CHINA: SPOTLIGHT ON OLIVE OIL IMPORT TRENDS

Chinese imports of olive oil and olive pomace increased exponentially between the 2001/02 and 2011/12 crop years (see Chart I) I) but contracted 6 pc between 2011/12 and 2012/13. The monthly data (Chart II) for 2012/13 show a sharp decrease in imports in the first seven months of the season from October 2012 to April 2013 but they then reversed direction and turned upwards in the next three months from May to July 2013. Despite this recovery, just two months away from the close of the crop year everything seems to indicate that imports will be lower than in 2011/12.

European Union countries supply 90 pc of China's imports, with Spain leading the way (61 pc), followed by Italy (22 pc), Greece (6 pc) and Portugal (1 pc). The remaining 10 pc comes from Tunisia (3 pc), Turkey (2 pc), Australia (2 pc) and Syria (1 pc).

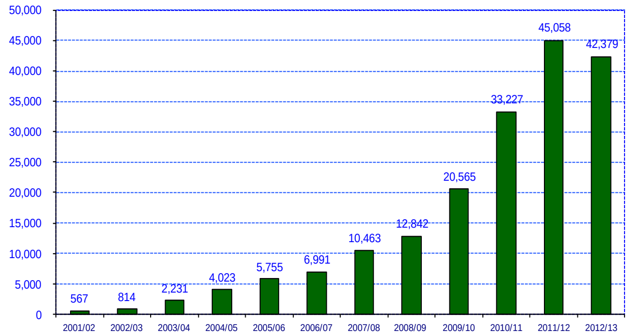


Chart I – China: trend of imports of olive oil and olive pomace oil, 1997/98–2012/13 crop years (tonnes)

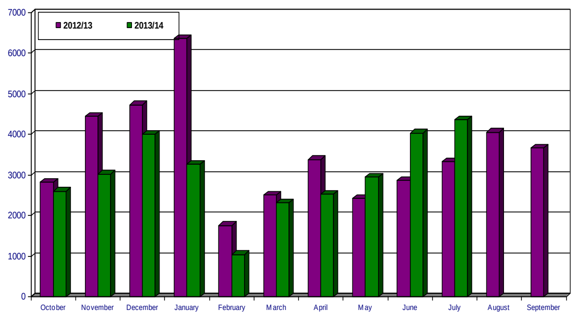


Chart II – China: trend of **monthly imports** of olive oil and olive pomace oil (tonnes)

Chinese imports in the last three crop years are split by product category in Chart III. Imports of virgin olive oil (customs heading 150910) have recorded season-on-season growth, increasing their share from 82 pc in 2010/11 to 84 pc in 2011/12 and 88 pc in 2012/13. Product belonging to the olive oil grade (heading 150990) accounted for 7 pc of total imports in 2010/11, going down to 5 pc in the next two crop years while imports of olive pomace oil (heading 151000) dropped from 11 pc of the total in 2012/11 and 2011/12 to 7 pc in 2012/13.

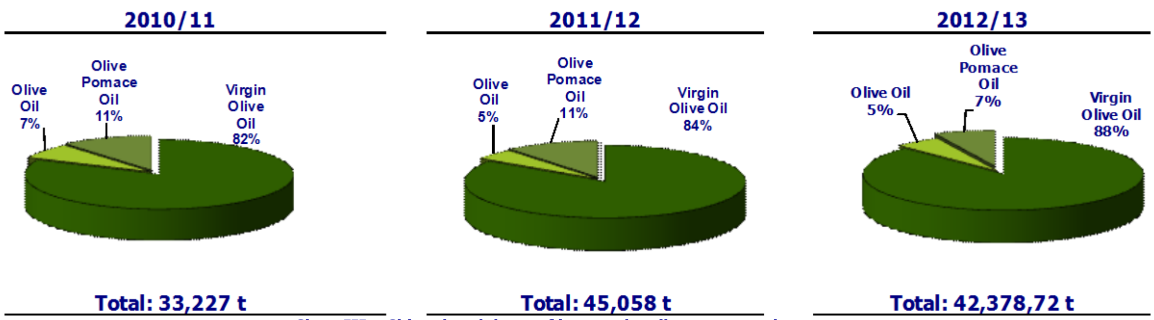


Chart III – China: breakdown of imports by oil category and crop year

SOUTH KOREA: OLIVE OIL IMPORTS

In the first 10 months of the current 2013/14 crop year (October 2013–July 2014), South Korean imports of olive oil total totalled 13 058.31 t, representing 34 pc growth on the first 10 months of the preceding season. Seventy-one per cent came from Spain, 24 pc from Italy, 4 pc from Turkey and 1 pc from Greece. Broken down by grade, 75 pc was virgin olive oil, 7 pc was olive oil and 18 pc was olive pomace oil.

I. WORLD MARKET FOR OLIVE OIL AND TABLE OLIVES

1. OLIVE OIL – MARKET DEVELOPMENTS IN 2013/14

The first seven entries in the table below report imports of olive oil and olive pomace oil in specific markets between the nine months of the 2013/14 crop year from October 2013 until June 2014. The figures point to increases of 19 pc in Canada, 5 pc in Japan and 4 pc in the United States, contrasting with decreases in China (-18 pc), Brazil (-3 pc) and Australia (-3 pc) although imports have rallied in recent months in the last three countries compared with the same period a season earlier. Data for Russia are only available until April 2014 and reflect an increase of 8 pc in imports over the first seven months of the crop year.

At the time of writing, EU data were not available for June 2014 but the figures for the first eight months of the season (October 2013–May 2014) report a 12 pc increase in intra-EU acquisitions and a drop of 54.5 pc in imports from outside the EU compared with the same period of the previous crop year. This fall in extra-EU imports seems logical, given Spain's high production.

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	February 13	February 14	March 13	March 14	April 13	April 14	May 13	May14	June 13	June14
1	Australia	3518.5	2169.9	3857.8	2461.2	1506.2	2004.0	2227.3	2236.5	1905.0	2048.7	2225.0	2946.1	2485.1	2703.2	1927.1	2104.3	1769.8	2002.0
2	Brazil	9847.4	9075.3	8995.4	6239.6	6001.3	7156.7	5500.7	5163.6	7855.8	5215.4	6592.4	6746.9	4457.3	5281.0	3600.5	5110.2	4125.3	5158.0
3	Canada	4392.0	4014.7	3361.0	2845.6	2568.1	2662.2	4040.8	3649.0	3403.4	2785.0	2882.4	3955.8	2375.6	5648.4	2879.2	3865.3	2781.1	4808.7
4	China	2826.8	2609.4	4443.8	3030.7	4732.9	4007.6	6360.5	3268.3	1766.4	1050.3	2510.5	2323.1	3382.6	2532.7	2430.4	2954.8	2863.2	4032.4
5	Japan	4431.0	4410.0	4474.0	4386.0	3994.0	3967.0	4253.0	4271.0	3599.0	4039.0	4184.0	4840.0	4480.0	5634.0	5050.0	5394.0	4467.0	3961.0
6	Russia	3678.1	2982.0	3358.9	2763.7	2766.0	3174.3	1616.5	1818.0	2346.4	2643.9	2245.9	3535.7	2663.9	3178.2	2651.5	**nd**	3107.7	**nd**
7	USA	28507.3	23274.0	25118.0	27163.1	26504.0	21455.9	24570.9	26704.8	19018.9	17979.9	33207.5	29814.3	27270.7	37422.5	19927.5	23534.5	23850.7	28791.5
8	Extra-EU/27	14267.4	14233.4	10093.5	6660.6	4407.4	5141.1	8924.3	6711.3	15411.0	2110.4	14689.6	3849.5	14352.6	3741.0	15689.5	2090.7	25193.7	nd
	Intra-EU/27	92208.6	87862.7	76066.0	74873.7	95922.6	96563.5	97359.5	93392.9	83224.8	107591.3	86414.1	98077.7	79162.7	95873.1	66211.5	103364.8	75356.1	nd
	Total	**163677.1**	**150631.4**	**139768.4**	**130424.2**	**148402.5**	**146132.3**	**154853.5**	**147215.4**	**138530.7**	**145463.9**	**154951.4**	**156089.1**	**140630.5**	**162014.1**	**120367.2**		**143514.6**	

2. TABLE OLIVES – MARKET DEVELOPMENTS IN 2013/14

The next table gives the import figures for the first nine months of the current 2013/14 crop year (October 2013–June 2014) in five specific markets. Compared with the same period in 2012/13, imports were 2 pc lower in Brazil, although they did start to pick up in the last four months, and 1 pc lower in Australia while they have remained at more or less the same level in the United States and Canada. The figures for Russian imports are only available for the first seven months of the crop year and report a period-on-period decrease of 12 pc.

The EU data for June 2014 were not available when writing this newsletter but in the first eight months of the crop year, intra-EU acquisitions dropped by 10 pc and imports from non-EU countries increased by 8 pc.

Table Olive Imports (t)

Nº	Importing country	October 12	October 13	November 12	November 13	December 12	December 13	January 13	January 14	February 13	February 14	March 13	March 14	April 13	April 14	May 13	May 14	June 13	June 14
1	Australia	1330.0	1511.0	1858.0	1657.0	1821.0	1905.0	1597.0	1740.0	1906.0	1431.0	1423.0	1640.0	1161.0	1408.0	1785.0	1437.0	1183.0	1195.0
2	Brazil	12957.5	11769.2	11357.4	11299.5	10731.5	8721.4	7005.4	6171.8	7419.6	6273.1	7229.7	7564.4	7199.1	9458.1	8824.2	9928.2	9408.0	9644.0
3	Canada	2942.0	2795.0	2807.0	2656.0	2997.0	2070.0	2832.0	2622.0	1805.0	2297.0	1939.0	2215.0	2033.0	2621.0	2365.0	2556.0	2414.0	2381.0
4	Russia	9574.4	8882.2	9692.4	9073.0	6485.1	5026.1	5680.9	4425.2	5886.7	4802.2	6415.8	5954.7	5403.9	5160.2	4913.4	nd	3764.5	nd.
5	USA	10404.0	11434.0	11100.0	10396.0	10050.0	10937.0	9317.0	10483.0	8970.0	9452.0	12126.0	10932.0	12451.0	11764.0	12608.0	10722.0	11428.0	12165.0
6	Extra-EU/27	9125.0	8645.3	8147.7	7337.5	8740.1	9368.3	8456.5	9903.7	8258.8	9812.9	10724.9	13486.5	12184.3	12724.4	12318.4	12894.9	10225.5	nd.
	Intra-EU/27	35174.6	30248.3	30242.8	28073.4	26733.8	26755.5	26804.0	21800.6	25034.8	26432.0	28969.6	26318.7	32662.3	27022.4	32318.8	27494.3	31682.7	nd.
	Total	**81507.5**	**75285.0**	**75205.3**	**70492.4**	**67558.5**	**64783.3**	**61692.8**	**57146.3**	**59280.9**	**60500.2**	**68828.0**	**68111.3**	**73094.6**	**70158.1**	**75132.8**		**70105.7**	

II. PRODUCER PRICES

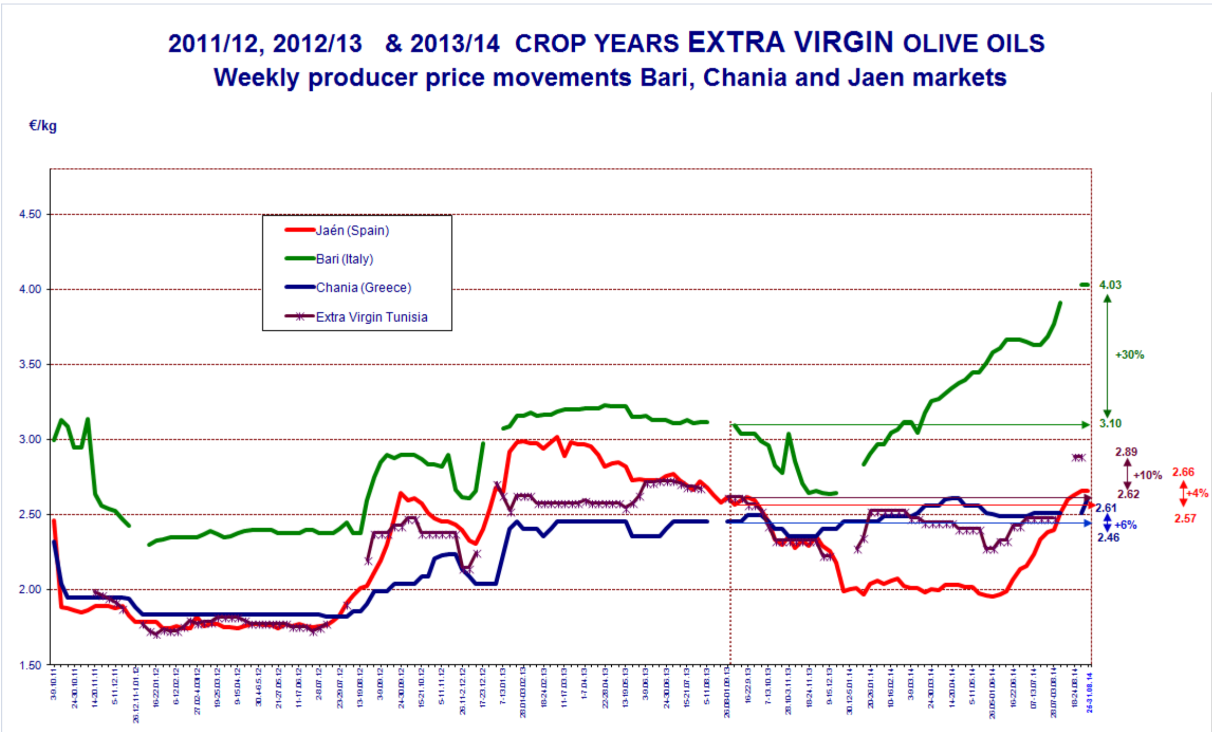
Graph 1 tracks the weekly movements in the prices paid to producers for extra virgin olive oil in the three top EU producing countries plus Tunisia while Graph 3 shows the weekly changes in the producer prices for refined olive oil in the three main EU producers. The monthly price movements for the same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

Extra virgin olive oil: In the three months since the beginning of June 2014, producer prices in Spain have risen constantly, perhaps in reaction to the forecasts of a smaller harvest in 2014/15. By the last week in August they had reached €2.66/kg. This level is 4 pc higher than a year earlier and 36 pc higher than the low recorded in May 2014 (€1.96/kg). During the period under review, prices reached their highest at the beginning of March 2013 (see Graph 1) when they hit €3.02/kg.

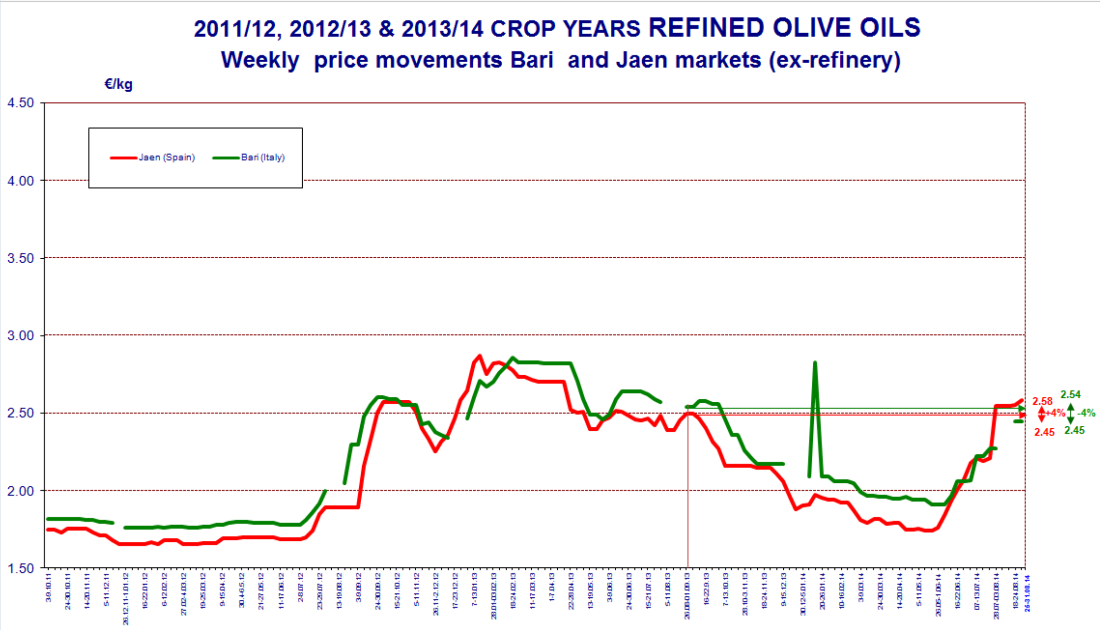
Italy: In recent months, producer prices in Italy have been on a clear upward trend. By the last week of August they had broken the four-euro barrier and were lying at €4.03/kg, equating with 30 pc growth on a year earlier and 53 pc growth if compared with the low recorded in the second week of December 2013 (€2.64/kg).

Greece: After holding steady at around €2.51/kg through July and most of August, producer prices in Greece increased to €2.61/kg in the last week of August, reaching the high of April 2014 and recording 6 pc growth on the same period of 2012/13.

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 after some fluctuations. Towards the end of August they rallied to €2.89/kg, which is 10 pc higher than a year earlier.



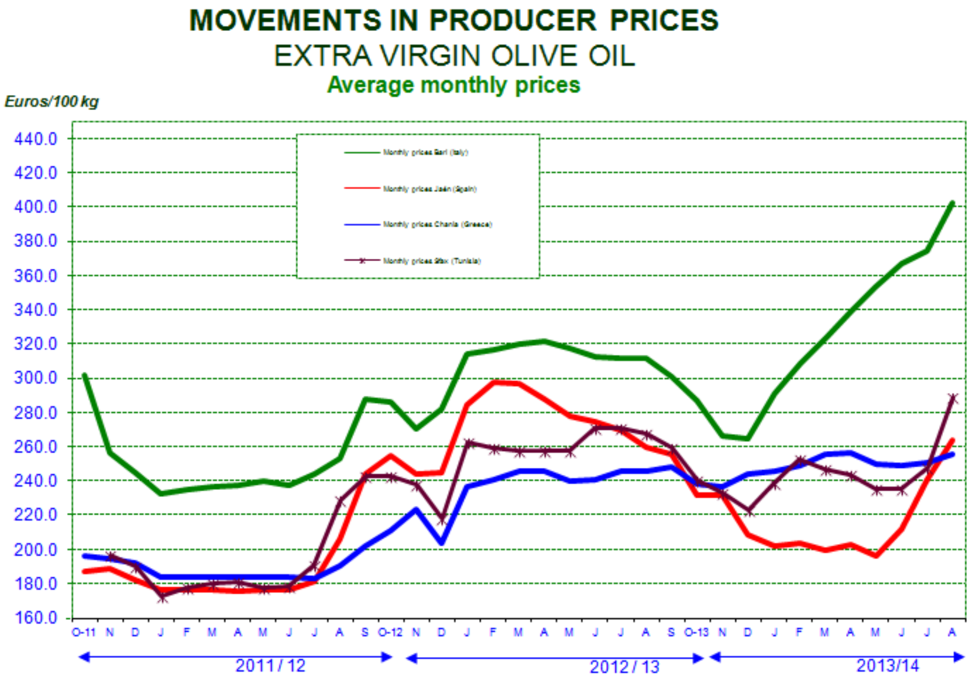
Graph 1



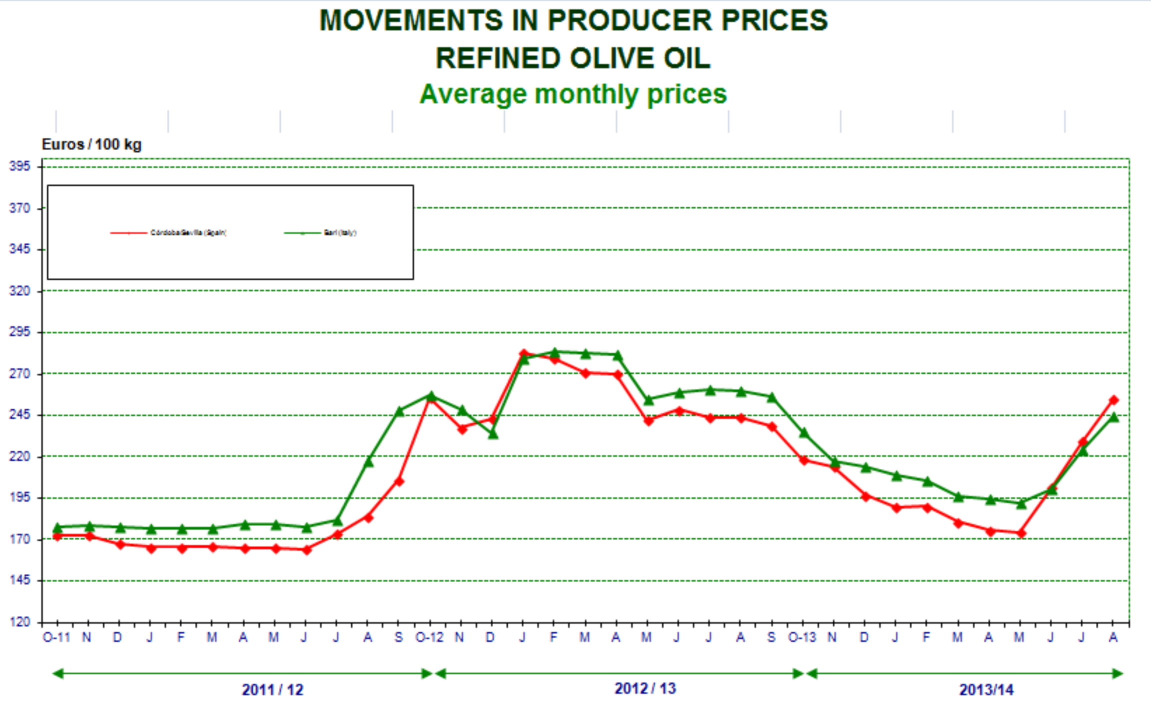
Graph 2

- **Refined olive oil:** In Spain, the producer prices for refined olive oil, like those for extra virgin, have recently started to climb and reached €2.58/kg by the end of August. This is 4 pc higher than the level at the same point in 2012/13 and gives the impression that there is not enough virgin olive oil for refining. In Italy, prices have been moving in parallel with prices in Spain, although with a peak in the third week of January (€2.83/kg), after which they fell to €2.45/kg by late August 2014, translating into a period-on-period decrease of 4 pc which surprisingly places them at a lower level than in Spain. No price data are available for this product category in Greece.

  At the end of August 2014, the price of refined olive oil and extra virgin olive oil in Spain differed by €0.08/kg with €2.66/kg being paid for the first category and €2.58/kg for the second. In Italy, the difference in price between the two categories is strikingly much wider than in Spain and works out at €1.58/kg (Graph 3).



Graph 3



Graph 4

Other news:

- **The IOC has joined an initiative launched by the *Associazione Italiana Pandolea – donne dell'olio*, an Italian association of women with a passion for olive oil, who are publishing olive-oil-based recipes on the WE-Women for Expo section of the Milan Expo 2015 site. Find out more at:** http://www.internationaloliveoil.org/news/view/666-year-2014-news/526-your-best-recipes-with-olive-oil

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