



INTERNATIONAL OLIVE COUNCIL **NEWSLETTER**

Nº 157 - SPECIAL EDITION

ECONOMIC AND PROMOTION UNIT
ENGLISH





A TEAM EFFORT

Anything is possible with the right team.

MADRID/ The Executive Secretariat of the IOC is pleased to give our readers detailed information on the activities carried out during what has been a very difficult 2020. The activities of the Economic and Promotion Unit, outlined in the following pages, are this intergovernmental organisation's contribution as the world faces the pandemic. This year, we have worked hard to keep our commitments to the international community and our member countries. And this is just the tip of the iceberg of a whole year at the IOC. A lot of our activities took place by videoconference, but the team was no less dedicated and committed to creating opportunities for a sector that fuels millions of companies around the world.

Enjoy!

ECONOMIC AND PROMOTION UNIT has structured its activities into 2 axes:

- PROMOTION ACTIVITIES (in Non-Member Countries and in Member Countries)
- ECONOMIC ACTIVITIES

PROMOTION ACTIVITIES

Accordingly, to the International Agreement on Olive Oil and Table Olives, 2015 the IOC Promotion activities shall be devoted:

- To enhance the role of the International Olive Council as a world documentation and information centre about the olive tree and its products and as a meeting point for all the operators in the sector.
- To promote the consumption of olive products, the expansion of international trade of olive oil and table olives and information in relation to the trade standards of the International Olive Council.
- To support international and regional activities encouraging the dissemination of generic scientific information on the nutritional, health and other properties of olive oil and table olives with a view to improving consumer information.
- To disseminate and use the results of research and development programmes linked to olive growing and study their applicability in increasing production efficiency.





YEAR 2020

Promotional activities in non-Member Countries

In 2019 (planned to be continued up to 2020) the IOC Promotion Unit carried out a Promotion campaign in China and in Japan.

The main objectives of the campaign in China are to raise awareness of and promote the application of the IOC standard as the sole means of protecting consumer rights and ensuring regular trade in olives between member countries and China.

Several activities took place in 2019, being the implementation of laboratories and panels recognised by the IOC set as the means to achieve this objective.

Due to the pandemic, it has not been possible to follow up any of the activities in 2020. The program has been reported to 2021.

As far as Japan is concerned, the activities lay out on a diplomatic ground, so to establish a contact with Japan on this basis. A PR Agency specialized in following these relations has been selected in 2019.



A Japanese group from the lower house of the National Diet and the Olive Oil Study Group would have visited the IOC during its 110th session and participated in the Organisation's 60th anniversary celebrations (November 2019).

Unfortunately, due to a political local problem, this visit had to be reported.

The IOC intention is to follow up and continue working with various institutions in Japan at the political level to encourage the application of the IOC standard and bring Japan closer to IOC member countries. Due to the pandemic, it has not been possible to carry out any of the activities planned for 2020. The ES proposes postponing these activities to 2021.

The 2020 Olympic games were postponed to 2021, and it would be a good idea for the ES to collaborate with the Japanese authorities to hold an event on olive oil and the athlete's diet.



Promotional activities in Member Countries.

The call for grants was initially scheduled to be published in June 2020. Since this activity is dependent on the payment of all member contributions, the final programme had to be delayed. This activity was not included in the budget approved in June 2020, but it is priority 2 in the working programme.

Following the remarks from several member country representatives and former grant holders, the ES has taken steps to simplify the procedure by removing the audit certificate requirement from grants below €6 000 in compliance with Article 99 of the Financial Regulation.

Due to extraordinary circumstances of covid-19, this activity has been reported to 2021.

Production of promotional information material.

This section covers the purchase of the winning olive oils of the Mario Solinas Quality Award for the celebration of World Olive Day. The company enlisted for promotional material has designed and prepared packaging and explanatory brochures. The delivery of the material to the IOC headquarters has been satisfactorily realized in due time.



YEAR 2021

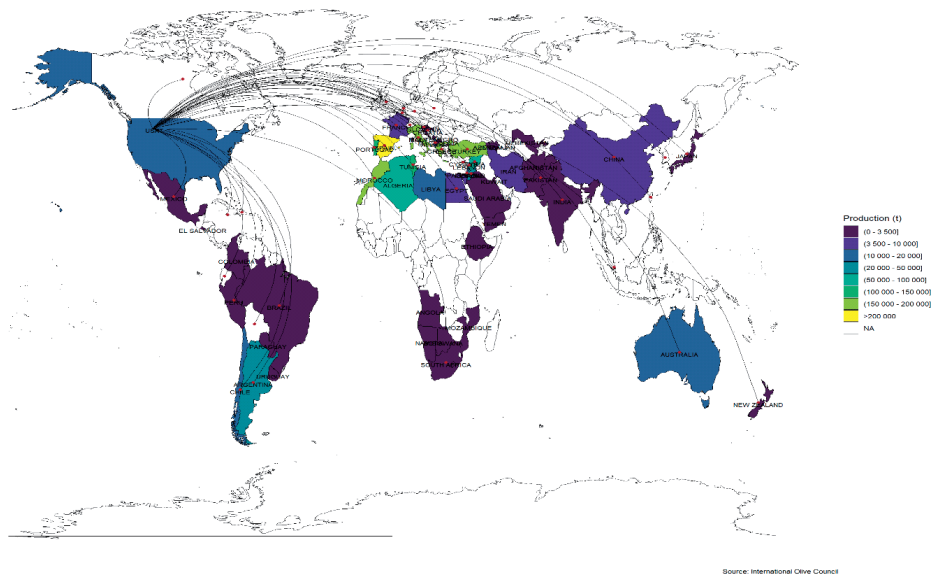
- Publication tender promotion campaign in Australia: To give start to the Promotion campaign in Australia in 2022:
- Follow up of the China and Japan Promotion Campaign; Production of promotional information material. (This section covers the purchase of the winning olive oils of the Mario Solinas Quality Award for the celebration of World Olive Day 2021)
- Call Promotional activities in Member Countries 2021 (accordingly to the procedure in compliance to article 99 of RF, allowing the simplified procedure for grants less than 6 000 Euros and linked to Mario Solinas events)





Economic and Promotion Unit – Economic Studies and Statistics Department

Olive oil imports to USA and olive oil production, 2018/19 crop year



Economic activity is governed by the International Agreement on Olive Oil and Table Olives 2015. Among the objectives of the Agreement are interpreting the world balance sheets on olive oil, olive pomace oils and table olives, conducting studies and proposing appropriate measures. The IOC is also responsible for disseminating economic analyses and data on olive oil and table olives and for providing its Members with the necessary indicators to ensure the olive products markets operate smoothly.

MARKET-RELATED ACTIVITIES

The Economic and Promotion Unit regularly monitors and analyses the olive product markets. This involves:

- Updating the IOC statistical database on world markets for olive oils, table olives and other edible liquid vegetable oils and fats;
- Examining market conditions;
- Monitoring olive oil and table olive imports in the countries in which the IOC carries out promotional activities;
- Conducting retrospective and prospective studies on olive oil and table olive markets;
- Monitoring national olive-growing areas and the world distribution of olive-growing resources;
- Monitoring policy measures relating to the production, marketing, domestic consumption and international trade of olive products and other national development policies;
- Following up on bilateral or multilateral agreements between countries on the trade of olive oil and table olives; and following up on surveys, studies and economic research on the olive oil sector.

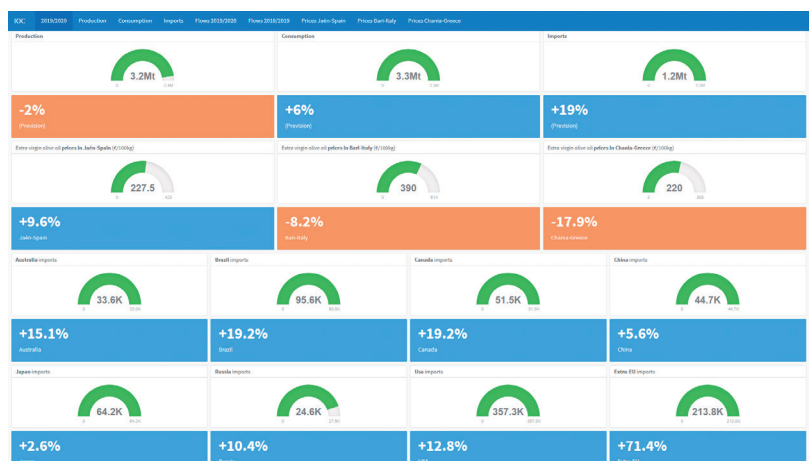


Figure I - Image of the monthly scoreboard developed by this Unit and available on the IOC website.

ACTIVITIES RELATED TO THE IOC'S WORK

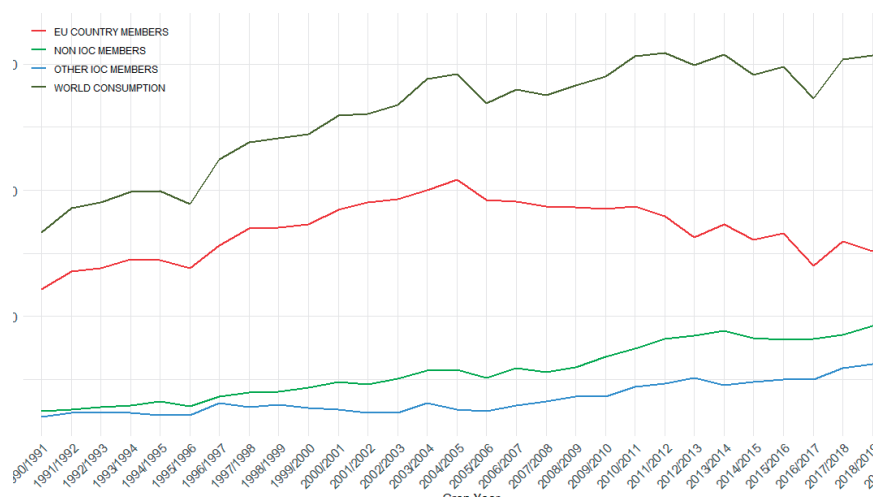
The Unit carries out market studies and other economic analyses and statistical work on the olive oil and table olives sector that are requested by IOC Members.

In 2020, a study on consumer behaviour was launched to analyse the consumption of olive oil in member countries, which has undergone significant changes in volume and by groups of countries in recent years.

Changes in world consumption has almost doubled since 1990/91. The main feature of this evolution is the growth of consumption in non-IOC countries, which has increased steadily over previous decades from about 14% to 30% of world consumption.

On the other hand, consumption in the EU has been on a downward trend since the 2004/05 crop year, falling from around 70% of the world total in 2004/05 to around 50% at present.

When consumption started to fall in the EU, it increased in the rest of the world.



Graph II - Distribution of olive oil consumption.



For this reason, the study on consumer behaviour was considered necessary to analyse the variables involved in consumption and understand what caused its decline in some countries.

The study will consist of a review of all the information published to date on oil and fat consumption at both the national and international levels and the analysis of secondary information from public and private sources. It will also be based on a representative survey carried out by means of a structured questionnaire addressed to consumers in the countries concerned.

The objectives of this study are as follows:

- To analyse the changes and trends in the consumption of olive oil in IOC member countries compared with other edible oils and fats to determine whether consumption has fallen in olive oils only, or whether there has been an overall reduction in the consumption of fats. As far as possible, the analysis will be carried out according to the type of olive oil (EVOO, VOO and OO). Factors of change in eating habits, especially those affecting consumption patterns, will also be examined.
- To analyse consumer behaviour with regard to edible oils and fats in general, and olive oil in particular, in IOC member countries to determine:
 - The domestic use of olive oil (consumer households, non-consumer households, households using exclusively olive oil, households using both olive oil and sunflower oil, etc.).
 - Reasons not to use olive oil.
 - Oils and fats used according to the objectives (frying, salad dressing, deep-frying, baking, stewing, etc.).
 - The reasons for buying or using oils and fats for each purpose.
 - The image or perception of olive oils according to the qualities or advantages sought in the purchase/consumption (price, quality, health, environment, taste, etc.).
 - Points of sale and purchase terms, use of information and communication technologies.
 - Brands.
 - The level of knowledge of the different types of olive oil on the market.
 - Sources of information on food in general and olive oil in particular.
 - The consumer's sensitivity to price, what they are willing to pay.
 - Market segments according to sociodemographic and psychographic variables.
 - The intention to repurchase when the consumer has stopped buying oil.

The study is ongoing and this first year covers Spain, Italy and Greece, countries where consumption has fallen sharply. In 2021, it will cover Argentina, Egypt, Tunisia and Jordan. In 2022, the study will be completed and other countries will be studied.

The IOC carries out market studies and statistical work on the olive oil and table olive sector. To modernise the statistical system, the tools used for data collection need to be improved. A platform of questionnaires was proposed this year, which will have the following functions:



- An administration area where users will be able to create and manage their questionnaire.
- A questionnaire designer, which will enable users with no knowledge of software programming to design a complex questionnaire.
- A space for Computer Assisted Web Interviews (CAWI), Computer Assisted Telephone Interviewing (CATI) and Computer Assisted Personal Interviewing (CAPI).

This platform of questionnaires will increase the efficiency and security of the data collection process. Unfortunately, this project had to be postponed due to the pandemic.

ACTIVITIES RELATING TO THE IOC EXECUTIVE SECRETARIAT

The Economic and Promotion Unit contributes to the writing of sector analysis articles for the IOC's Olivæ journal and to the review of economic texts submitted by external authors. It also prepares economic and statistical information for the monthly newsletter.

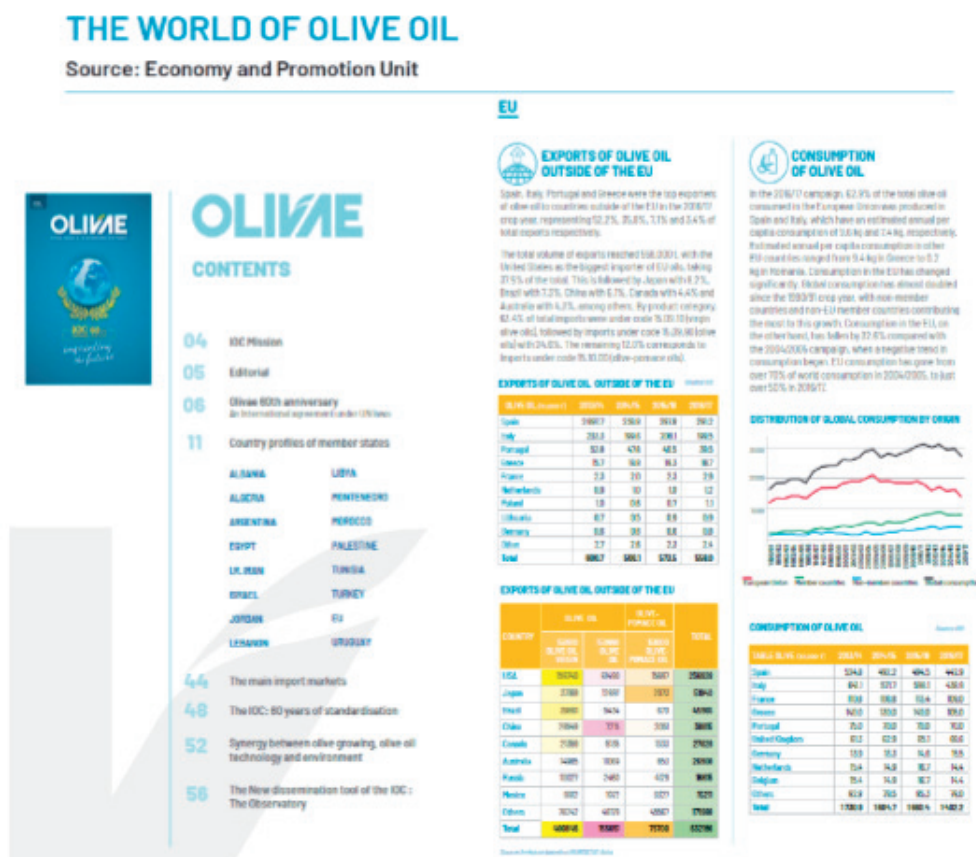


Figure III - Images from the Newsletter and Olivæ magazine



Prices

In 2020, to help our readers understand the international market, the Unit began publishing a monthly report on changes in producer prices of extra virgin olive oil, refined olive oil and refined olive pomace oil on representative markets. As these markets contribute to a large part of world production, their producer prices have a significant influence on prices in other markets.



Figure IV - Some images from the monthly price report, available on the IOC website.



APPROVED BALANCE SHEETS

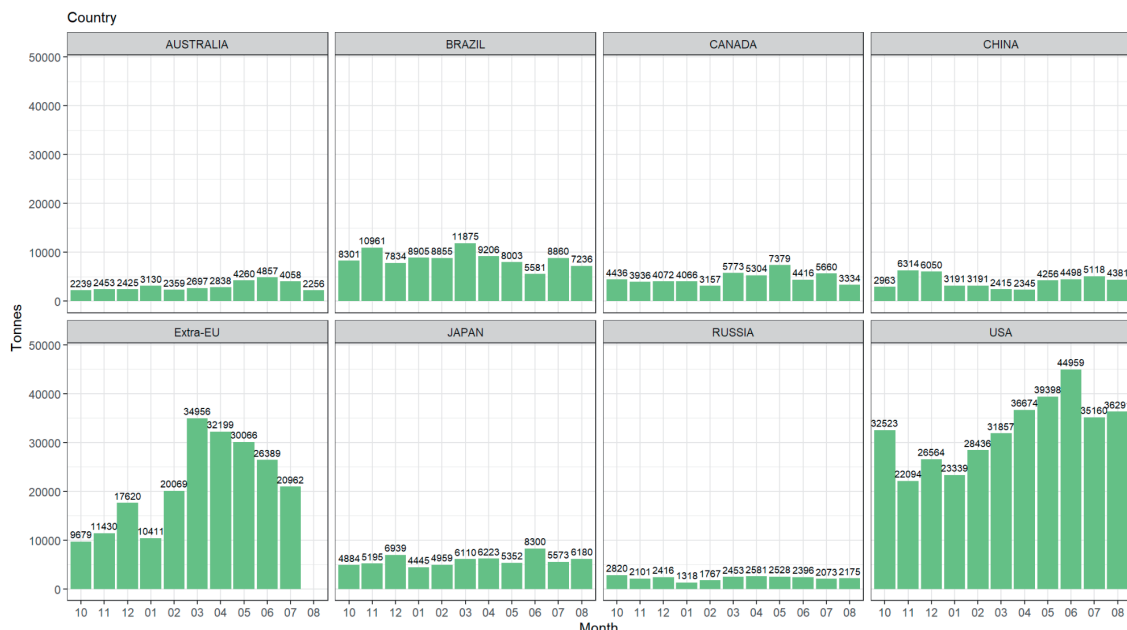
The Unit closely examines the olive oil and table olive markets and regularly makes a general estimate of the supply of and demand for olive oil and table olives. This work is based on information provided by IOC Members, as well as data provided by governments of non-member countries and any other relevant statistical material available. Provisional production and consumption data are presented below. Final data from the balance sheets approved by the Council of Members will be available in December 2020.

Production (x1000tn)	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020(p.)	Average	2020/2021(e.)	%variation rates
EU, of which:	2 324	1 752	2 188	2 264	1 924	2 090	2 233	↑ 16.0%
SPAIN	1 403	1 291	1 262	1 790	1 125	1 374	1 596	↑ 41.8%
GREECE	320	195	346	185	275	264	265	↓ -3.6%
ITALY	475	182	429	174	366	325	255	↓ -30.3%
PORTUGAL	109	69	135	100	140	111	100	↓ -28.8%
Other IOC countries, of which:	668	620	1 007	816	1 084	839	767	↓ -29.3%
TUNISIA	140	100	325	140	350	211	120	↓ -65.7%
TURKEY	150	178	263	194	225	202	210	↓ -6.7%
MOROCCO	130	110	140	200	145	145	160	↑ 10.3%
ALGERIA	82	63	82	97	126	90	90	↓ -28.7%
EGYPT	16	30	40	41	42	34	40	↓ -4.8%
ARGENTINA	24	24	45	28	30	30	27	↓ -10.0%
Non-IOC producers:	184	190	184	183	198	188	198	↓ -0.5%
TOTAL	3 177	2 561	3 379	3 263	3 207	3 117	3 197	↓ -0.3%

Table I - Production of olive oil, provisional data.

EXPORTS AND IMPORTS

To help understand the state of the international markets, the Unit monitors and prepares reports on exports and imports from the most representative markets.



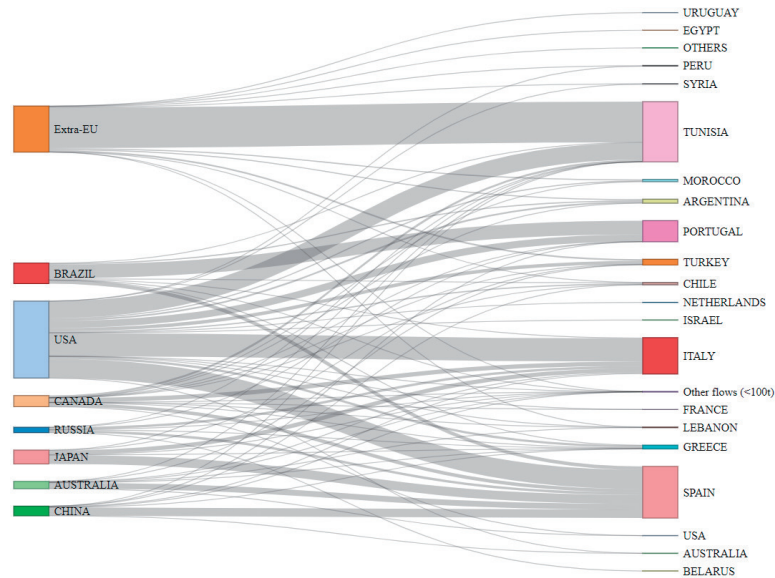
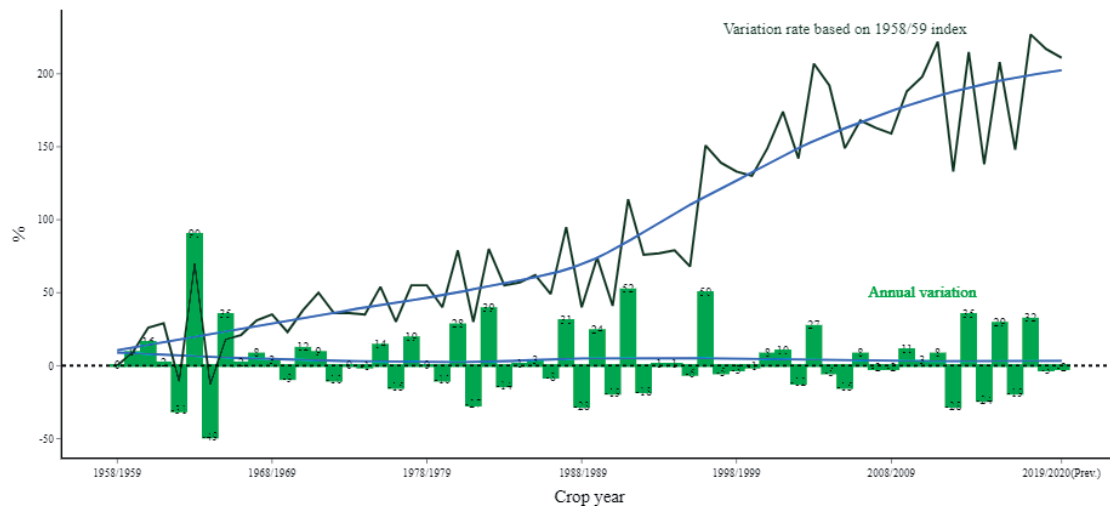


Figure V - Images of the reports available on the IOC website on import flows and imports in the main 2019/2020 markets

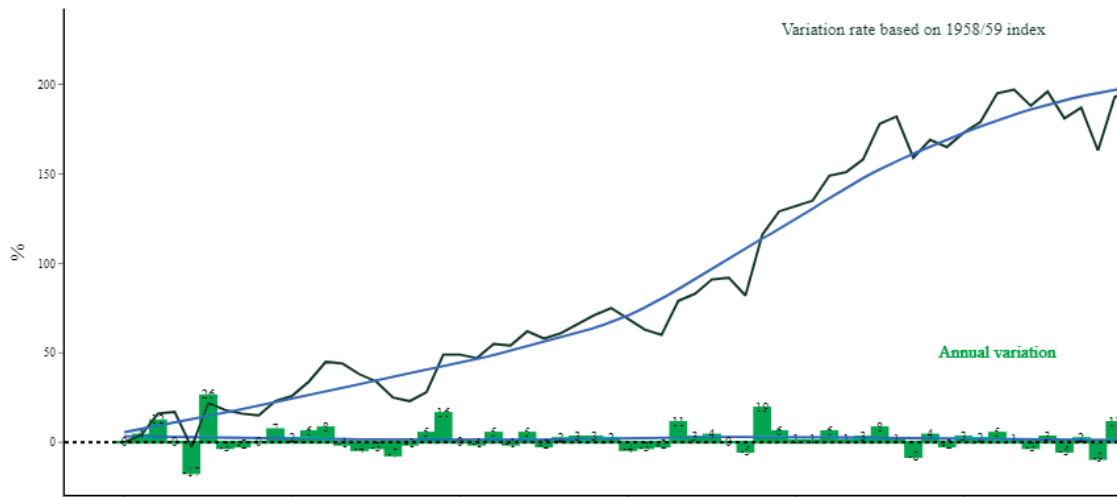
STUDIES

The Economic and Promotion Unit also supervises questionnaires, studies and economic research on the olive oil sector conducted by research and development agencies. It also carries out market studies and other economic analysis and statistical work on the sector.

As already mentioned, the study on consumer behaviour that was launched this year will be essential to understanding how the market works on the demand side. The increase in global demand confirms the need for higher production, while at the same time seeking a balance to avoid price pressures. This balance must be found in both the short and long term. National expansion plans allow the sector's production capacity to continue to grow, despite climate dependency and diseases such as *Xylella fastidiosa*.



Graph VI - Evolution of olive oil production.



Graph VII - Evolution of olive oil consumption

MEETING OF THE IOC STATISTICS WORKING GROUP

The working group for monitoring statistics meets once a year to review the data produced by the IOC and, in particular, the olive oil and table olive balance sheets. This year's meeting was held by videoconference on 4 November.

NEW PROJECTS FOR 2021

New reports are being prepared and others are available on the IOC website. The aim is to provide relevant, regular and reliable statistical data that meet the demands of the sector and can be used around the world.

Some of the target lines of information are:

- To follow the imports and exports of olive oil on the main markets.
- To have a system for both producer and consumer prices as well as imports and exports.
- To obtain different estimates for value and volume on both the supply and demand sides.
- The new reports available from this year and from 2021 onwards are as follows:
- A new monthly report breaking down olive oil and table olive imports on the main import markets will be available in 2021.
- The new annual import reports that were developed in 2020 will be updated in 2021.
- A monthly dashboard was created in 2020 to give a general overview of production, consumption, imports and their monthly flows, as well as olive oil prices. In 2021, this report will extend to table olives.
- A monthly report on the producer prices of olive oil was created in 2020. It is available on the IOC website. A monthly report on import prices is being prepared and will be available in 2021.
- The results of the study on consumer behaviour in Spain, Italy and Greece should be available in 2021.
- The same study will be carried out in Argentina, Egypt, Tunisia and Jordan in 2021.



STAY TUNED!

<http://www.internationaloliveoil.org>

Keep up with the olive sector through Olive News:

<http://www.scoop.it/t/olive-news>

and the goings on at the IOC:

<http://www.linkedin.com/company/international-olivecouncil>

Our scientific journal Olivæ is available at:

<http://www.internationaloliveoil.org/store/index/48-olivæ-publications>



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