



Olive oil performance in 2014/15 and olive oil and table olive estimates for 2015/16

(a) Olive oil: provisional data for 2014/15

Representatives from the majority of the IOC member countries attended the latest meeting of the IOC Statistics Working Group held on 28 September. The figures reported here for 2014/15 take into account the data delivered by Members but are as yet provisional since the crop year has just ended. The resultant snapshot shows a tonnage of 2 390 500 t for world **production** (27 pc lower than in 2013/14), 2 902 500 t for consumption, (-5 pc), 844 500 t for imports and 844 000 t for exports. The membership of the IOC produced 97 pc or 2 313 000 t of this world total while EU countries as a whole accounted for 1 430 500 t of world output, thus seeing their share shrink by 42 pc. Ranked by order of EU production, Spain comes first with 837 600 t (-53 pc), then Greece with 300 000 t (+127 pc), Italy with 222 000 t (-52 pc) and Portugal with 61 000 t (-33 pc). The aggregate output of the remainder of the IOC member countries is assessed at 882 500 t. This group is led by Tunisia, which produced a record 295 000 t (+321 pc versus 2013/14), followed by Turkey with 160 000 t (+19 pc), Morocco with 120 000 t (-7 pc), Syria with 105 000 t (-42 pc) and Algeria with 69 500 t (+58 pc). The output of the rest of the IOC membership adds up to 133 000 t. **Consumption** in the IOC member countries totalled 2 214 500 t, equating with a decrease of 4 pc on 2013/14, while it hovered around 688 000 t in non-member countries, likewise down on season-before levels (-6 pc).

(b) Olive oil: estimates for 2015/16

According to official data, world **production** in 2015/16 is expected to lie at around 2 900 000 t, about 22 pc higher than in 2014/15. At this point in the crop year it is still too early to judge the accuracy of these estimates but by the time the IOC Council of Members meets at the end of this November, estimates will be more solid unless exceptional weather conditions occur subsequently. The forecasts for the EU producing member countries of the IOC show that output could reach 1 200 000 t in Spain (+38 pc), 350 000 t in Italy (+58 pc), 320 000 t in Greece (+7 pc) and 92 000 t in Portugal (+51 pc). Among the figures for the rest of the IOC membership, the data for Syria stand out. According to the forecasts of the Syrian authorities, domestic production is expected to amount to 215 000 t (+105 pc). In the same group, production is estimated at 143 000 t for Turkey, 140 000 t for Tunisia, 130 000 t for Morocco and 73 500 t for Algeria. Olive oil production has seen a constant increase in recent years in Algeria where olive crop area has doubled in the last 15 years. Between 2014 and 2015 alone, 20 000 ha of new orchards were planted at a density of 100–120 trees/ha, and the Government of Algeria has unveiled an ambitious scheme to increase olive crop area to 1 000 000 ha. In the rest of the member countries, production is expected to amount to 159 500 t. As for world **consumption**, forecasts signal a 5 pc rise on 2014/15 levels (the Syrian authorities expect domestic consumption to be 35 pc higher).

(c) Table olives: estimates for 2015/16

World table olive **production** for 2015/16 is forecast at 2 775 000 t. If this tonnage is confirmed, it would be a record figure, up by 13 pc or 320 000 t on the season before. This increase is driven by the good harvests expected in IOC member countries like Spain (532 000 t), Egypt (470 000 t), Turkey (397 000 t), Algeria (234 000 t), Syria (180 000 t), Morocco (120 000 t), Argentina (120 000 t) and Iran (89 000 t). Harvests are likewise expected to be good, although smaller in volume, in the rest of the IOC membership. At EU level, forecasts put table olive production at 814 000 t, down by 2 pc on 2014/15. As already mentioned, Spain leads the way with 532 000 t, followed by Greece (210 000 t), Italy (50 000 t) and Portugal (17 500 t). World **consumption** is estimated at 2 628 000 t, representing an increase of 81 500 t or 3 pc compared with 2014/15. It is interesting to note that world consumption of table olives has increased constantly over the last three crop years, recording annual growth of 3 pc.



I. WORLD TRADE IN OLIVE OIL AND TABLE OLIVES

1. WORLD TRADE IN OLIVE OIL – 2014/15 CROP YEAR

Imports of olive oil (customs heading 15.09) and olive pomace oil (customs heading 15.10) through the first ten months of the 2014/15 crop year (October 2014–July 2015) are reported in the table below for a number of countries. Compared with the same period in 2013/14, Japanese imports have risen by 9 pc, showing strong growth since March 2015. In the case of the United States, import increases in March, April and June have been offset by decreases in March and April; as a result, imports remain stable overall. Imports into China are likewise holding steady. Conversely, imports into Russia are lower (–29 pc), prompted by a switch of trend in December 2014, as well as into Australia (–20 pc, on a constant downward trend since November 2014), Canada (–9 pc) and Brazil (–6 pc), which recorded sharp decreases in May and June.

The July 2015 data were not available for the EU at the time of publication but the figures for the first nine months of 2014/15 show an increase of 3 pc in intra-EU acquisitions and 288 pc in extra-EU imports compared with the same period a season earlier. Owing to the heavy drop in 2014/15 production in Spain and Italy, extra-EU imports by both countries soared, particularly imports from Tunisia (+1192 pc and +336 pc, respectively) compared with a season earlier. As reported in the previous issue of this newsletter, this upward movement began in December 2014 even before the change in the EU regulation on the tariff quota at zero-rate duty, a fact connected with the large climb in Tunisian production in 2014/15.

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

No	Importing country	October 13	October 14	November 13	November 14	December 13	December 14	January 14	January 15	February 14	February 15	March 14	March 15	April 14	April 15	May 14	May 15	June 14	June 15	July 14	July 15
1	Australia	2169.9	3125.1	2461.2	2391.8	2004.0	1652.1	2211.3	1856.8	2022.2	1607.8	2946.1	1790.2	2703.3	1727.6	2104.3	1721.5	2002.0	1646.9	3558.0	1881.9
2	Brazil	9075.3	9584.6	6239.6	7269.9	7156.7	6249.3	5163.6	6367.2	5215.4	5517.4	6746.9	6662.1	5281.0	4769.3	5110.2	2781.4	5158.0	3971.6	6416.0	4613.7
3	Canada	4014.7	3985.0	2845.6	3257.6	2662.2	3069.3	3649.0	2341.2	2785.6	3008.9	3955.1	2873.2	5650.3	4118.7	3866.0	4229.0	4810.3	3353.7	2700.1	3368.0
4	China	2609.4	2410.8	3030.7	3651.5	4007.6	3530.5	3268.3	2850.1	1050.3	1471.1	2323.1	2503.5	2532.7	2835.5	2954.8	2534.2	4032.4	4139.4	4367.1	4161.0
5	Japan	4410.0	4776.0	4386.0	4735.0	3967.0	3965.4	4271.0	4531.1	4039.0	3474.0	4840.0	6753.0	5634.0	6319.0	5394.0	6550.0	3961.0	4603.0	5574.0	5129.0
6	Russia	2962.0	4259.5	2763.7	3192.4	3174.3	2653.1	1914.2	1513.0	2641.5	1216.5	3256.9	1589.2	3350.6	1163.6	2655.7	1126.1	3034.5	1672.2	2807.1	1882.4
7	USA	23274.0	23332.0	27163.1	28449.8	21455.9	18755.6	26704.8	24296.3	17979.9	27443.4	29814.3	27063.3	37422.5	31125.9	23534.5	25085.9	28791.5	31444.9	30075.8	28484.5
8	Extra-EU27	14233.0	8722.0	6659.0	6801.8	5141.0	14707.0	6711.3	18871.7	2110.4	22619.4	3649.5	26731.0	3741.0	32426.3	2030.7	28187.5	2611.7	25734.0	4987.3	nd
8	Intra-EU27	88710.0	89729.0	75558.0	98016.0	98320.0	122803.0	93392.2	101262.0	107591.3	106374.0	98077.7	105097.7	96205.0	88340.2	103856.8	93855.1	97045.0	82117.0	115649.5	nd
	Total	151478.3	147924.0	131106.9	157765.8	147888.7	177385.2	147285.7	163889.4	145435.6	172732.5	155809.6	181063.2	162520.4	172826.1	151567.0	165870.7	151446.4	158622.7	176134.9	nd

2. WORLD TRADE IN TABLE OLIVES - 2014/15 CROP YEAR

In the first ten months of the 2014/15 crop year, i.e. from October 2014 to July 2015, table olive imports (see next table) were higher in the United States (+13 pc) but lower in the rest of the countries reported, i.e. Australia (–12 pc since November 2014), Russia (–14 pc since December 2014), Brazil (–3 pc since April 2015) and Canada (–1 pc).

At the time of publication, the data for July 2015 were not available for the EU but in the first nine months of the 2014/15 season, intra-EU acquisitions and extra-EU imports went up by 6 and 2 pc respectively versus the same period of 2013/14.

Table Olive Imports (t)

No	Importing country	October 13	October 14	November 13	November 14	December 13	December 14	January 14	January 15	February 14	February 15	March 14	March 15	April 14	April 15	May 14	May 15	June 14	June 15	July 14	July 15
1	Australia	1511.0	1547.0	1657.0	1234.0	1905.0	1580.0	1740.0	1409.0	1431.0	1064.0	1640.0	1418.0	1408.0	1365.0	1437.0	1316.0	1195.0	1154.0	1440.0	1405.0
2	Brazil	11769.2	12930.3	11299.5	10285.5	8721.4	8685.1	6171.8	8007.7	6273.1	6715.2	7564.4	9256.8	9458.1	8610.0	9928.2	9197.6	9644.0	8558.6	11386.0	6822.6
3	Canada	2795.0	2413.0	2656.0	2469.0	2074.0	2810.0	2622.0	2144.0	2308.0	2390.0	2210.0	1890.0	2620.0	2704.0	2558.0	2721.0	2384.0	2500.0	2755.0	2567.0
4	Russia	8832.2	11076.5	9073.0	8719.1	5026.1	7288.0	4861.8	3413.8	4715.8	2313.8	6306.1	3292.9	5709.6	3564.1	4624.2	2856.5	4688.3	4034.7	5430.0	3614.0
5	USA	11434.0	10367.0	10386.0	10184.0	10937.0	12219.0	10483.0	11529.0	9452.0	10732.0	10932.0	16677.0	11764.0	13795.0	10722.0	14616.0	12185.0	11579.0	14505.0	15387.0
6	Extra-EU27	6204.0	8298.0	5459.0	7062.1	6404.0	8090.7	7154.4	7778.9	7134.0	6884.8	9755.0	9319.3	9138.0	8813.4	9239.0	7204.6	9457.0	8002.0	9069.0	nd
6	Intra-EU27	27012.0	27129.0	25216.0	23218.6	23898.0	27400.6	19431.0	19872.0	20767.8	21643.7	21646.0	24769.9	22340.5	22863.4	23028.8	24928.1	25163.3	28909.0	29218.3	nd
	Total	69607.4	73760.8	65756.5	63152.3	58965.5	68073.4	52464.0	54254.4	52079.7	51743.5	60055.5	66623.9	62438.2	61714.9	61837.2	62839.8	64696.6	64737.3	73803.3	nd

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 main three EU producers. The monthly price movements for the same two grades of oil are tracked in Graphs 2 and 4.



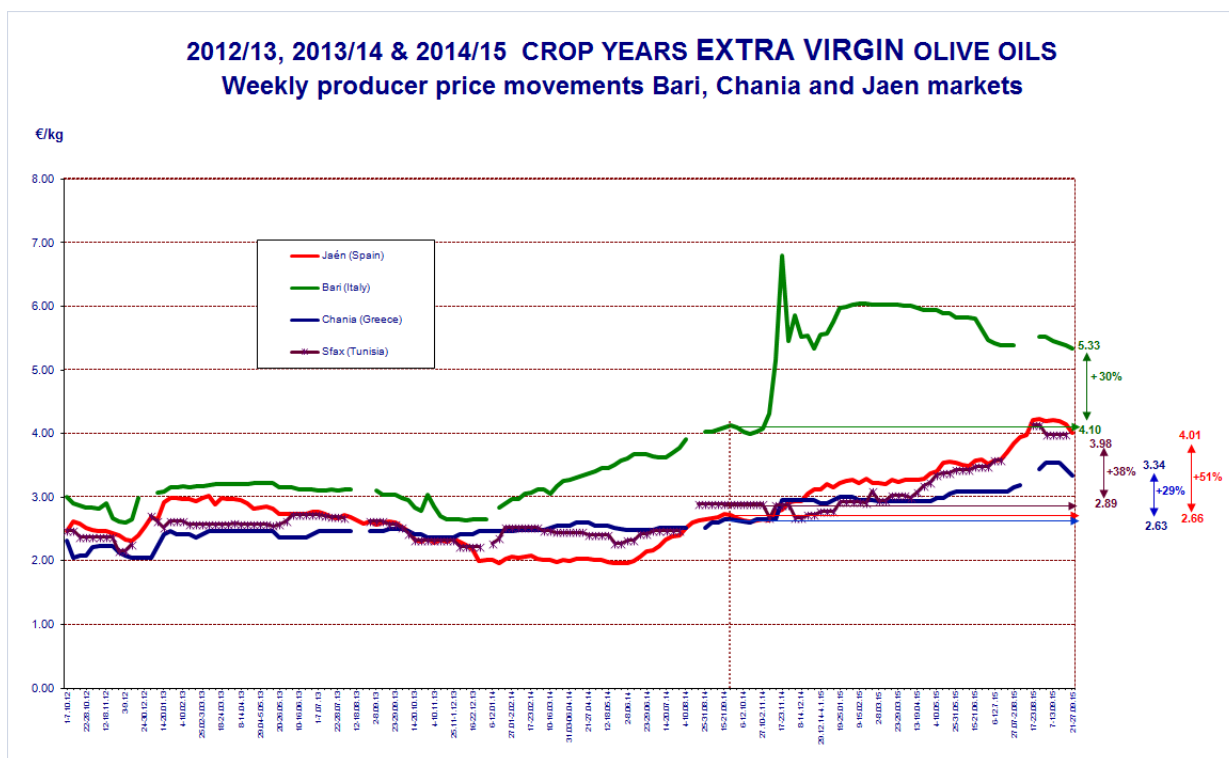
It is not for the IOC to judge whether these price levels reflect an adequate balance between production costs along the supply chain and the prices that consumers are prepared to pay in their domestic currency to continue consuming olive oil. Nevertheless, this is a concern that all the players on the market will no doubt take into account with an eye to the long-term sustainable equilibrium and development of the sector. It is noteworthy that the preliminary consumption estimates the IOC has received for the first semester of 2015 point to a drop in consumption, thus showing that the recent decreases in producer prices have not yet trickled through to retail prices.

Extra virgin olive oil: Producer prices in **Spain** started to rise in November 2014. After topping €4/kg in the second week of August 2015, they continued upwards to reach a period high (€4.23/kg) in the third week of August, at which point they switched direction, dipping to **€4.14/kg in the last week of September 2015**. This latest price level is 51 pc higher than a year earlier and 105 pc above the low recorded in the third week of May 2014 (€1.96/kg).

Italy: In the week from 10 to 16 November 2014, producer prices in Italy hit the highest level of both the period under review and the last decade, reaching €6.79/kg. After decreasing slightly in the second last week of December 2014 prices turned back upwards. After some small dips, they were lying at **€5.33/kg at the end of September 2015**, i.e. 30 pc higher than a year earlier and 102 pc more than the low recorded in the second week of December 2013 (€2.64/kg). Graph 2 shows how the monthly prices of extra virgin olive oil have behaved in recent crop years.

Greece: Prices have been high in recent months, crossing the three-euro/kg barrier in the third week of January 2015. In the last weeks of August and first two weeks of September they rose to period highs, but then started to move downwards to lie at **€3.34/kg at the end of September 2015**, +27 pc higher than the same period a season earlier.

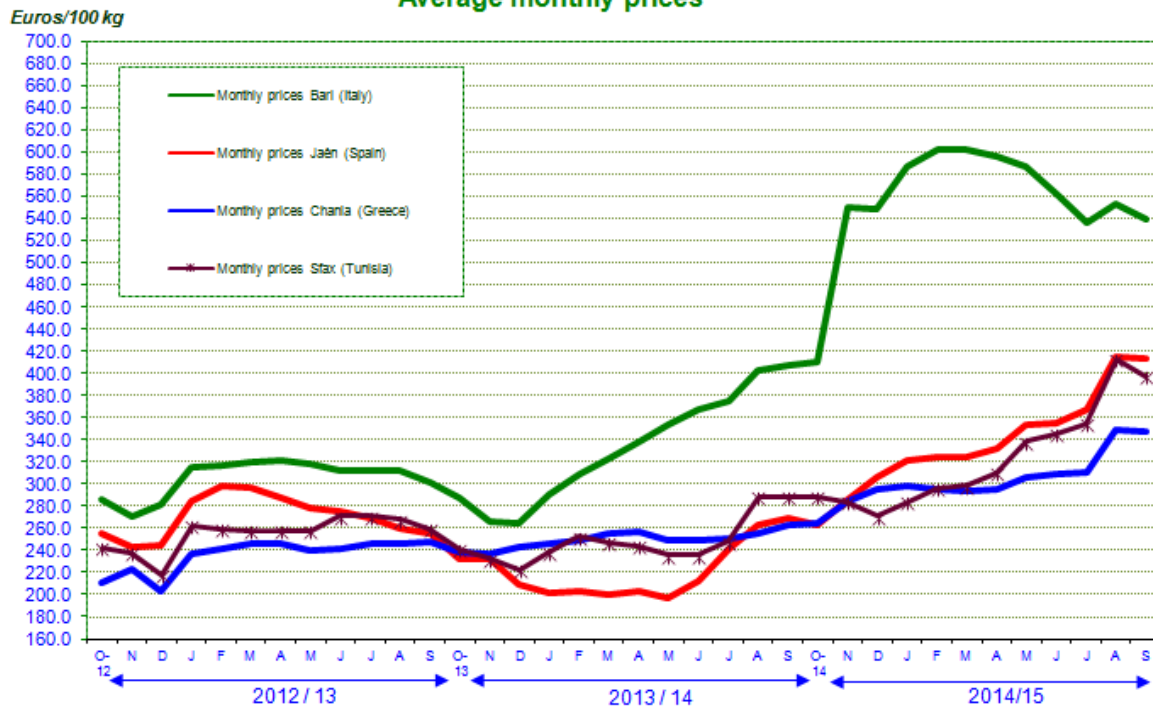
Tunisia: After starting to move upwards in the first week of January 2015, producer prices recorded some small fluctuations and then climbed to period highs in the last weeks of August. They then started to drop, reaching **€3.98/kg by the end of September 2015**, equating with period-on-period growth of +38 pc.



Graph 1



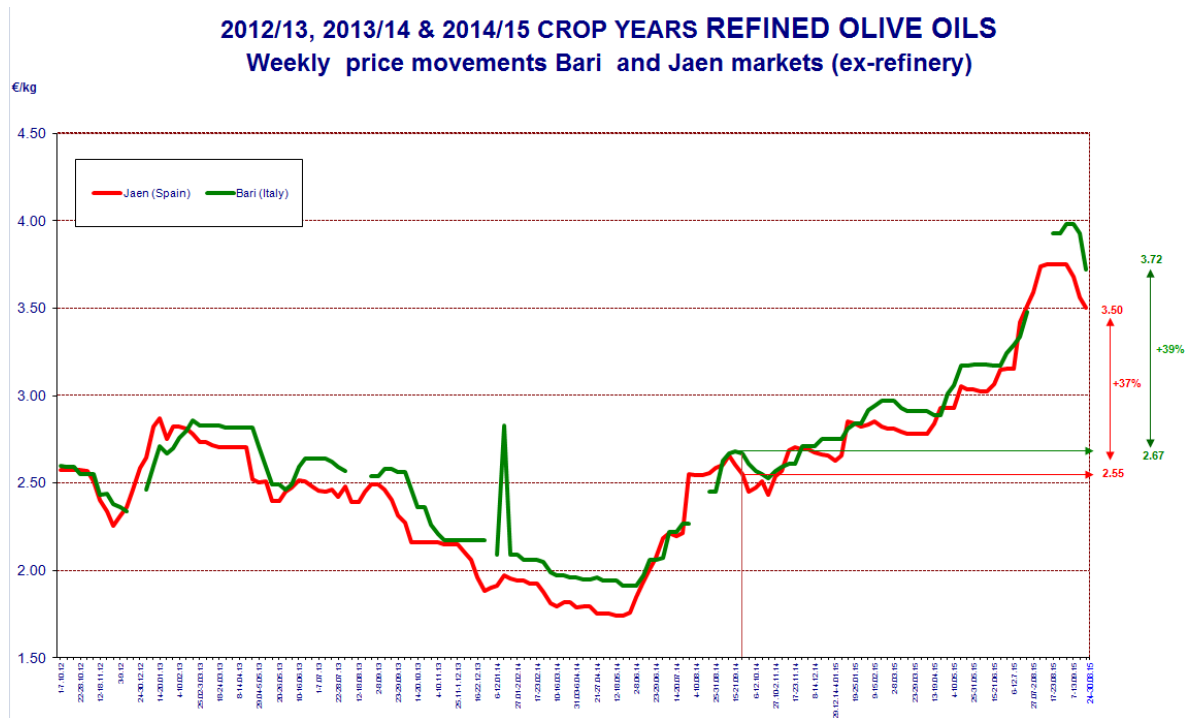
MOVEMENTS IN PRODUCER PRICES
EXTRA VIRGIN OLIVE OIL
Average monthly prices



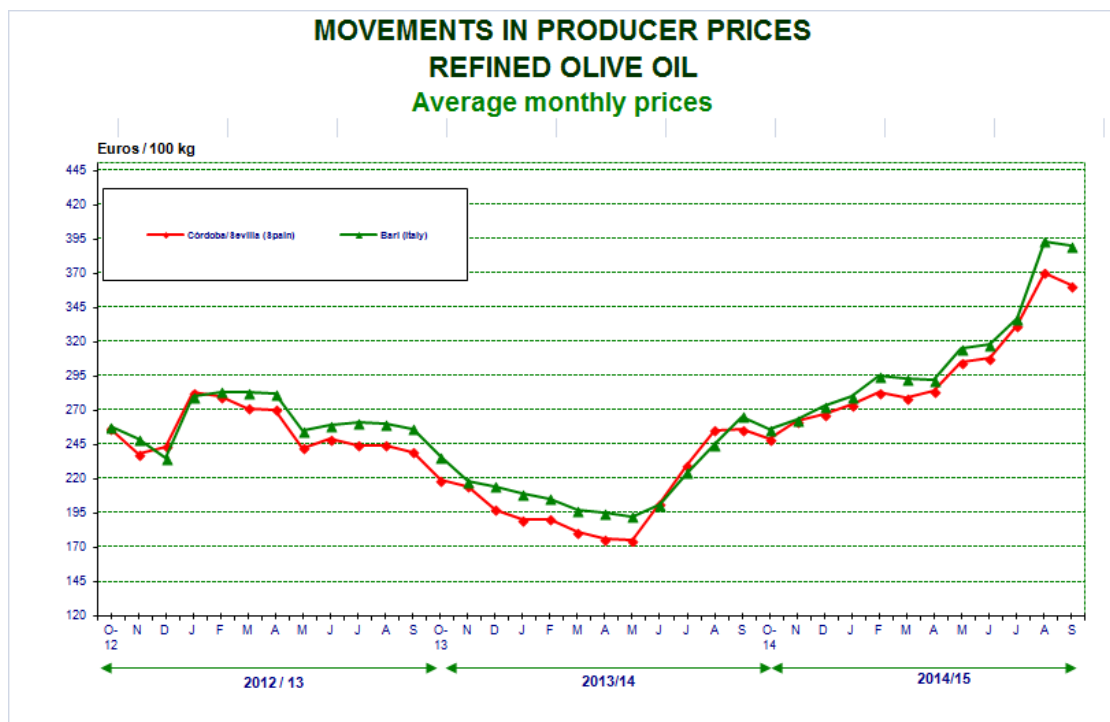
Graph 2

- **Refined olive oil:** In August 2015 producer prices for refined olive oil hit their highest levels for the period under review. In **Spain** they then started to drop, reaching **€3.50/kg** by the end of September 2015, although this level was still 37 pc higher than in the same period of the preceding crop year. The trend in **Italy** has been similar in that prices dropped to **€3.72/kg** at the end of September 2015, although again this was still higher (+39 pc) than the same period the season before. No price data are available for this product category in Greece.

At the end of September 2015, the price of refined olive oil (€3.50/kg) and extra virgin olive oil (€4.01/kg) differed by €0.51/kg in Spain whereas in Italy the difference in price between the two categories was considerably wider (€1.61/kg - Graph 3).



Graph 3



Graph 4

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