



World olive oil forecasts presented at IOC Economic Committee meeting held in Madrid, Spain, on 28 May 2013

World production saw the best crop year ever in 2011/12 when it reached 3 377 500 t, but in the current 2012/13 season it looks set to be 26 pc lower, dropping to a similar level as in 2002/03. This drop in aggregate output is primarily due to a decrease of 1 006 600 t in Spain's production, down by 62 pc from the season before. As a result, the production figure of the EU/27 countries taken as a whole is 919 500 t lower (-38%) although Greece shows an increase of 22 pc. Among the other member countries of the IOC, Tunisia stands out with a 22 pc rise in output in 2012/13. With a 30 pc increase in its level of production, Chile is noteworthy among the non-IOC member countries.

Estimated at 2 954 000 t, **world consumption** in 2012/13 is expected to be 5 pc lower than the previous crop year. The biggest drop is located chiefly in the EU countries, where the estimated aggregate decrease is 12 pc. Consumption looks poised to fall by 15 pc in the chief producing countries of the EU (Spain, Italy and Greece) and by 10 pc in Portugal. Turkey is the country where consumption increases the most among the IOC Members. Outside the IOC countries, the expected 4 pc increase in U.S. consumption by the end of the season is noteworthy.

Looking at the data available for 2012/13, **world imports** are expected to expand by 3 pc versus 2011/12 to reach 790 000 t. This level may be even higher, judging by the major importers' data for the first six months of the season. Lower production in 2012/13 is forcing the EU countries, Spain particularly, to import from outside the EU. Imports by the United States account for 40 pc of total world imports in 2012/13 and already show 4 pc growth on the season before.

World olive oil exports hit an all-time high in 2011/12 when they reached 801 500 t, with Spain in the lead in terms of both intra- and extra-EU exports, but they are expected to go down by 1 pc (793 000 t) in 2012/13. Notably, IOC member countries account for 96 pc of world exports. As only to be expected due to its lower output, exports by Spain are expected to go down in 2012/13 from season-before levels.

End-of season stocks are estimated to be 45 pc lower.

I. WORLD MARKET FOR OLIVE OIL AND TABLE OLIVES

1. OLIVE OIL MIDWAY THROUGH 2012/13

Trade in olive oil and olive pomace oil expanded in the first six months of the 2012/13 crop year (October 2012–March 2013) in the import markets listed below, rising by 29 pc in Japan, 17 pc in China, 16 pc in Brazil, 5 pc each in Canada and Russia and 3 pc in the United States but decreasing 5 pc in Australia. The EU data for March 2013 were not available at the time of publication, but the figures for the first five months of the crop year (October 2012–February 2013) report an increase of 64.4 pc in extra-EU/27 imports and a decrease of 6 pc in intra-EU acquisitions versus the same period a season earlier.

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

| No | Importing country | October 11 | October 12 | November 11 | November 12 | December 11 | December 12 | January 12 | January 13 | February 12 | February 13 | March 12 | March 13 |
|----|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------|
| 1 | Australia | 2571.2 | 3521.0 | 3027.0 | 3858.0 | 1580.0 | 1506.0 | 3060.0 | 2227.0 | 2289.0 | 1905.0 | 3491.0 | 2225.0 |
| 2 | Brazil | 5247.0 | 9847.4 | 8866.7 | 8995.4 | 6004.8 | 6001.3 | 6414.7 | 5500.7 | 6453.8 | 7855.8 | 5615.9 | 6592.4 |
| 3 | Canada | 2925.7 | 4392.0 | 4080.0 | 3360.9 | 2979.7 | 2570.1 | 2471.5 | 4040.1 | 2263.6 | 3389.7 | 4939.5 | 2882.0 |
| 4 | China | 2364.0 | 2826.8 | 2901.2 | 4443.8 | 5638.7 | 4732.9 | 3897.1 | 6360.5 | 2063.1 | 1766.4 | 2524.6 | 2510.5 |
| 5 | Japan | 3085.0 | 4431.0 | 3064.0 | 4474.0 | 3392.0 | 3994.0 | 3597.0 | 4253.0 | 3519.0 | 3599.0 | 2670.0 | 4184.0 |
| 6 | Russia | 2477.2 | 3678.1 | 3435.1 | 3356.9 | 2789.5 | 2766.0 | 1728.7 | 1616.5 | 1909.2 | 2346.4 | 2895.7 | 2245.9 |
| 7 | USA | 20939.5 | 28507.0 | 29832.0 | 25118.0 | 23574.0 | 26505.0 | 27739.0 | 24571.0 | 17383.0 | 19018.8 | 33277.0 | 33208.0 |
| | Extra-EU/27 | 6122.0 | 14270.4 | 4982.0 | 10097.7 | 6254.7 | 4413.4 | 5174.4 | 8924.3 | 9766.9 | 15411.0 | 8034.6 | nd |
| | Intra-EU/27 | 83267.6 | 91192.4 | 92717.7 | 73953.2 | 103378.2 | 94665.0 | 88265.9 | 98115.8 | 101533.0 | 81258.2 | 92686.2 | nd |
| | Total | 128999.2 | 162666.1 | 152905.7 | 137657.9 | 155591.6 | 147153.7 | 142348.3 | 155608.9 | 147180.6 | 136550.3 | 156134.5 | |



1. TABLE OLIVES MIDWAY THROUGH 2012/13

As can be seen from the next table, table olive imports in the first six months of the 2012/13 crop year (October 2012–March 2013) rose by 13 pc in Canada, 11 pc in Russia, 8 pc in Australia, 7 pc in Brazil and 1 pc in the United States. The EU data for March 2013 were not available when writing this newsletter. However, in the five months from October 2012 to February 2013, extra-EU/27 imports remained stable whereas acquisitions intra-EU/27 went down by 5 pc compared with the same period the season before.

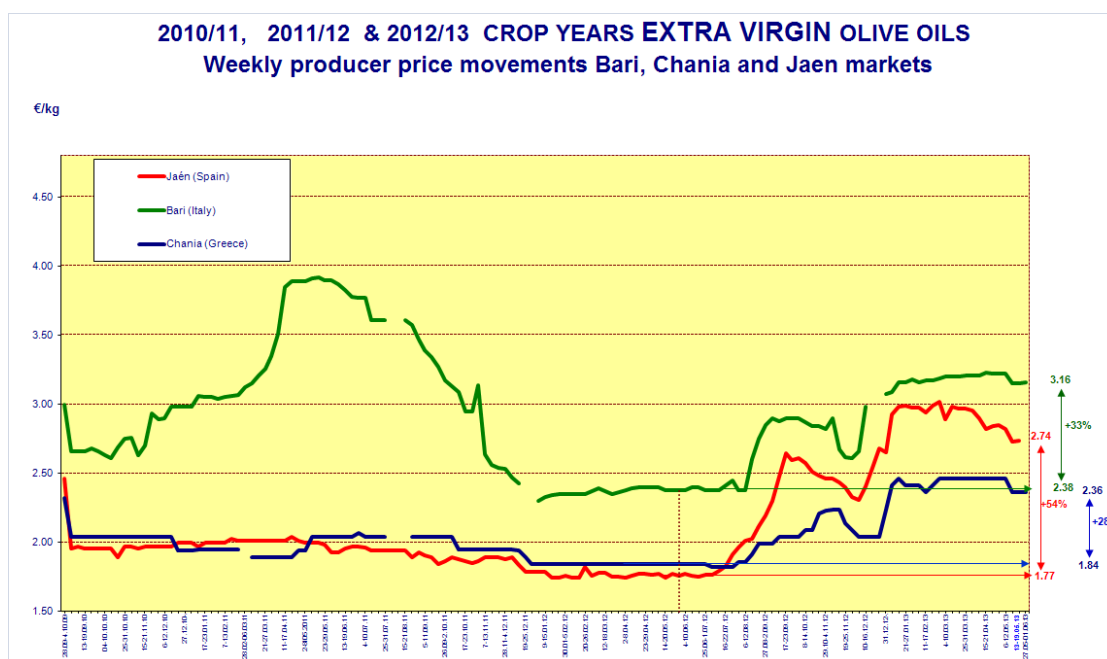
Table Olive Imports (t)

| N° | Importing country | October 11 | October 12 | November 11 | November 12 | December 11 | December 12 | January 12 | January 13 | February 12 | February 13 | March 12 | March 13 |
|----|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------|
| 1 | Australia | 1072.0 | 1330.0 | 1734.0 | 1858.0 | 1613.0 | 1821.0 | 1510.0 | 1597.0 | 1515.0 | 1906.0 | 1768.0 | 1423.0 |
| 2 | Brazil | 9746.1 | 12957.5 | 12350.8 | 11357.0 | 10340.0 | 10731.5 | 7069.0 | 7005.4 | 5554.5 | 7419.6 | 7868.7 | 7229.7 |
| 3 | Canada | 2953.7 | 2942.0 | 2577.0 | 2807.0 | 2024.0 | 2998.0 | 1755.0 | 2831.0 | 2020.0 | 1805.0 | 2270.0 | 1939.0 |
| 4 | Russia | 7707.0 | 9574.4 | 9949.0 | 9692.4 | 7889.0 | 6485.1 | 3001.9 | 5680.9 | 5430.6 | 5886.7 | 5501.0 | 6415.8 |
| 5 | USA | 10492.0 | 10404.0 | 10928.0 | 11100.0 | 9927.0 | 10050.0 | 10015.0 | 9317.0 | 8512.0 | 8969.5 | 11674.0 | 12126.0 |
| 6 | Extra-EU/27 | 9240.2 | 9096.4 | 8571.5 | 8094.9 | 8318.6 | 8744.1 | 8224.4 | 8454.5 | 8302.9 | 8259.7 | 10286.7 | nd |
| | Intra-EU/27 | 26663.6 | 28692.3 | 27978.6 | 28342.8 | 25353.6 | 25256.3 | 34645.1 | 25001.8 | 22558.3 | 23078.5 | 26453.6 | nd |
| | Total | 67874.6 | 74996.6 | 74088.9 | 73252.1 | 65465.2 | 66086.0 | 66220.4 | 59887.6 | 53893.3 | 57325.0 | 65822.0 | |

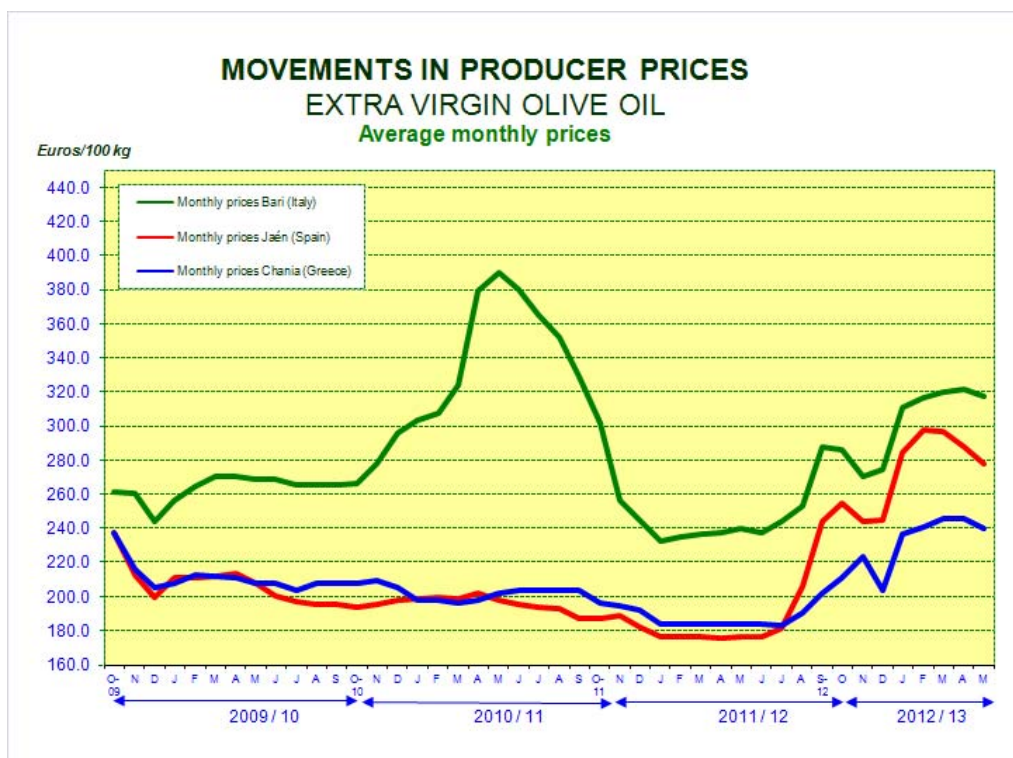
II. PRODUCER PRICE MOVEMENTS

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 July 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 reached €3.02/kg. They continued to oscillate around this level until the second week of March, at which point they started to descend again. They now lie at €2.74/kg, thus showing 54 pc growth on year-ago prices. In Italy, they rose from the low of €2.61/kg recorded in the last week of November to €3.25/kg in the last week of May 2013, at which point they dipped to €3.16/kg, where they held steady. This translates into 33 pc growth on the same period a season earlier (see Graph 1). Prices in Greece did not experience a similar range of increase from July 2012 onwards, probably because of higher expected production. They went up from €2.04/kg to only €2.36/kg between the last week of December 2012 and the last week of May 2013, equating with a 28 pc rise. Prices in the three markets (Spain, Italy and Greece) decreased in recent weeks but seem to be steadying.

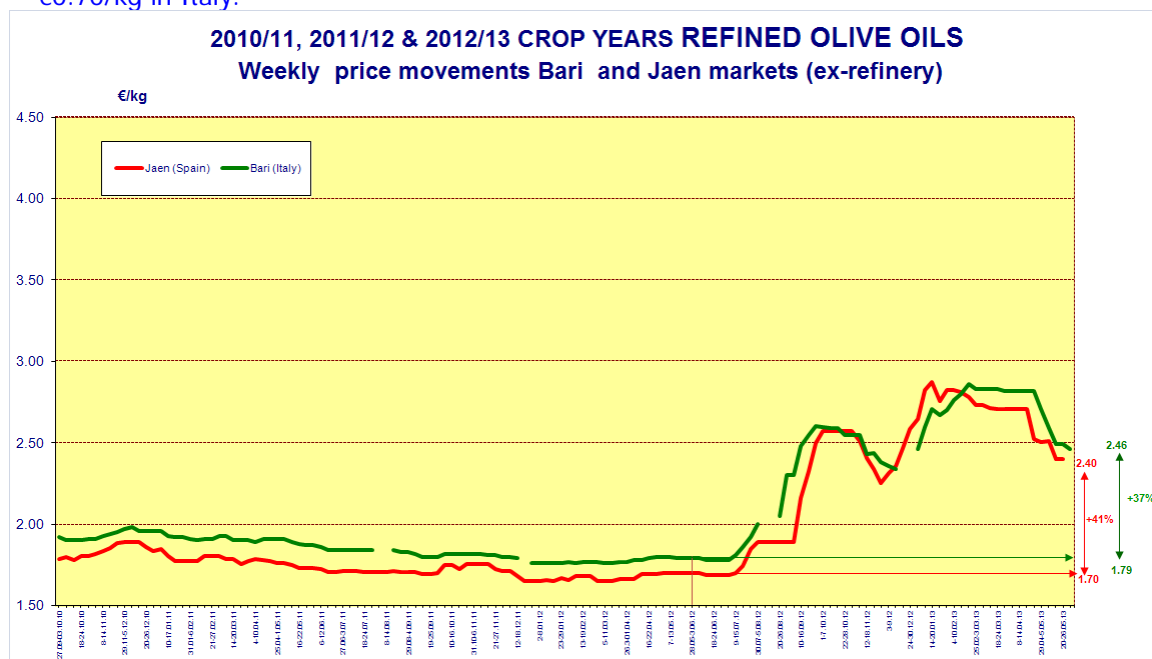


Graph 1

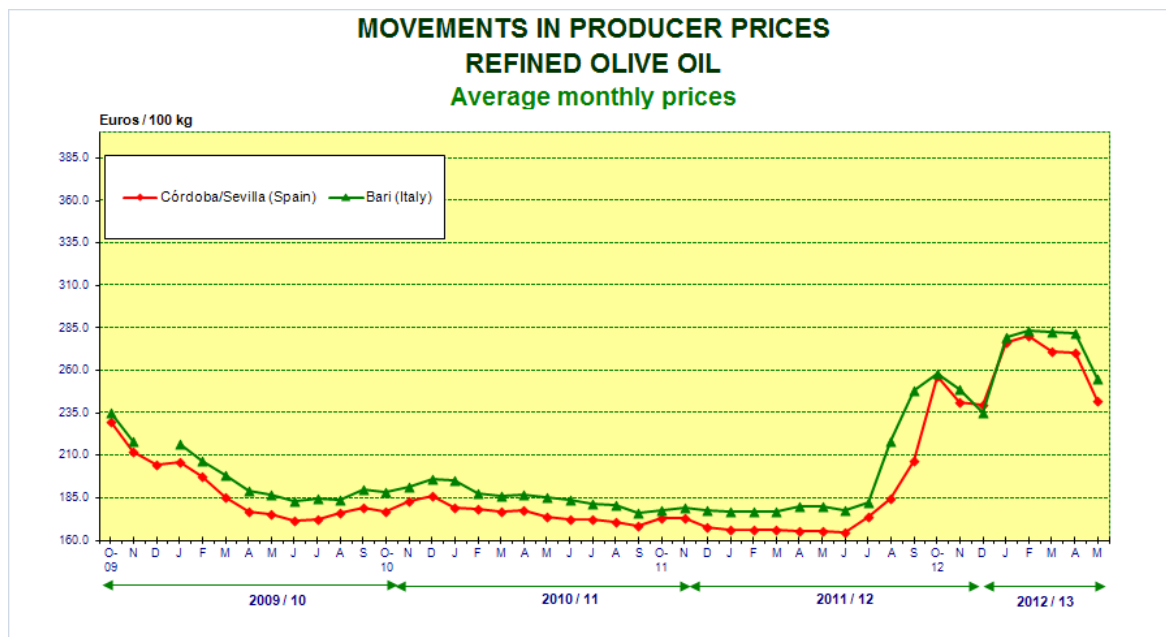


Graph 2

- **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. In early December they started to pick up again and prices in Spain moved ahead of those in Italy. Later, however, Spanish prices dropped progressively to €2.40/kg while they levelled off in Italy at around €2.46/kg, showing respective growth rates of 41 pc and 37 pc (Graph 3) versus the same period of the previous crop year. No data are available for Greece. In recent weeks prices in Spain and Italy have decreased again. The difference between the price of refined olive oil and extra virgin olive oil currently lies at around €0.34/kg in Spain and €0.70/kg in Italy.



Graph 3



Graph 4

Notice

The IOC is offering a 50% discount on online sales of the *World Olive Encyclopaedia* (available in Arabic, English, French, Greek, Italian, Portuguese, Spanish and Turkish) and the *World Catalogue of Olive Varieties* (available in Arabic, English, French, Italian, and Spanish).

<http://www.internationaloliveoil.org/news/view/663-year-2013-news/354-discounts-on-two-major-ioc-publications>