IMPORT TRENDS IN CHINA – OLIVE OIL AND OLIVE POMACE OIL

- ### Overview of 2010/11

In 2010/11, China imported 33 227.2 t of olive oil and olive pomace oil, equating with a season-on-season increase of 62%. Separated by product category, 82% of this tonnage was virgin olive oil (27 184.9 t), 7% (2 347.4 t) was olive oil and 11% (3 694.8 t) was olive pomace oil. Countries belonging to the 27-Member European Union were the origin of 92% of this import tonnage. Further itemisation by source EU country reveals that 55% was from Spain, 30% from Italy, 6% from Greece and 1% from Portugal. Outside the EU, Syria accounted for 3% of Chinese imports, Australia for 2% and Tunisia and Turkey for 1% each.

- ### Trend over the last five crop years

The figures in Table I show how Chinese imports have changed over the last five crop years. In aggregate terms, they climbed from 6 991.0 t in 2006/07 to 33 227 t in 2010/11, growing by 375% (26 237 t). When analysed by source, it can be seen that Spain is the leading source of China's imports and has expanded its share of the Chinese market from 43 to 55% (+12 points). Italy lies in second place. Although Chinese imports of oil from Italy have risen in volume terms, Italy's market share has contracted by 1 point. Greece has also seen its market share shrink by 8 points while the rest of the countries account for only small volumes.

Source	2006/07		2007/08		2008/09		2009/10		2010/11	
	t	%	t	%	t	%	t	%	t	%
Germany	89	1%	6	0%	1	0%	5	0%	5	0%
Spain	3,016	43%	4,182	40%	5,401	42%	8,601	42%	18,358	55%
France	4	0%	5	0%	24	0%	45	0%	76	0%
Greece	992	14%	1,416	14%	1,286	10%	1,533	7%	1,936	6%
Italy	2,150	31%	3,472	33%	4,528	35%	7,999	39%	9,854	30%
Portugal	28	0%	16	0%	7	0%	130	1%	249	1%
United Kingdom	12	0%	12	0%	1	0%	9	0%	11	0%
Others							0	0%	1	0%
EU/27	**6,291.2**	**90%**	**9,109.8**	**87%**	**11,245.8**	**87%**	**18,322.0**	**89%**	**30,490.5**	**92%**
Croatia							1	0%	2	0%
Egypt							39	0%	20	0%
Jordania	8	0%	9	0%	9	0%	13	0%	1	0%
Lebanon	9	0%								
Morocco							2	0%	3	0%
Syria	41	1%	47	0%	337	3%	728	4%	917	3%
Tunisia	54	1%	31	0%	61	0%	302	1%	465	1%
Israel	20	0%	0	0%	7	0%	9	0%	16	0%
Japan	3	0%	6	0%	21	0%	5	0%	4	0%
Turkey	253	4%	678	6%	562	4%	424	2%	354	1%
South Korea	1	0%	2	0%	2	0%	2	0%	137	0%
Taiwan	100	1%	62	1%	83	1%	115	1%	138	0%
Argentina	34	0%	14	0%	17	0%	11	0%	7	0%
Chile							17	0%	9	0%
United States	9	0%	3	0%	9	0%	5	0%	48	0%
Canada							1	0%	2	0%
Australia	167	2%	478	5%	461	4%	571	3%	611	2%
New Zealand			8		0		0	0%	1	0%
Others	1	0%	16	0%	28	0%			1	0%
TOTAL	**6,991**	**100%**	**10,463**	**100%**	**12,853**	**100%**	**20,565**	**100%**	**33,227**	**100%**
EU	6,291	90%	9,110	87%	11,246	87%	18,322	89%	30,491	92%
Extra-EU	699	10%	1,353	13%	1,607	13%	2,243	11%	2,738	8%

Table I – Trend of Chinese imports of olive oil and olive pomace oil over the last five crop years, by country of origin (t)

According to business sources, marketers first managed to get a foot into the Chinese market by persuading companies to include olive oil in the corporate gift hampers that are customary in China. As a result of this first encounter with olive oil, retail supermarket sales started to expand as consumers bought olive oil themselves.

WORLD MARKET FOR OLIVE OIL AND TABLE OLIVES

1. OLIVE OIL: EARLY MONTHS OF 2011/12

Imports of olive oil and olive pomace oil by the eight countries listed below recorded increases in the first five months of 2011/12 (October–February) in China (+25%), Russia (16%), Japan (13%) and Brazil (7%) while they held steady in the case of the United States. On the other hand, imports into Australia and Canada fell by 5% and 20% respectively. This is particularly worrying because this downward movement has been happening for three months in a row. At the time of writing, the February figures for the EU were not available, but when set against the data for the first four months of 2010/11, the October 2011–January 2012 figures show an 18% decrease in extra-EU imports, which comes as no surprise given the volume of EU production this season, and a drop of 3% in intra-EU imports.

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

No	Importing country	October 10	October 11	November 10	November 11	December 10	December 11	December 10	December 11	January 11	January 12	February 11	February 12
1	Australia	2492.8	2571.2	3522.0	3027.0	3505.0	1580.0	1887.0	3060.0	1887.0	3060.0	1723.0	2289.0
2	Brazil	6852.5	5247.0	6461.1	8866.7	6002.8	6004.8	5280.8	6414.7	5280.8	6414.7	6343.5	6453.8
3	Canada	3511.0	2903.0	3520.0	4080.0	3704.0	2980.0	4402.0	2471.0	4402.0	2471.0	3210.0	2263.0
4	China	1073.1	2364.0	2657.5	2901.2	4439.8	5638.7	4125.6	3897.1	4125.6	3897.1	1233.4	2063.1
5	Japan	2911.0	3085.0	2651.0	3064.0	3181.0	3392.0	3254.0	3597.0	3254.0	3597.0	2785.0	3519.0
6	Russia	2354.0	2511.0	2151.0	3486.0	2749.0	2854.0	1703.0	1805.0	1703.0	1805.0	1972.0	1973.2
7	USA	25040.5	20939.5	20490.0	29832.0	27938.0	23574.0	19730.0	27739.0	19730.0	27739.0	26376.0	17383.0
8	Extra-EU/27	4869.0	6122.0	6586.0	4982.0	9821.0	6250.0	6519.3	5174.4	6519.3	5174.4	9943.3	nd
	Intra-EU/27	82141.7	86248.0	91566.6	87821.0	107612.0	99466.3	92897.2	86224.0	90902.3	86224.0	92365.0	nd
	Total	**131245.6**	**131990.7**	**139605.2**	**148059.9**	**168952.6**	**151739.8**	**139798.9**	**140382.2**	**137804.0**	**140382.2**	**145951.2**	

2. TABLE OLIVES: EARLY MONTHS OF 2011/12

The figures reported in the next table show that two countries recorded higher table olive imports in the first five months of the 2011/12 crop year (October–February), namely Brazil (+20%) and Canada (+3%). Imports decreased, however, into the United States (down by 11%, starting in November), Australia (-6%) and Russia (-4%). At the time of publication, the February data were not available for the EU. Even so, when set against the data for the first four months of 2010/11, the October 2011–January 2012 data point to an increase of 9% in intra-EU imports and a drop of 4% in extra-EU imports.

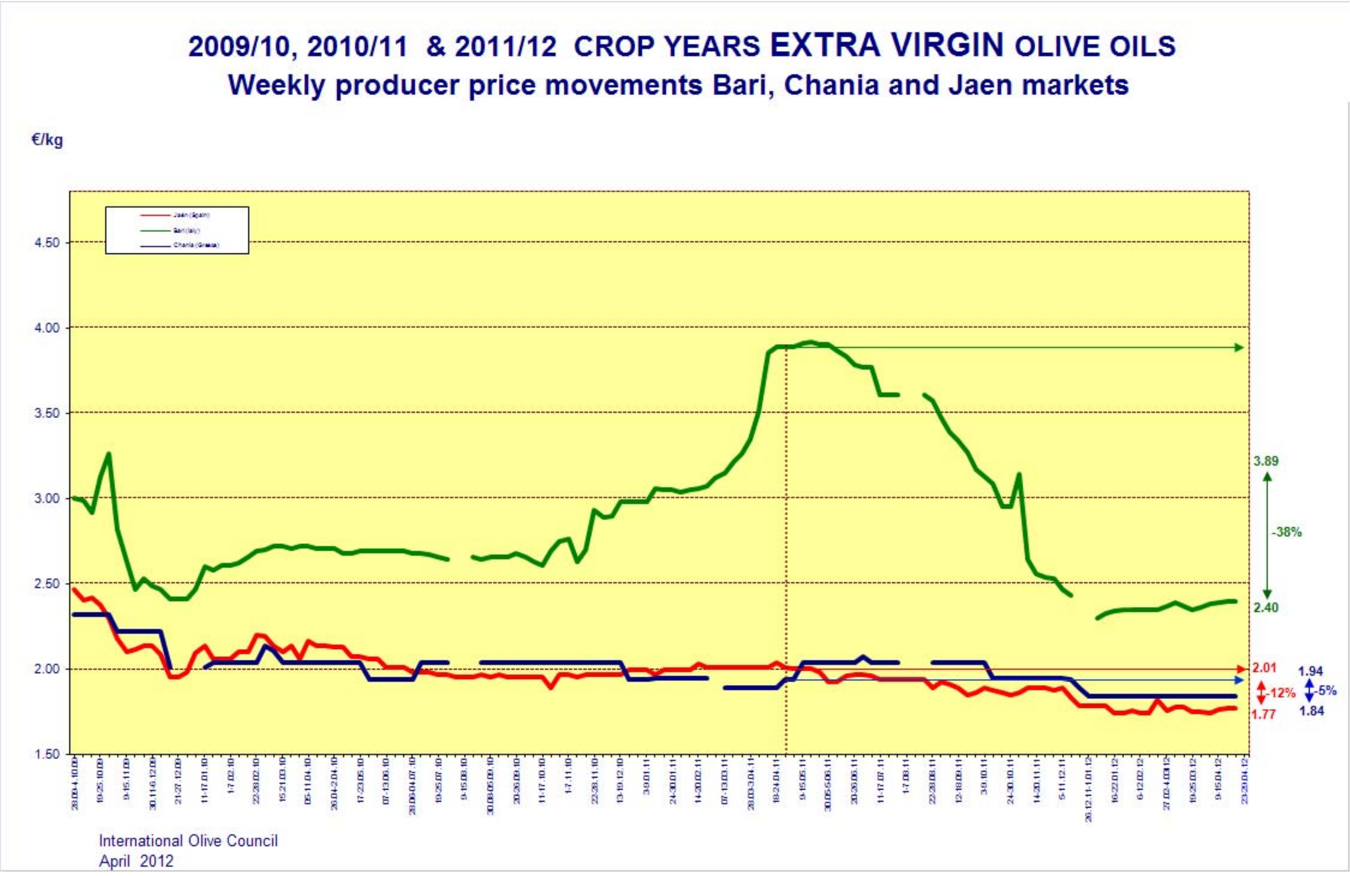
Table Olive Imports (t)

Nº	Importing country	October 10	October 11	November 10	November 11	December 10	December 11	January 11	January 12	February 11	February 12
1	Australia	934.0	1072.0	1649.0	1734.0	2222.0	1613.0	1347.0	1510.0	1787.0	1515.0
2	Brazil	9168.4	9746.1	8854.5	12350.8	8209.1	10340.0	6227.5	7069.0	5001.2	5538.3
3	Canada	2346.0	2953.7	2401.4	2577.0	2023.9	2024.3	2165.0	1743.0	2029.0	2018.0
4	Russia	6955.0	7707.0	9345.0	9949.0	9763.0	7889.0	4867.9	3001.9	4778.9	5764.4
5	USA	10327.0	10492.0	12400.0	10928.0	13064.0	9927.0	10736.0	10015.0	9654.0	8512.0
6	Extra-EU/27	9375.1	9143.8	10030.9	8542.8	8674.8	8239.6	7412.0	8224.3	8843.7	nd
	Intra-EU/27	27096.4	25305.2	27003.6	27040.0	24003.5	22965.3	21276.9	33502.2	24855.8	nd
	Total	**66201.9**	**66419.8**	**71684.4**	**73121.6**	**67960.3**	**62998.2**	**54032.3**	**65065.4**	**56949.6**	

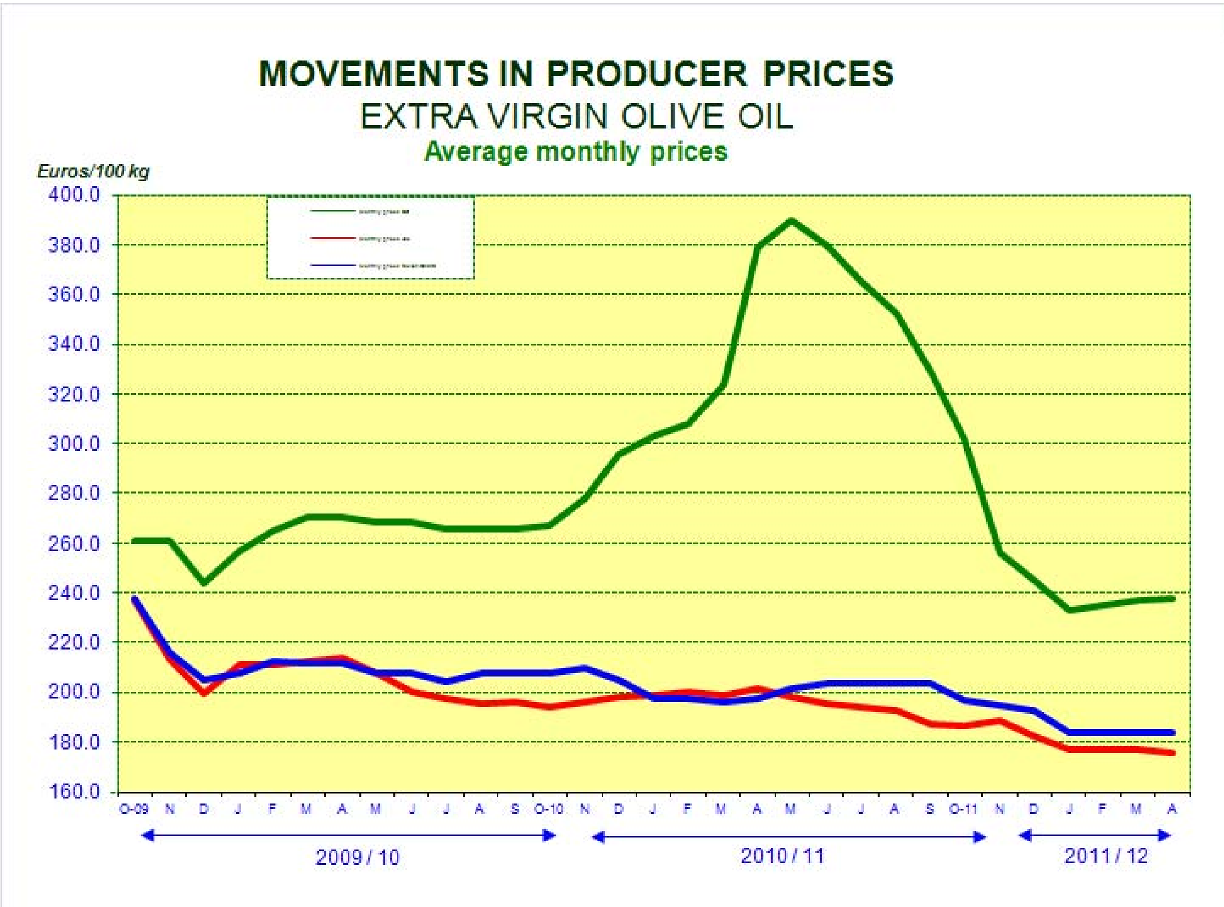
CHANGES IN PRODUCER PRICES

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: Comparison with the same period the year before (Graph 1) shows that prices have dropped by 12% in Spain (€1.77/kg), 5% in Greece (€1.84/kg) and 38% in Italy (€2.40/kg). In recent months prices have flatlined in Greece and remained virtually steady in Spain while perking slightly in Italy. Even so, they are at their lowest levels since October 2009 in all three countries.

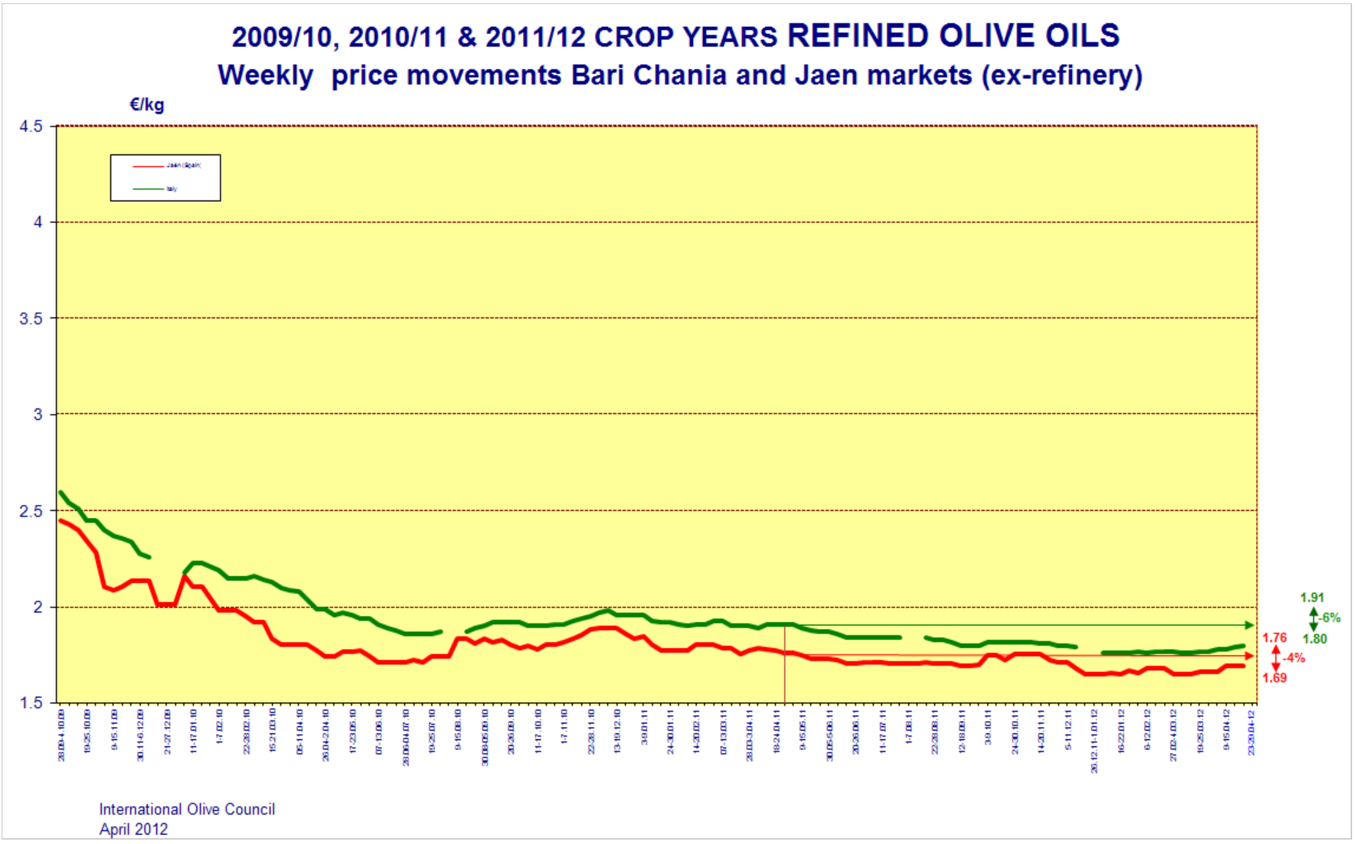


Graph 1

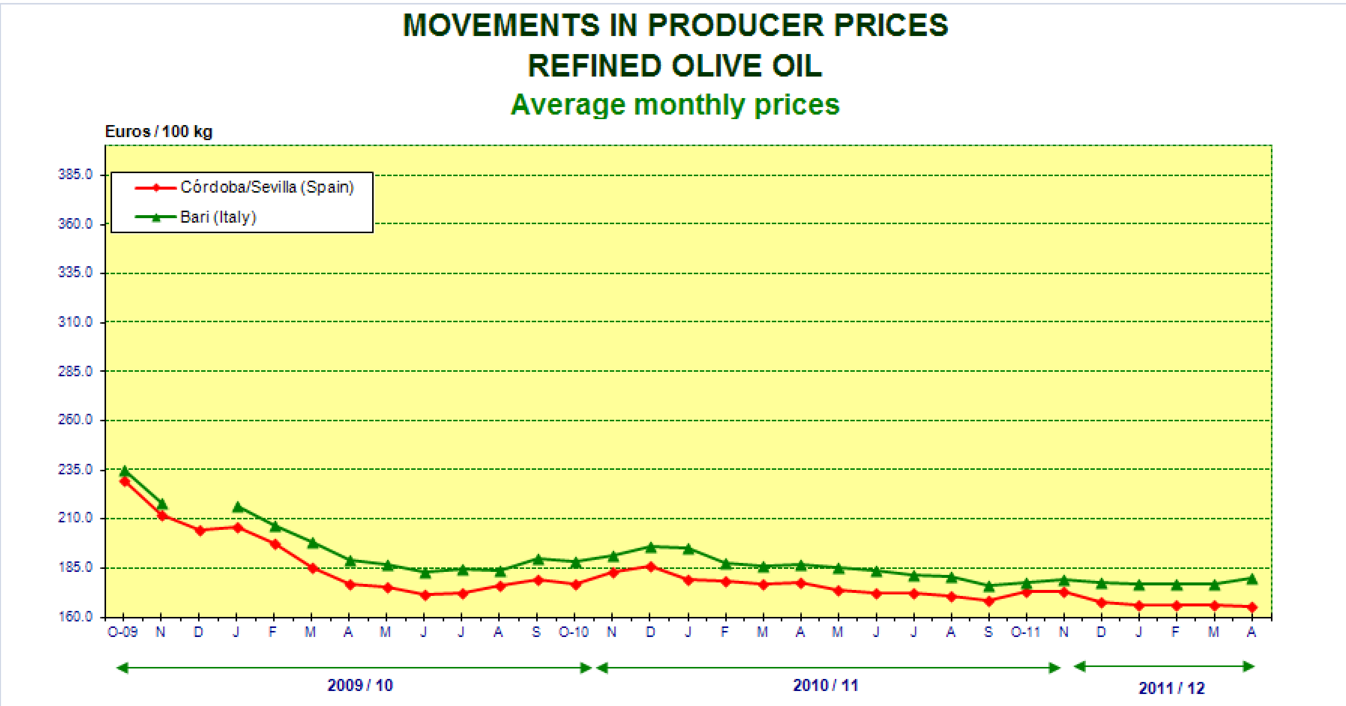


Graph 2

- Refined olive oil: Over the last 12 months, the prices of refined olive oil have fallen by 4% in Spain (€1.69/kg) and by 6% (€1.80) in Italy (Graph 3). These prices are at their lowest levels since the last three crop years. No price data are available for Greece. The gap between the price of refined olive oil and extra virgin olive oil is currently around €0.08/kg in Spain and €0.60/kg in Italy.



Graph 3



Graph 4