OLIVE OIL: MARKET PICTURE FOR 2013/14 AND FORECASTS FOR 2014/15

(a) Provisional figures for 2013–14

With the crop year now closed, the data coming in from countries – as yet provisional – give a world production figure of 3 164 000 t, up by 32 pc on the previous season, and world consumption of around 2 996 000 t. Imports and exports are provisionally assessed at 797 000 t and 790 500 t, respectively. Spain accounts for 57 pc of world output, having produced a record 1 777 300 t compared with 618 200 t in 2012/13. This season-on-season increase of 187 pc has offset production decreases elsewhere among the IOC membership where adverse climatic conditions have led to volume decreases in output. This is chiefly the case of Greece where production only amounts to 135 000 t in 2013/14 versus an average of 318 000 t in the previous four seasons and Tunisia where production totals no more than 70 000 t compared with a previous four-season average of 168 000 t. Taken as a whole, IOC member countries **produced** a total of 3 093 000 t and had a 98 pc slice of world tonnage; in the rest of the producer, non-IOC countries production totalled around 71 000 t. As for consumption, the provisional figures report a figure of 2 283 000 t for the IOC Members and over 713 000 t for non-IOC countries.

(b) Estimates for 2014/15

World production in 2014/15 is forecast to top 2 560 000 t. Although this will be around 19 pc lower than in 2013/14 it will still be more than 6 pc higher than in 2012/13. At this juncture, it is too early to judge the accuracy of these estimates. The data the IOC Council of Members will examine at the end of November will give a better idea of crop year performance unless exceptional weather occurs afterwards. Currently, the itemised figures for the EU/IOC producer member countries show an expected 50 pc drop in production in Spain to around 875 000 t and a small dip in Portuguese production (-1.5 pc), contrasting with a forecast of higher production in Greece (+122 pc to 300 000 t). Among the rest of the IOC membership, Tunisia forecasts a large season-on-season jump in production to over 260 000 t while Turkey expects production to remain at a similar level of around 190 000 t. Forecasts are for higher production in all the other Members except for Lebanon, where a small drop is expected, and Syria where the outlook is for production to be 70 pc lower because of the shortage of rain during fertilisation. Argentina also reports a lower harvest for 2014/15, down by 80 pc owing to heavy frosts and strong winds during flowering. It should be noted that the 2014/15 crop year in Argentina runs from April 2014 to March 2015 unlike in the rest of the IOC member countries, save Uruguay, where the season goes from October 2014 to September 2015. The overall picture for 2014/15 is for demand to exceed supply and for stocks to dwindle.

TABLE OLIVES: ESTIMATES FOR 2014/15

The estimates for **2014/15** assess table olive production at over 2 551 500 t, representing a decrease of 2 pc on the season. Among the EU countries the picture is like that for olive oil with output forecast to be lower in Spain and Portugal and higher in Greece and Italy. Elsewhere, IOC Members such as Albania, Algeria, Egypt, Iran, Israel, Jordan, Lebanon and Turkey forecast higher output, Morocco expects similar levels of production to the season before and Syria and Argentina expect decreases.

I. WORLD MARKET FOR OLIVE OIL AND TABLE OLIVES

1. WORLD OLIVE OIL MARKET IN 2013/14

Trade in olive oil and olive pomace oil through the first ten months of the 2013/14 crop year from October 2013 until June 2014 is reported for seven countries in the table below. The data show higher imports by Canada (+16 pc), the United States (+6 pc after imports started to rally in April 2014), Australia (+ 5 pc) and Japan (+ 5 pc) and lower import levels in China (-13 pc) and Brazil (-1 pc) although a recovery has been noted in recent months in the import data for the last two countries compared with the same period a year earlier. In the case of Russia, data are only available up to April 2014, i.e. for the first seven months of the season, and reflect an increase of 8 pc in imports.

At the time of writing, EU data were not available for July 2014 but the figures for the first nine months of the season (October 2013–June 2014) report a 14 pc increase in intra-EU acquisitions and a drop of 62 pc in imports from outside the EU versus the same period in 2012/13. 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	July 13	July 14
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	1739.0	3558.0
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	5042.0	6416.0
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	3162.1	2697.6
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	3333.1	4367.1
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	5190.0	5574.0
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**	2803.0	**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	23240.5	30075.8
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	2611.7	14819.7	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	103856.8	75356.1	96856.2	82446.3	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**		**141775.7**	

2. WORLD TABLE OLIVE MARKET IN 2013/14

In the first ten months of the 2013/14 crop year (October 2013–July 2014) table olive imports by the five countries listed in the table increased by 1 pc in Brazil and Canada and varied very little in Australia (+0.3 pc) and the United States (+0.2 pc). The data for Russia are only available up to April 2014, i.e. for the first seven months of the season and show a period-on-period drop of 12 pc.

The EU data for July 2014 were not available when writing this newsletter but in the first nine months of the crop year, intra-EU acquisitions dropped by 9 pc while imports from non-EU countries increased by 10 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	July 13	July 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	1258.0	1440.0
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	8748.0	11386.0
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	2560.0	2753.0
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.	5133.5	
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	14109.0	14505.0
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	12922.0	10566.8	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	30769.4	36563.3	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**		**78938.6**	

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.

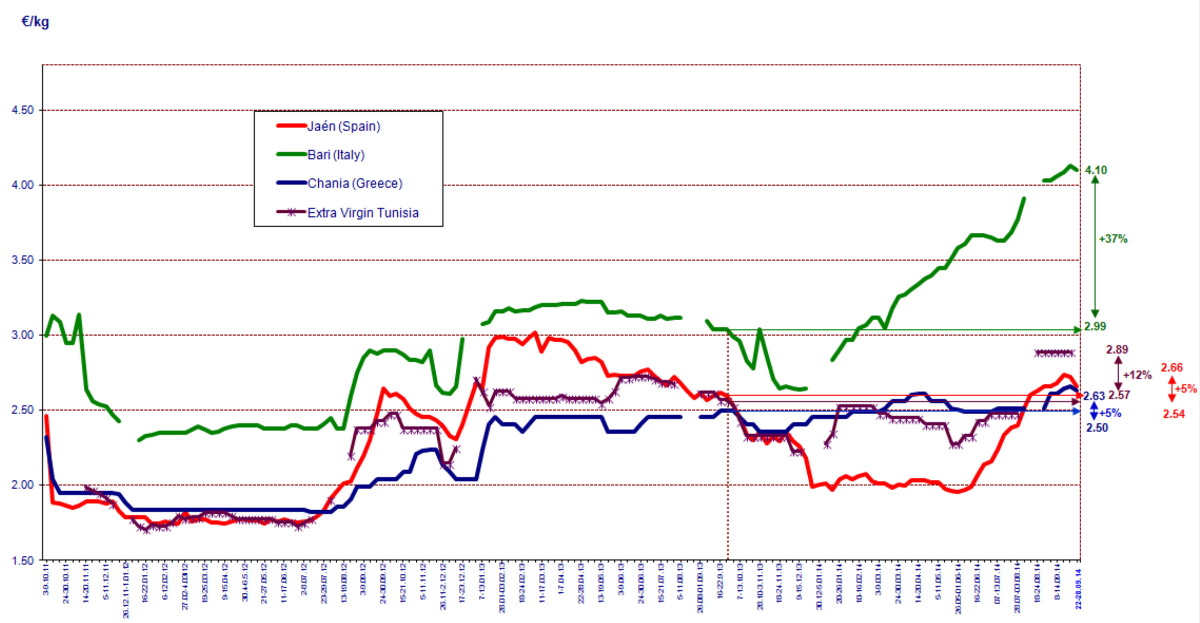
Extra virgin olive oil: Since the beginning of June 2014, producer prices in Spain have been tending to rise constantly, perhaps in reaction to the forecasts of a smaller harvest in 2014/15. By the second week of September they had reached €2.74/kg although they went down to **€2.66/kg at the end of September** as the market seemed to be seeking a balance. Even so, this level is 5 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. In the last week of August they broke the four-euro barrier and by the **end of September** they were lying at **€4.10/kg**, equating with 37 pc growth on a year earlier and 55 pc growth if compared with the low recorded in the second week of December 2013 (€2.64/kg).

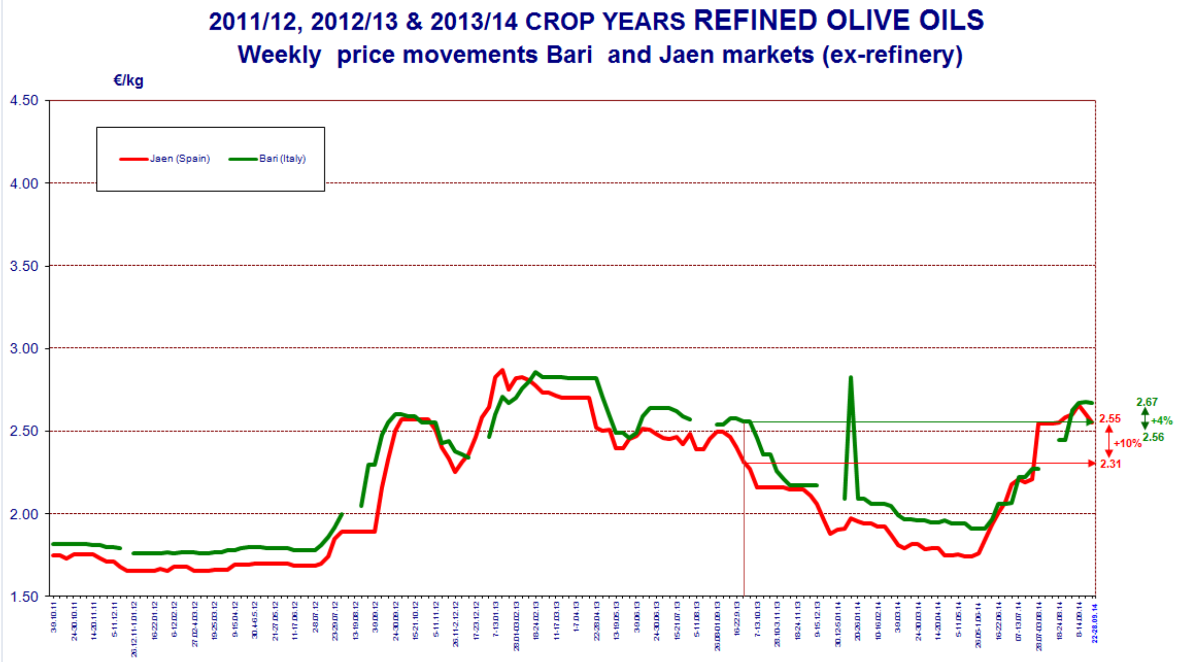
Greece: After holding steady at €2.51/kg through July and August, producer prices in Greece increased to €2.63/kg at the end of September, coinciding with the high recorded in April 2014 and showing 5 pc growth on the same period of 2012/13.

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. At the end of September 2014 they rallied to €2.89/kg and have remained at this level in recent weeks, which is 12 pc higher than a year earlier.

2011/12, 2012/13 & 2013/14 CROP YEARS EXTRA VIRGIN OLIVE OILS
Weekly producer price movements Bari, Chania and Jaen markets



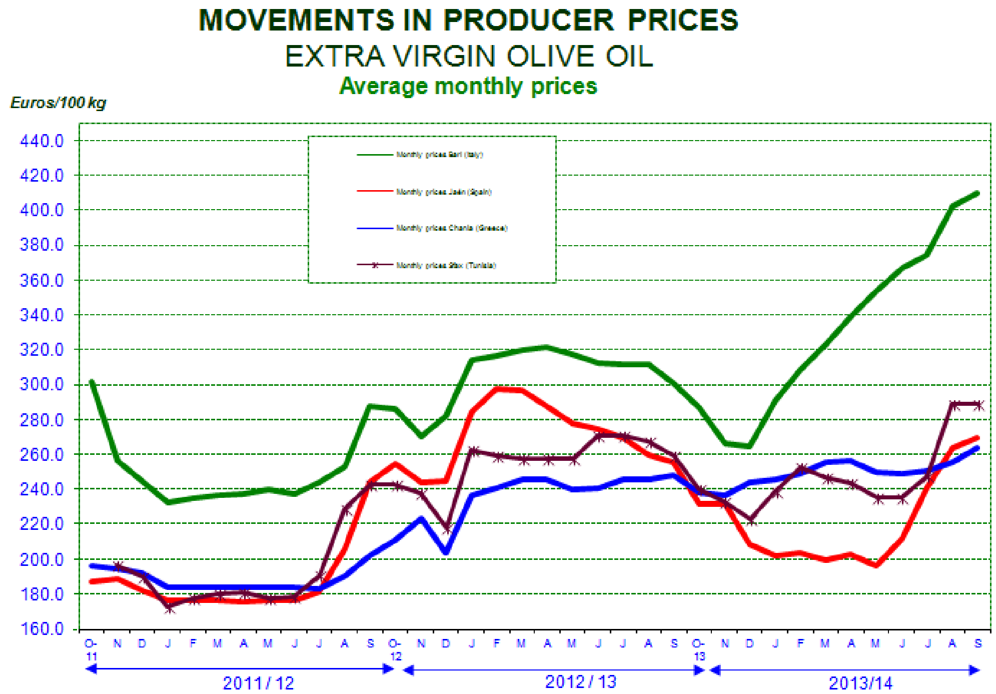
Graph 1



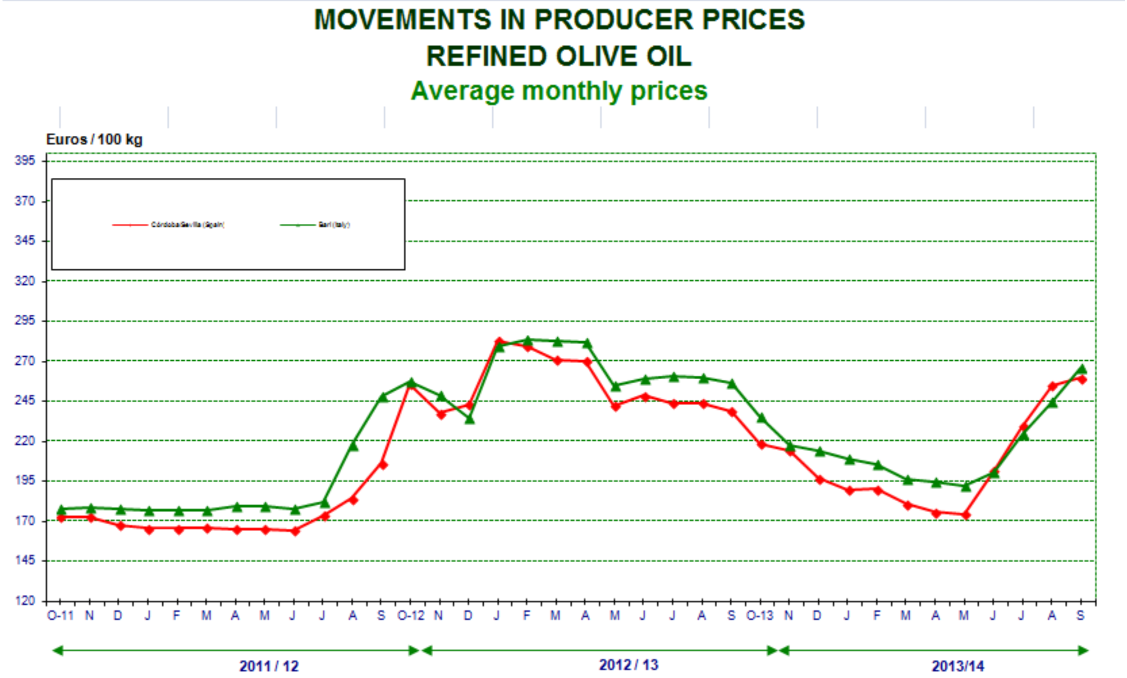
Graph 2

- **Refined olive oil:** In Spain, the producer prices for refined olive oil, like those for extra virgin, started to climb at the beginning of June 2014, then dipping slightly in the last two weeks of September 2014 to reach €2.55/kg by the end of the month. This is 10 pc higher than the level in the same period of 2012/13. In Italy, prices have been moving in parallel with those in Spain, although with a peak in the third week of January (€2.83/kg), after which they fell to €2.67/kg by late September 2014, translating into a period-on-period increase of 4 pc which restores Italian prices to their usual position above Spanish prices. 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 €0.11/kg with €2.55/kg being paid for the first category and €2.66/kg for the second. In Italy, the difference in price between the two categories is quite a lot wider than in Spain and works out at €1.43/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?lang=es_ES

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