I. OLIVE AND OLIVE OIL IMPORTS: FOCUS ON BRAZIL

1. Olive oil and olive pomace oil

In 2011/12 imports of olive oil and olive pomace oil by Brazil showed 9 pc growth on 2010/11 levels, reaching 71 004 t. European Union countries were the suppliers of 88 pc of this tonnage, split between Portugal (57 pc), Spain (25 pc), Italy (6 pc) and Greece (1 pc). The remaining 12 pc came from Argentina (11 pc) and Chile (1 pc). Table I reports the import figures for the last five crop years. These show that as total import tonnage has risen, Portugal – Brazil's top supplier – has strengthened its position on the market in absolute as well as relative terms. A striking 78 pc of Portuguese exports to countries outside the EU go to Brazil. Between 2007/08 and 2011/12 (Table I), Brazilian imports increased by 27 043 t (+62 pc). This rise has been constant (see Chart I) and began chiefly in 2006/07. In the first two months of the 2012/13 crop year Brazil saw 6 pc growth in its imports (see section II of this newsletter for monthly import performance report).

BRAZIL - OLIVE OIL IMPORTS BY SOURCE COUNTRY (INCLUDING ANY OLIVE-POMACE OILS)

Source	2007/08		2008/09		2009/10		2010/11		2011/12	
	t	%	t	%	t	%	t	%	t	%
Germany	1,7	0%	1,3	0%	4,8	0%	2,0	0%	6,8	0%
Spain	10.502,0	24%	10.470,3	24%	12.325,6	23%	17.163,0	26%	17.806,8	25%
France	6,4	0%	27,2	0%	27,8	0%	14,0	0%	11,2	0%
Greece	316,3	1%	363,9	1%	372,2	1%	672,5	1%	451,3	1%
Italy	3.383,6	8%	3.017,3	7%	3.771,5	7%	4.145,0	6%	4.184,4	6%
Portugal	22.019,5	50%	23.336,0	52%	29.755,0	55%	35.652,4	55%	40.308,1	57%
United Kingdom	57,6	0%								
Albania							18,3	0%	0,0	0%
Morocco	0,1	0%					126,7	0%	0,0	0%
Tunisia	161,7	0%	79,3	0%	16,0	0%	15,0	0%	21,5	0%
Argentina	6.628,2	15%	7.055,1	16%	7.233,4	13%	6.869,2	11%	7.553,8	11%
Brazil	719,6	2%								
Canada										
Chile	68,1	0%	78,0	0%	122,1	0%	316,4	0%	631,0	1%
United States	2,8	0%			1,4	0%	2,0	0%	7,3	0%
Mexico			0,8	0%						
Peru			36,0	0%	60,0	0%				
Uruguay					3,9	0%	1,5	0%	3,3	0%
Israel	0,4	0%	0,2	0%	1,5	0%	1,0	0%	10,2	0%
Japan	0,1	0%	0,6	0%			0,1	0%	0,5	0%
Lebanon	14,9	0%	11,5	0%	9,4	0%	8,9	0%	5,4	0%
Syria	15,6	0%	0,5	0%	3,0	0%	13,7	0%		
Turkey	60,9	0%	35,3	0%	96,8	0%	16,9	0%	2,6	0%
South Africa										
Taiwan							0,1	0%		0%
Australia	1,3	0%	2,3	0%						
TOTAL	43.960,8	100%	44.515,6	100%	53.804,4	100%	65.038,7	100%	71.004,2	100%

Table I – Brazilian imports of olive oil by source (2007/08–2011/12)

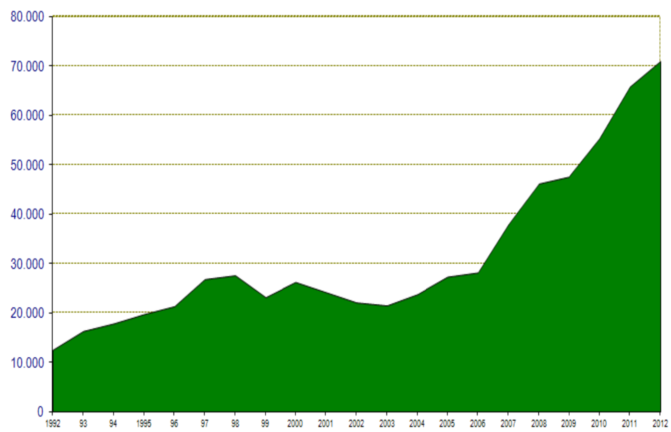


Chart I – Trend of Brazilian imports of olive oil and olive pomace oil 1992–2012 (t)

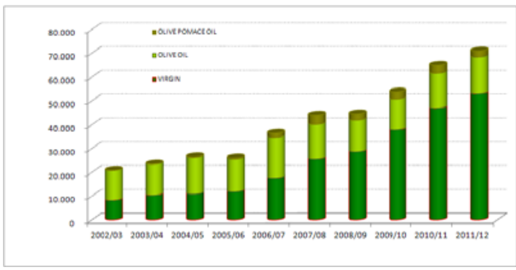


Chart II – Trend of Brazilian imports by category

Chart II shows the trend of imports, itemised by category, over the last 10 crop years. In the 2002/03 season, 39 pc of imports were virgin grade (customs heading 150910) and 61 pc belonged to the olive oil grade (150990). By 2011/12, the percentage breakdown had become 75 pc virgin, 22 pc olive oil and 4 pc olive pomace oil (151000).

2. Table olives

Brazilian imports of table olives have similarly been moving upwards. In the **2011/12** crop year (October 2011 to September 2012) they reached a level of 101 414.6 t, showing 17 pc growth on the season before. In volume terms, Argentina is Brazil's main supplier, accounting for 74 pc of its imports (75 037.0 t), followed by Peru with a 13 pc share (13 024.45 t). The remaining 12 pc (12 516.8 t) came from EU/27 countries – Spain (10 pc), Portugal (1 pc) and Italy (1 pc) – which are gradually building up their market share.

Over the last five crop years (Table II) table olive imports have risen by 37 pc (27 642 t) from 73 772.9 t in 2007/08 to 101 414.6 t in 2011/12. Argentina continues to be the lead supplier for Brazil, accounting for 74 pc of its total table olive imports in 2011/12, although it has last 7 points of its market share over the five seasons. Peru lies in second place. The producing countries of the EU/27 have seen their share rise by 8 points (from 4 pc in 2007/08 to 12 pc in 2011/12). Spain has recorded the greatest growth with its imports going up by 7 points, from 3 pc in 2007/08 to 10 pc in 2011/12. Chart III plots table olive imports by Brazil over the last 20 crop years.

	2007/08		2008/09		2009/10		2010/11		2011/12	
Source	t	%	t	%	t	%	t	%	t	%
Spain	2.063,2	3%	901,7	1%	4.483,9	6%	6.359,6	7%	9.825,9	10%
France	1,5	0%	3,1	0%	10,0	0%	11,3	0%	1,5	0%
Greece	112,2	0%	10,2	0%	53,5	0%	107,5	0%	46,0	0%
Italy	29,8	0%	16,8	0%	27,4	0%	26,2	0%	1.267,3	1%
Portugal	626,6	1%	516,1	1%	1.148,6	1%	1.314,6	2%	1.372,7	1%
United Kingdom									3,4	0%
Cyprus			33,3	0%	66,5	0%		0%		0%
Austria									0,6	0%
Egypt							9,6	0%		
Morocco	0,4	0%			26,4	0%	0,1	0%		
Argentina	59.472,2	81%	55.115,6	76%	61.455,9	78%	65.218,4	75%	75.037,0	74%
Chile	1.878,1	3%	856,3	1%	1.530,5	2%	323,4	0%	440,5	0%
United States									389,9	0%
Peru	9.220,0	12%	14.640,3	20%	10.279,1	13%	13.592,8	16%	13.024,5	13%
China					0,3	0%	0,1	0%		
Israel	0,8	0%	0,7	0%	1,1	0%	1,4	0%	0,2	0%
Japan						0%			2,5	0%
Lebanon	5,3	0%	2,5	0%	9,3	0%	21,0	0%	2,4	0%
Syria	1,6	0%	0,7	0%	2,4	0%	6,7	0%		
Taiwan (Formosa)			0,1	0%	0,2	0%	0,1	0%	0,1	0%
Turkey	361,2	0%			17,0	0%				
Others									0,1	0%
TOTAL	73.772,9	100%	72.097,4	100%	79.112,1	100%	86.992,8	100%	101.414,6	100%

Table II – Brazilian table olive imports by source (2007/08–2011/12)

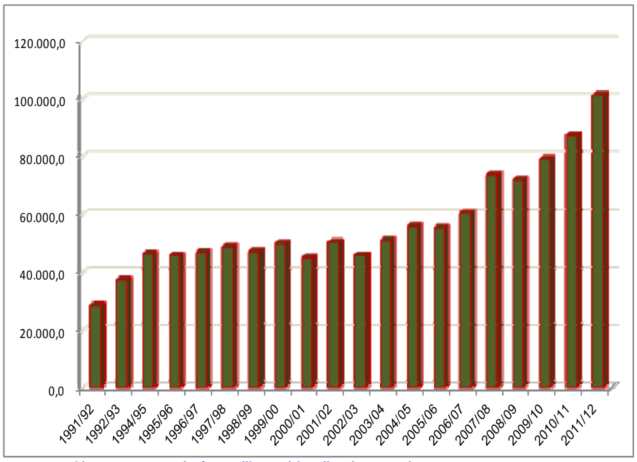


Chart III – Trend of Brazilian table olive imports by category 1991/92-2011/12 (t)

II. WORLD MARKET FOR OLIVE OIL AND TABLE OLIVES

1. OLIVE OIL AT THE START OF THE 2012/13 CROP YEAR

Trade in olive oil and olive pomace oil expanded in the first two months of the 2012/13 crop year (October and November 2012) in the import markets listed in the table below, rising by 38 pc each in China and Japan, 32 pc in Australia, 19 pc in Russia, and 6 pc each in Brazil, Canada and the United States. At the time of writing, EU data were not available for November 2012, but the figures for October 2012 report an increase of 133 pc in extra-EU/27 imports and 9 pc in intra-EU imports compared with the same month a season earlier. The steep rise in extra-EU imports has been covered by imports from Tunisia (+11 380 t), where there has been a good harvest, and from Morocco, which has free access to the EU market since 1 October 2012.

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

No	Importing country	October 11	October 12	November 11	November 12
1	Australia	2571,2	3521,0	3027,0	3858,0
2	Brazil	5247,0	8995,4	8866,7	6001,3
3	Canada	2913,4	4103,7	4080,0	3343,5
4	China	2364,0	2826,8	2901,2	4443,8
5	Japan	3085,0	4474,0	3064,0	3994,0
6	Russia	2477,2	3678,1	3435,1	3356,9
7	USA	20939,5	28507,0	29832,0	25118,0
8	Extra-EU/27	6122,0	14270,4	4982,0	nd
	Intra-EU/27	83267,6	90710,7	92717,7	nd
	Total	**128986,9**	**161087,1**	**152905,7**	

2. TABLE OLIVES AT THE START OF THE 2012/13 CROP YEAR

Looking at the table below, it can be seen that in the first two months of the 2012/13 crop year (October and November 2012) table olive imports rose by 14 pc and 9 pc respectively in Australia and Russia whereas they held steady in Brazil and the United States but fell by 5 pc in Canada. EU data for November 2012 were not available at the time of writing. However, in October, intra-EU/27 purchases increased by 6 pc whereas extra-EU/27 purchases dropped by 2 pc on the same month the season before.

Table Olive Imports (t)

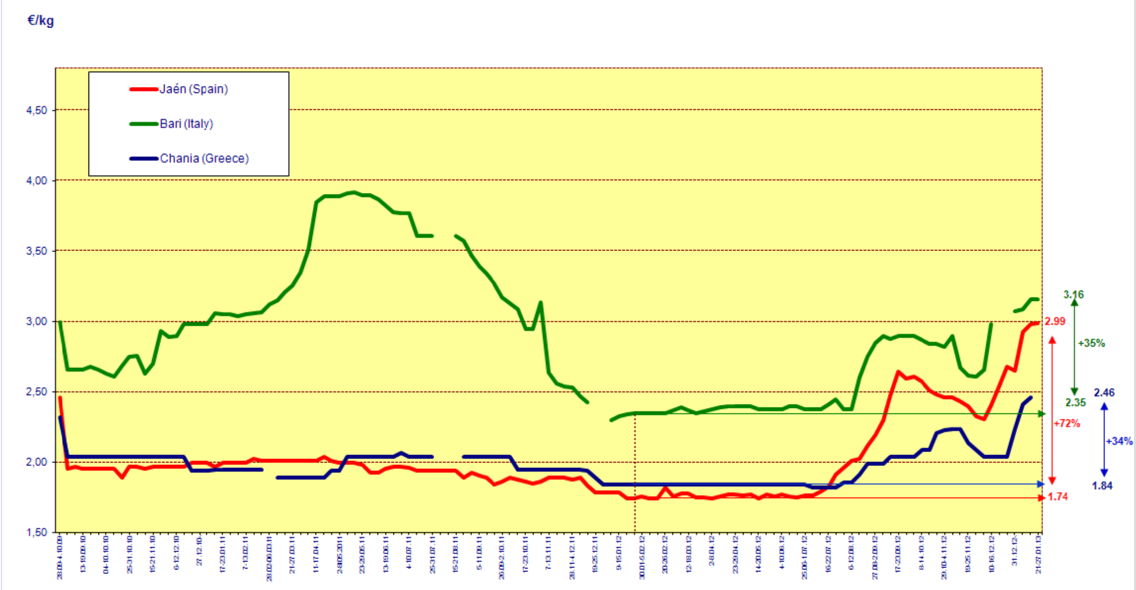
Nº	Importing country	October 11	October 12	November 11	November 12
1	Australia	1072,0	1330,0	1734,0	1858,0
2	Brazil	9746,1	11357,4	12350,8	10731,5
3	Canada	2953,7	2887,0	2577,0	2352,0
4	Russia	7707,0	9574,4	9949,0	9692,4
5	USA	10492,0	10404,0	10928,0	11100,0
6	Extra-EU/27	9240,2	9096,4	8571,5	nd
	Intra-EU/27	26663,6	28303,0	27978,6	nd
	Total	**67874,6**	**72952,2**	**74088,9**	

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

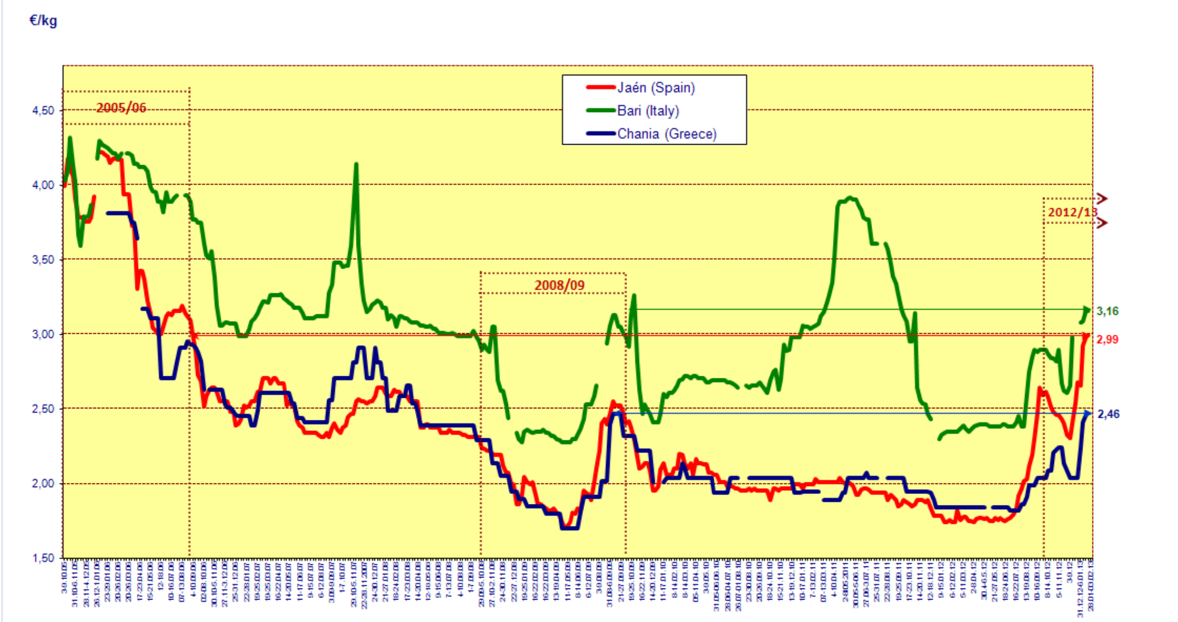
- **Extra virgin olive oil**: Prices in **Spain** started to climb sharply in late June 2012, reaching €2.64/kg by the third week of September. They then switched course in the second week of October, dropping until the second week of December when they moved back upwards to reach **€2.99/kg**, thus recording 72 pc growth on year-ago prices and regaining the level of October 2006. In **Italy**, prices rose within the space of two months from **€2.61/kg** in the last week of November to **€3.16/kg** in late January (see Graph 1), translating into growth of 35 pc on the same period a season earlier. Between the last week of December 2012 and third week of January 2013 prices in **Greece** went up from €2.04/kg to €**2.46/kg**, equating with an increase of 34 pc. To give an idea of price fluctuations over recent crop years, Graph *A* plots the oscillations in the prices for extra virgin olive oil. As estimated crop deliveries to oil mills are confirmed, it looks as if the three markets expect production to be lower than what operators thought in late November/early December.

2010/11, 2011/12 & 2012/13 CROP YEARS EXTRA VIRGIN OLIVE OILS
Weekly producer price movements Bari, Chania and Jaen markets

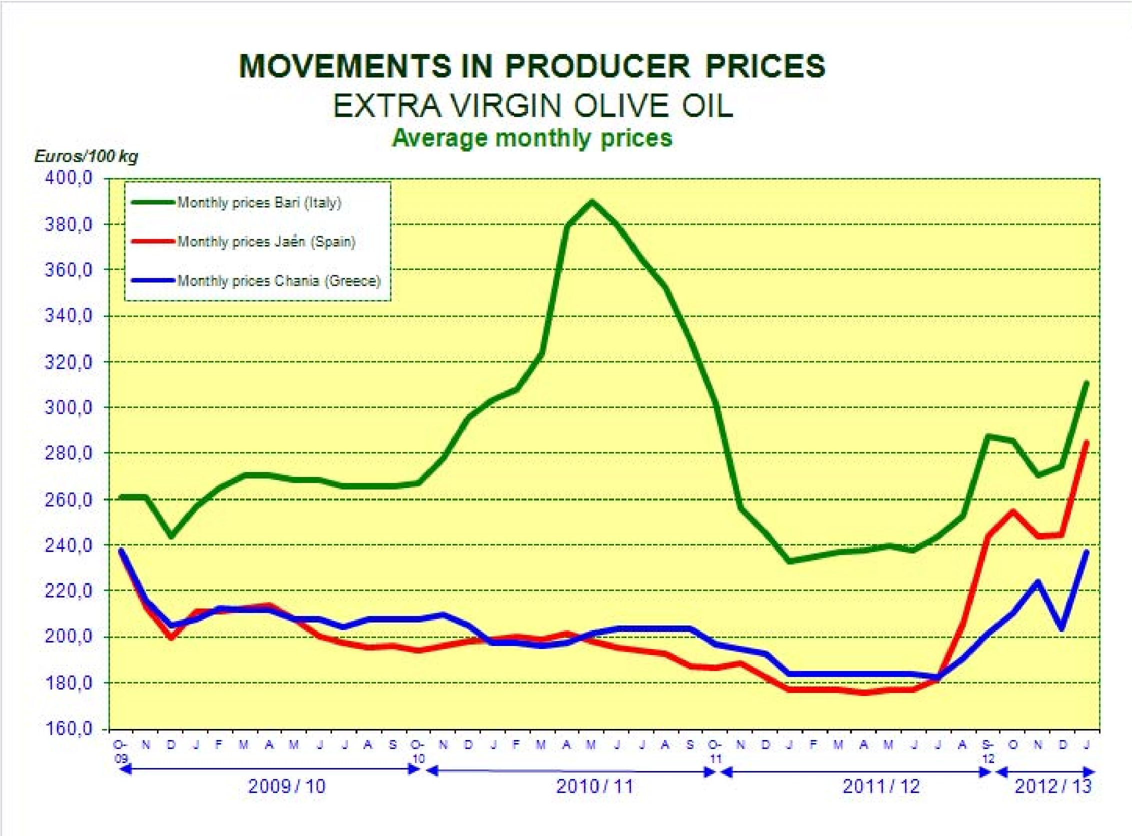


Graph 1

2005/06 - 2012/13 CROP YEARS EXTRA VIRGIN OLIVE OILS
Weekly producer price movements Bari, Chania and Jaen markets



Graph *A*



Graph 2

- Refined olive oil: Prices also started to climb sharply in Spain and Italy as of the last week of July until late October when they dipped slightly. In early December they started to pick up again to reach €2.75/kg in Spain and €2.67/kg in Italy, equating with respective growth rates of 65 pc and 52 pc (Graph 3). No data are available for Greece. The gap between the price of refined olive oil and extra virgin olive oil currently lies at around €0.24/kg in Spain and €0.49/kg in Italy.
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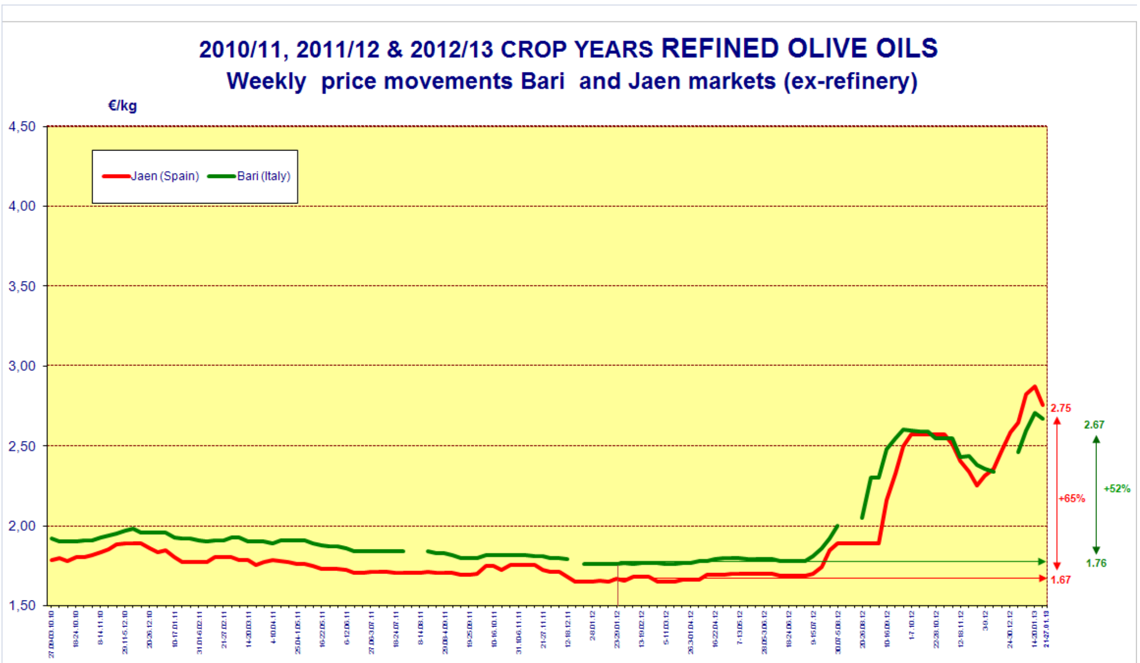
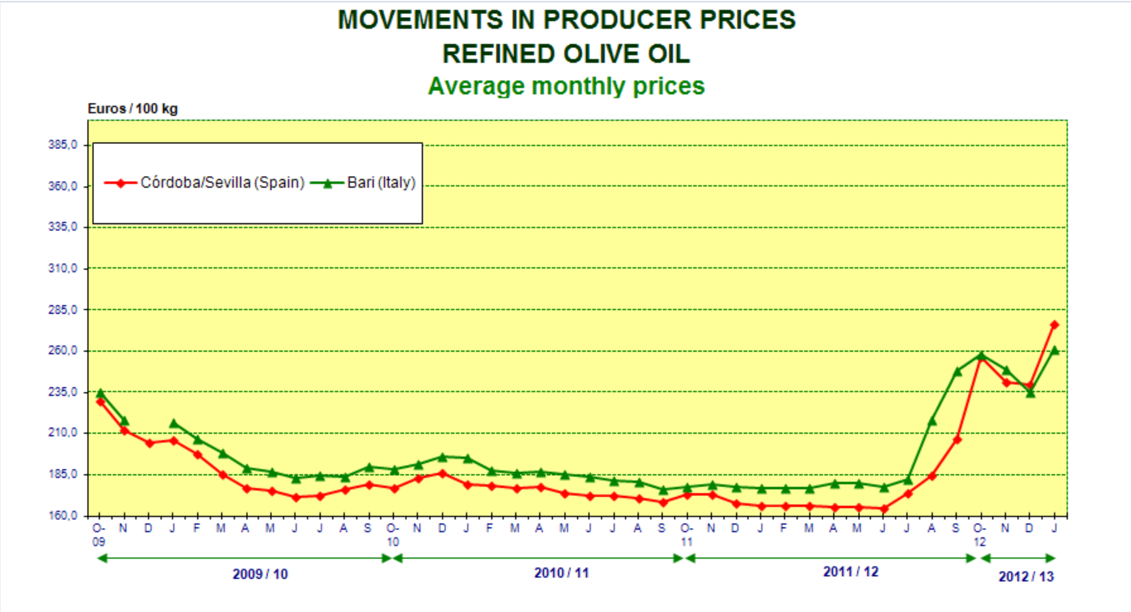


Graph 3


MOVEMENTS IN PRODUCER PRICES
REFINED OLIVE OIL
Average monthly prices
Euros / 100 kg
Córdoba/Sevilla (Spain)
Bari (Italy)
385,0
360,0
335,0
310,0
285,0
260,0
235,0
210,0
185,0
160,0
O-09 N D J F M A M J J A S O-10 N D J F M A M J J A S O-11 N D J F M A M J J A S O-12 N D J
2009 / 10
2010 / 11
2011 / 12
2012 / 13

Graph 4