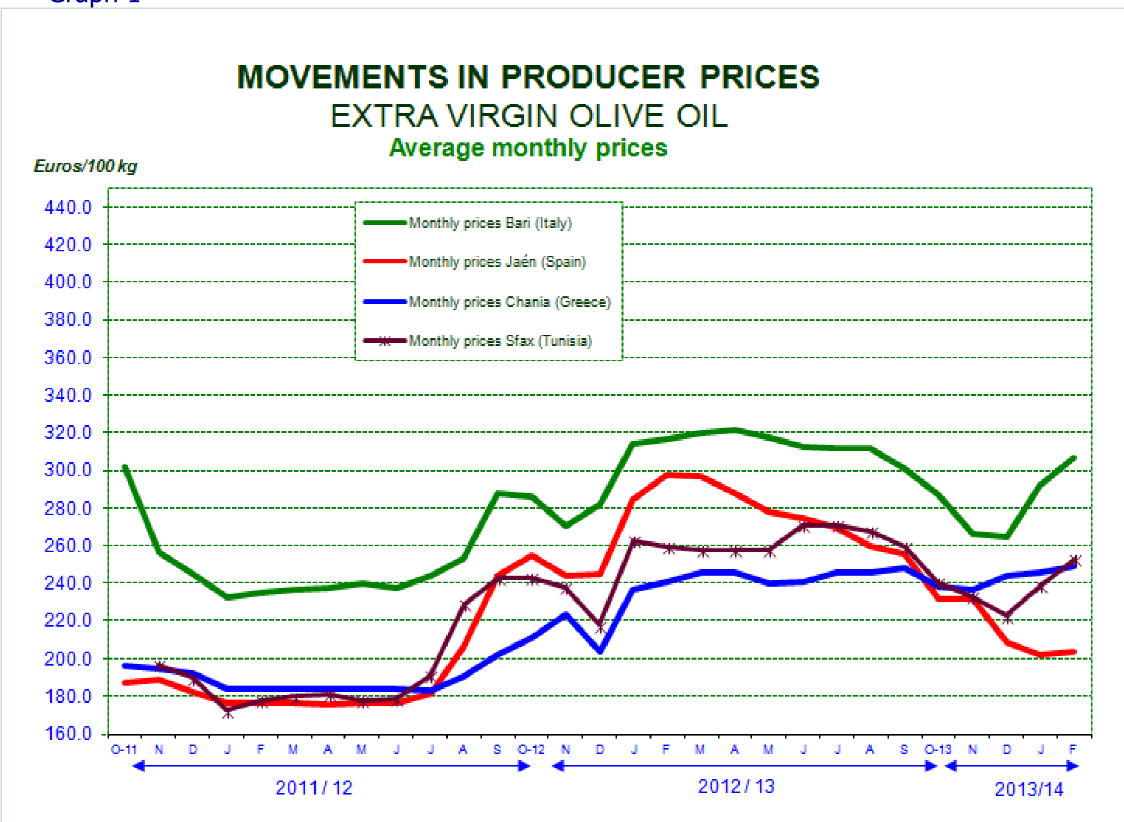
Italy. After falling until the beginning of December 2013, producer prices in Italy started to rise, reaching €3.12/kg by the end of February although prices were still 2 pc lower than the same time a year earlier. This price movement is probably linked to the harvest in Greece, which will be small and 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. From mid-December 2013 until late January 2014 producer prices in Greece held steady at €2.46/kg, later going up to €2.49/kg in February, which represents an increase of 1 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.

Tunisia. At the end of October 2013, producers were paid €2.53/kg for their extra virgin olive oil. After that, prices started moving downwards until late December 2013, only to turn upwards to reach €2.53/kg in recent weeks, which is 2 pc less than the same period a season earlier. Producer prices in 2012/13 were influenced by the poor harvest in Spain, which generated higher prices than in 2011/12. This season, the combination of a good harvest in Spain and a poor harvest in Tunisia probably partly explains the current level of prices in Tunisia, which have moved away from Spanish prices since early January 2014.

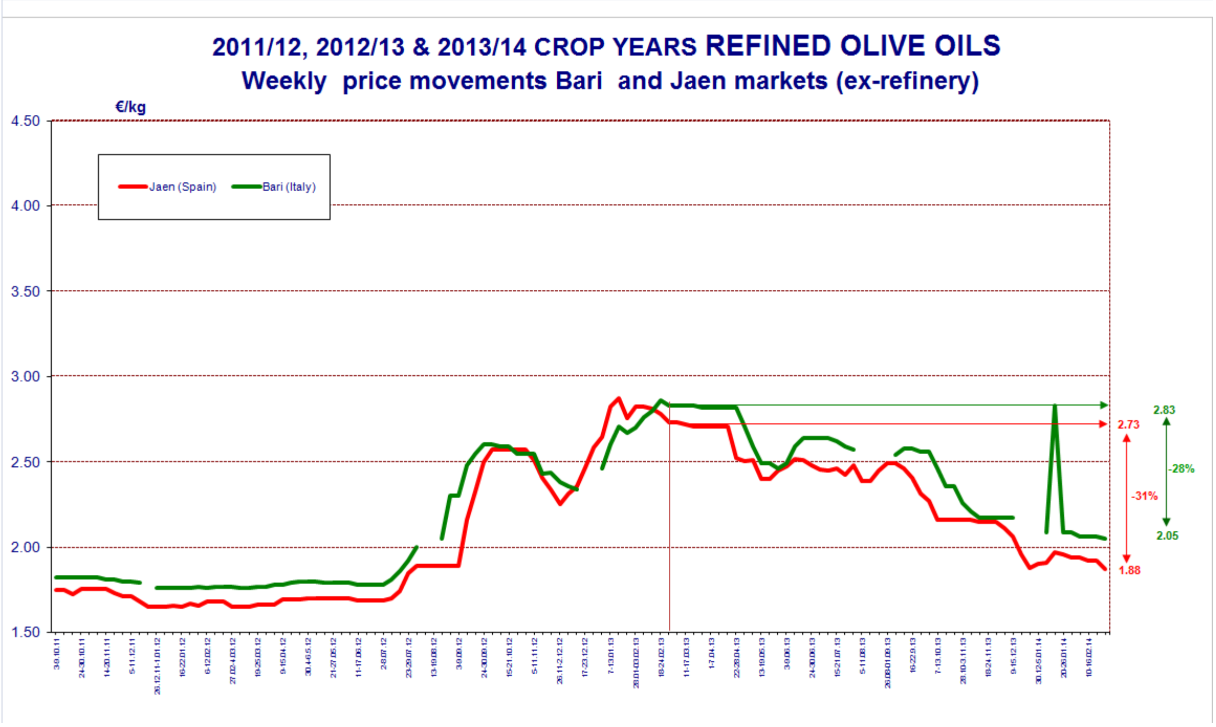


Graph 1

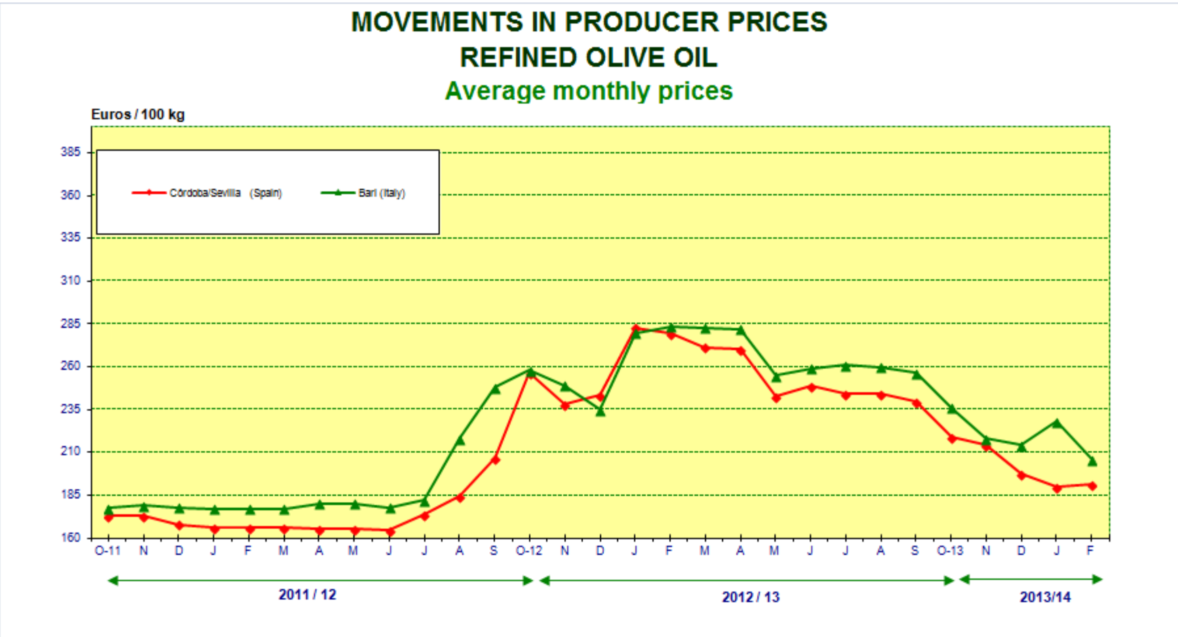


Graph 2

- **Refined olive oil:** The prices paid to producers for refined olive oil continued downwards in Spain, reaching €1.88/kg by the end of February. This is 31 pc lower than the level the same time a year earlier and appears to be connected with the respective volumes of harvest in 2012/13 and 2013/14. Prices in Italy have behaved similarly but reached €2.83/kg by the third week of January, then dropping to €2.05/kg at the end of February. This translates into a decrease of 28 pc both over the six weeks and 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 €0.13/kg in Spain and €1.07/kg in Italy (Graph 3).



Graph 3



Graph 4

Notice

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