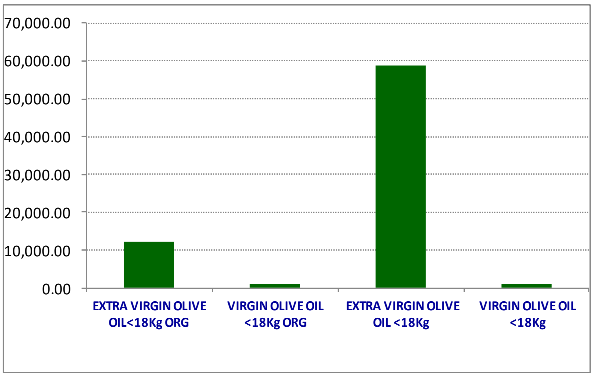
USA: CATEGORY SHARES UNDER THE ITEMISED NOMENCLATURE FOR THE VIRGIN OLIVE OIL PRODUCT GROUP (150910) IN PLACE SINCE JULY 2013

July 2013 saw the introduction of a new tariff nomenclature for virgin olive oils (heading 150910) by the Foreign Agricultural Service of the United States Department of Agriculture where more detailed itemisation allows greater differentiation between the different types of oil. The old single category listed under code 1509102000 (virgin olive oil under 18 kg) is now broken down into four categories – organic extra virgin olive oil; extra virgin olive oil; organic virgin olive oil and virgin olive oil – for product weighing under 18 kg. The same applies to former category 150910400, now also broken down into the four categories for product weighing over 18 kg. Besides adding to market transparency, this further differentiation allows more accurate analysis of the import shares of the various types of oil.

Over the seven months from July 2013 to January 2014, the biggest entry was for extra virgin olive oil (83 832.6 t), which accounted for 49 pc of total import volume, 34.5 pc of which (58 685.9 t) was imports of product weighing <18kg (see Chart 1) and 14.5 pc (25 146.7 t) in bulk, i.e. >18 kg (Chart 2). Organic extra virgin olive oil had a 12 pc slice (19 924.3 t) of total imports; 7 pc (12 026.9 t) was packed and 5 pc (7 897.4 t) was imported in bulk. Next down the line was virgin olive oil with 4 pc (6 884 t) of total volume, almost all of which was imported as product weighing more than 18 kg, and organic virgin olive oil with only a 1 pc share. Charts 1 and 2 give the import volumes of the different categories of virgin olive oil by product weight.

The data for the other categories of oil continue to be presented in the usual way in the US nomenclature (under heading 150990 for olive oil and 151000 for olive pomace oil).



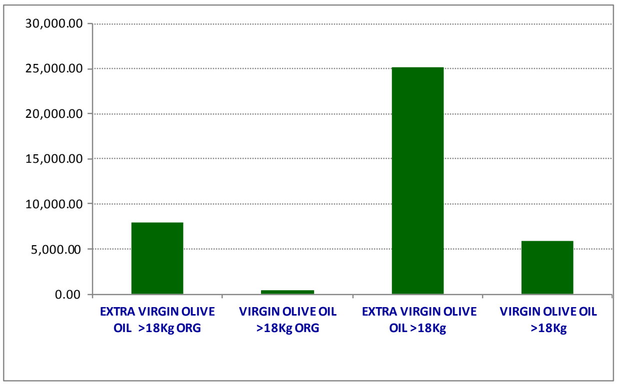


Chart 1 – Volumes (t) by category of extra virgin olive oil, <18kg (**July 2013-January 2014**)

Chart 2 – Volumes (t) by category of extra virgin olive oil, > 18kg (**July 2013-January 2014**)

<u>JAPAN</u> – TRENDS IN IMPORTS OF OLIVE OIL AND OLIVE POMACE OIL

By the close of the 2012/13 crop year, imports by **Japan** totalled 53 949 t, up by 18 pc on the previous season. As can be seen from Table 1, showing itemised imports by country of origin, 93 pc of aggregate imports was from EU countries, led by Italy with 48 pc, Spain with 44 pc and Greece with 1 pc. Between 2007/08 and 2012/13 Spain has thus increased its market share by 4 points from 40 pc to 44 pc whereas Italy has lost two points, going down from 50 pc to 48 pc. The remaining 7 pc of imports came from non-EU countries, notably Turkey.

Country	2007/08		2008/09		2009/10		2010/11		2011/12		2012/13	
	t	%	t	%	t	%	t	%	t	%	t	%
Germany		0	0	0	0	0	1	0		0	1	0
Spain	12.012	40	13.291	40	17.328	41	14.873	40	19.502	43	23.526	44
France	597	2	62	0	50	0	53	0	57	0	51	0
Greece	377	1	445	1	492	1	449	1	505	1	599	1
Italy	15.345	50	17.196	52	21.897	51	19.788	53	23.267	51	25.959	48
Netherlands		0		0		0	8	0	32	0	4	0
Portugal	36	0	30	0	30	0	42	0	0	0	26	0
United Kingdo	22	0	7	0	18	0	7	0	12	0	11	0
Tunisia	3	0	4	0	9	0	14	0	32	0	103	0
Argentina	60	0	48	0	102	0	87	0	111	0	105	0
Chile	5	0	4	0	13	0	28	0	61	0	180	0
Australia	52	0	28	0	33	0	33	0	63	0	63	0
United States	10	0	10	0	31	0	15	0	29	0	31	0
Peru		0		0		0		0	5	0		0
Israel	24	0	50	0	10	0	45	0	20	0	35	0
Turkey	1.785	6	2.041	6	2.506	6	2.049	5	1.841	4	3.220	6
Others	59	0	89	0	115	0	32	0	33	0	38	0
TOTAL	**30.388**	**100**	**33.306**	**100**	**42.634**	**100**	**37.522**	**100**	**45.571**	**100**	**53.949**	**100**

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

I. WORLD MARKET FOR OLIVE OIL AND TABLE OLIVES

1. PERFORMANCE OF THE OLIVE OIL MARKET IN 2013/14

Between October 2013 and January 2014, the first four months of the 2013/14 crop year, trade in olive oil and olive pomace oil decreased by 30 pc in China, 20 pc in Australia, 9 pc in Brazil, 8 pc each in Canada, Russia and the United States and 1 pc in Japan. The EU data for January 2014 were not available at the time of publication, but the figures for the first three months of the season (October–December 2013) report a drop of 2 pc in intra-EU acquisitions and of 10 pc in extra-EU imports compared with the same period of the previous crop year.

Further scrutiny of the figures for January 2014 reveals that imports by Australia, Japan, the United States and Canada have picked up from the level of December 2013, unlike China, Brazil and Russia where they continue downwards.

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

No	Importing country	October 12	October 13	November 12	November 13	December 12	December 13	January 13	January 14
1	Australia	3518,5	2169,9	3857,8	2461,2	1506,2	2004,0	2227,3	2236,5
2	Brazil	9847,4	9075,3	8995,4	6239,6	6001,3	7156,7	5500,7	5163,6
3	Canada	4392,0	4014,7	3361,0	2845,6	2568,1	2662,2	4040,8	3647,0
4	China	2826,8	2609,4	4443,8	3030,7	4732,9	4007,6	6360,5	3268,3
5	Japan	4431,0	4410,0	4474,0	4386,0	3994,0	3967,0	4253,0	4271,0
6	Russia	3678,1	2982,0	3358,9	2763,7	2766,0	3174,3	1616,5	1818,0
7	USA	28507,3	23274,0	25118,0	27163,1	26504,0	21455,9	24570,9	26704,8
8	Extra-EU/27	14267,4	14233,4	10093,5	6660,6	4407,4	5141,1	8924,3	nd
	Intra-EU/27	92208,6	87710,9	76066,0	74318,6	95922,6	95904,2	97359,5	nd
	Total	**163677,1**	**150479,6**	**139768,4**	**129869,1**	**148402,5**	**145473,0**	**154853,5**	

2. PERFORMANCE OF THE TABLE OLIVE MARKET IN 2013/14

Table olive imports in the first four months of the 2013/14 crop year (October 2013–January 2014) rose by 6 pc in the United States and 3 pc in Australia but fell by 13 pc in Russia, 12 pc in Canada and 10 pc in Brazil. Again, the EU data for January 2014 were not available when writing this newsletter. However, in the first three months of the crop year, intra-EU acquisitions dropped by 8 pc and imports from non-EU countries by 3 pc.

Table Olive Imports (t)

Nº	Importing country	October 12	October 13	November 12	November 13	December 12	December 13	January 13	January 14
1	Australia	1330,0	1511,0	1858,0	1657,0	1821,0	1905,0	1597,0	1740,0
2	Brazil	12957,5	11769,2	11357,4	11299,5	10731,5	8721,4	7005,4	6171,8
3	Canada	2942,0	2795,0	2807,0	2656,0	2997,0	2070,0	2832,0	2621,0
4	Russia	9574,4	8882,2	9692,4	9073,0	6485,1	5026,1	5680,9	4425,2
5	USA	10404,0	11434,0	11100,0	10396,0	10050,0	10937,0	9317,0	10483,0
6	Extra-EU/27	9125,0	8645,3	8147,7	7337,5	8740,1	9368,3	8456,5	nd
	Intra-EU/27	35174,6	30248,3	30242,8	28073,4	26733,8	26212,6	26850,9	nd
	Total	**81507,5**	**75285,0**	**75205,3**	**70492,4**	**67558,5**	**64240,4**	**61739,7**	

II. PRODUCER PRICES

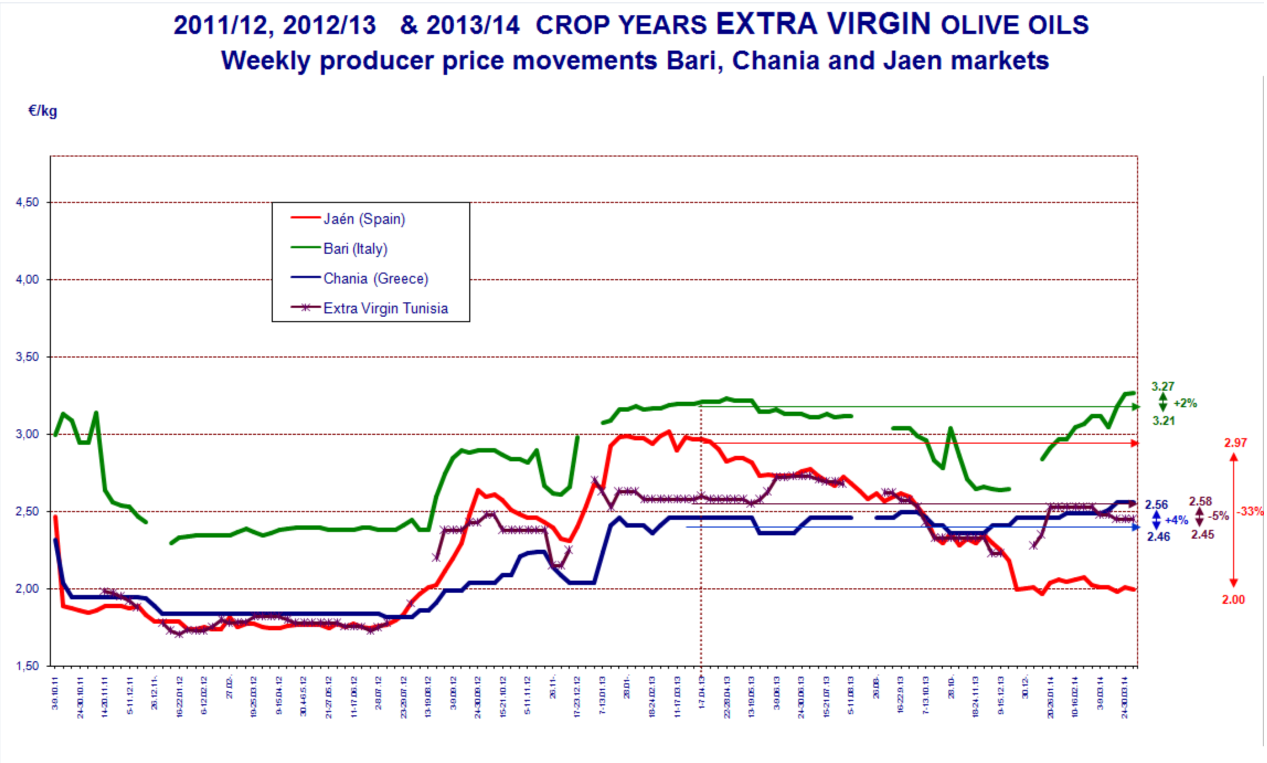
Graph 1 tracks the weekly movements in the prices paid to producers for extra virgin olive oil in the three top EU producing countries plus Tunisia while Graph 3 shows the weekly changes in the producer prices for refined olive oil in the three main EU producers. The monthly price movements for the same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

Extra virgin olive oil: In recent months, producer prices in **Spain** have been moving downwards, reaching €1.97/kg in the second week of January. By the last week of March, they were slightly up at €2.00/kg but still 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. 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) but lately appear to be steadying at around €2/kg.

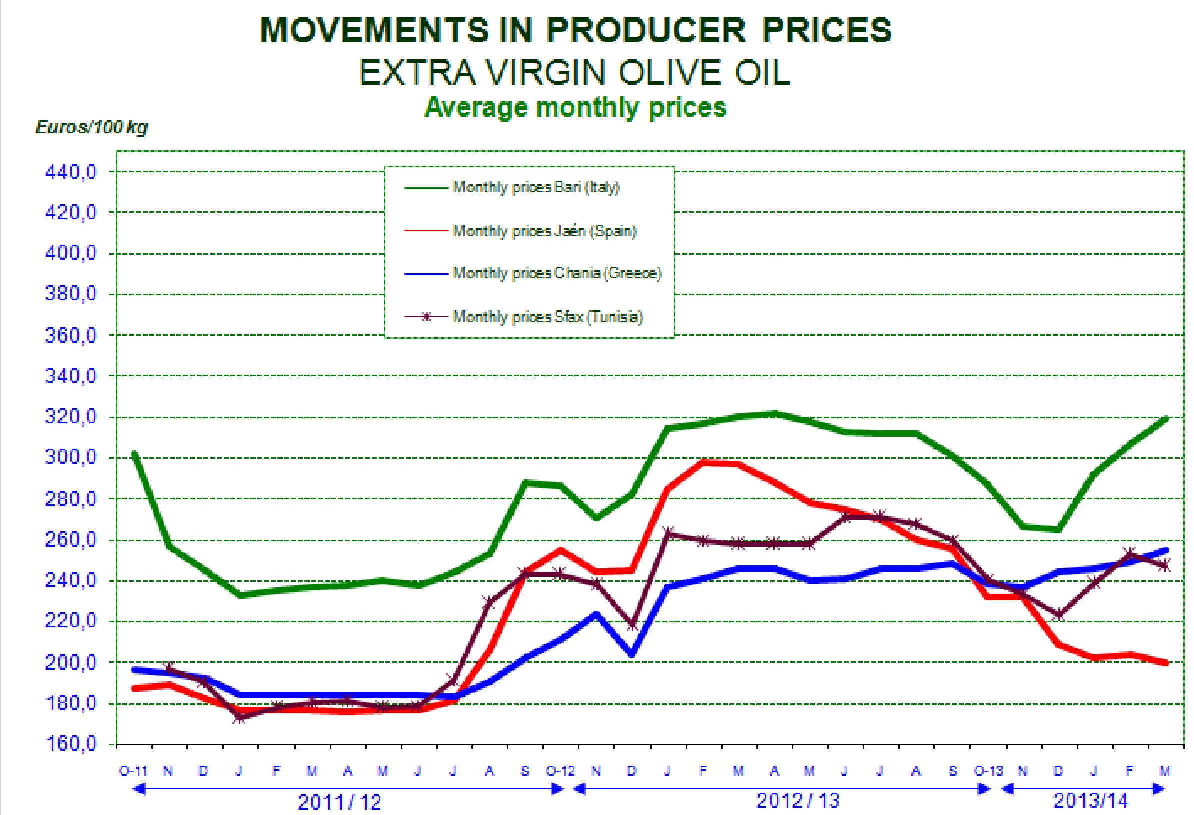
Italy. After falling until the beginning of December 2013, producer prices in Italy started to rise, reaching €3.27/kg by the end of March which is 2 pc more than the same time a year earlier. This price movement is probably linked to the harvest in Greece, which will be small and will not put pressure 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 €2.56/kg in late March, which represents an increase of 4 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, when they levelled off, only to drop further to €2.45/kg by the end of March, recording a decrease of 5 pc versus 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.



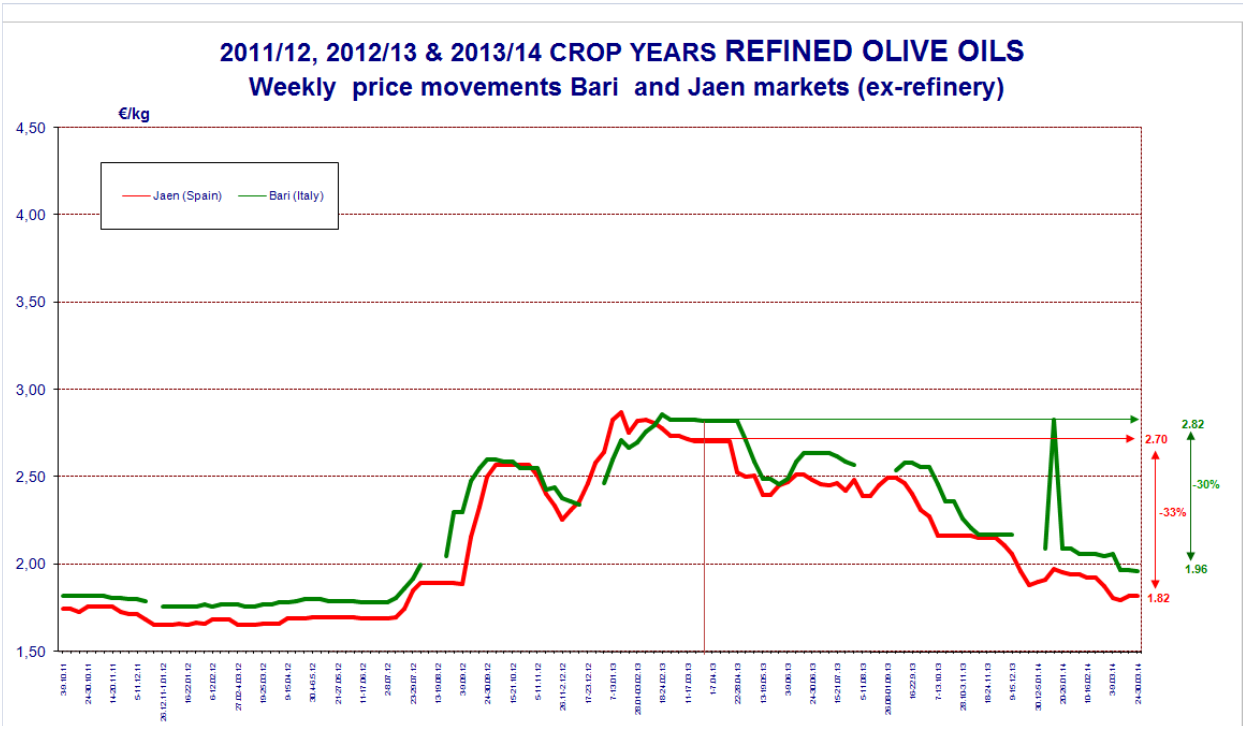
Graph 1



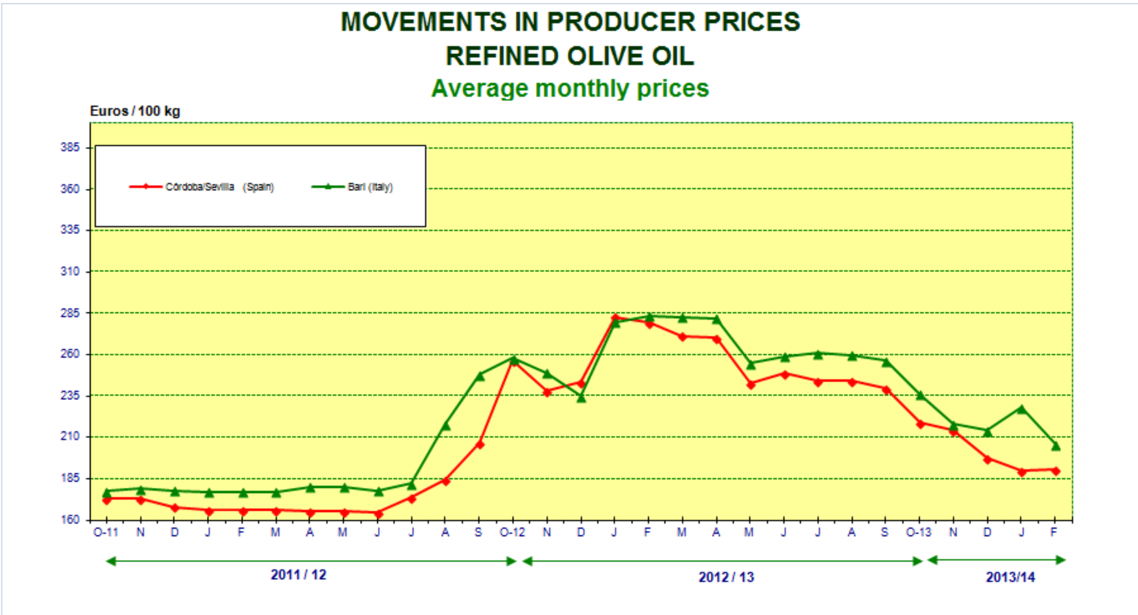
Graph 2

- **Refined olive oil:** The prices paid to producers for refined olive oil continued downwards in Spain, reaching €1.82/kg by the end of March. This is 33 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 €1.96/kg at the end of March. This translates into a decrease of 31 pc over the ten weeks and of 30 pc compared with prices a year earlier. No data are available on this category for Greece.

At the end of March, the price of refined olive oil and extra virgin olive oil in Spain differed by €0.18/kg as the prices of extra virgin grade seem to be levelling off at €2/kg while those of refined product stand at €1.82/kg. In Italy, the difference in price between the two categories is much wider than in Spain, lying at €1.41/kg (Chart 3).



Graph 3



Graph 4

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