



Focus on OLIVE OIL IMPORT TRENDS IN RUSSIA

Russian imports of olive oil and olive pomace oil grew at a constant rate between 2000/01 and 2013/14 when they rose from 3 062 t to 34 814 t (Chart 1). The only exceptions were 2005/06 and 2008/09 when the level dropped only to rally the next crop year. In 2013/14, imports were 7 pc higher than the season before. Ninety-seven per cent of imports came from the European Union, headed by Spain (56% of total), with Italy (30 pc), Greece (9 pc) and Portugal (1 pc) next in line. The origin of the remaining 3 pc of Russian imports was Tunisia (2 pc) and Turkey (1 pc). Broken down by grade, 69 pc was imported under customs heading 15.09.10, which groups together extra virgin, virgin and ordinary virgin olive oil plus lampante virgin olive oil not fit for human consumption without refining. A further 18 pc entered the country under customs heading 15.09.90, which is for refined olive oil plus olive oil, i.e. blends of refined olive oil with extra virgin, virgin or ordinary virgin olive oil. The last 13 pc is made up of imports under customs heading 15.10, which encompasses refined olive pomace oil and the grade known as olive pomace oil, made up of blends of refined olive pomace oil with extra, virgin or ordinary virgin olive oil. Chart 2 plots the movements in oil imports by customs heading. It can be observed that over the three consecutive crop years from 2010/11 to 2012/13, the volumes imported under headings 15.09.90 and 15.10.00 were the same whereas imports under 15.09.10 continued moving on the upward trend recorded since 2008/09.

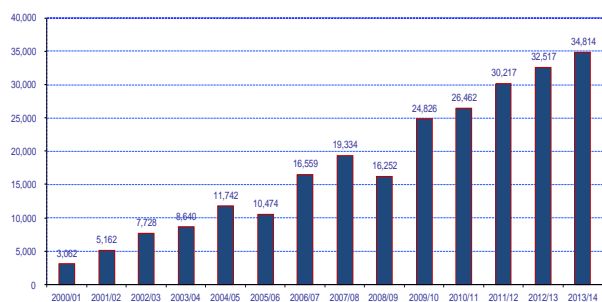


Chart 1: Russian imports of olive oil and olive pomace oil by crop year (t)

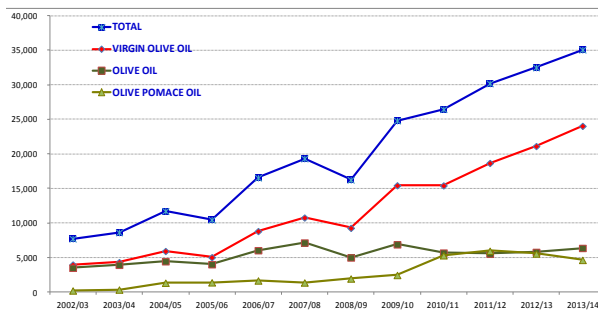


Chart 2: – Russian imports by crop year and grade (t)

Focus on OLIVE OIL IMPORT TRENDS IN CHINA

Aggregate imports into China under headings 15.09 (virgin, refined and blends) and 15.10 (olive pomace oils) recorded strong growth from 2001/02 until 2011/12 (Chart 3), when they peaked at 45 986 t. But in 2012/13 and 2013/14 imports decreased by 6 pc and 15 pc respectively compared with the immediately preceding crop years. Analysis of the monthly data (Chart 4) reveals that import volumes were highest in the starting months of the crop year (November, December and January) and then dropped sharply in February. Imports in the first five months of the current 2014/15 crop year, i.e. from October 2014 to February 2015 were similar to season-before levels.

When itemised by country of origin, it transpires that 88 pc of imports in 2013/14 came from EU countries. Again Spain was the lead exporter (61 pc of total), with Italy (23 pc) and Greece (4 pc) coming up behind. The remaining 12 pc was imported from Tunisia (4 pc), Turkey (3 pc), Morocco (2 pc) and Australia (2 pc), leaving 1 pc for all the other countries. Itemisation by grade shows that 82 pc of all imports were under customs heading 15.09.10 (virgin olive oils), 11 pc was imported under 15.10.00 (olive pomace oils) and 8 pc under 15.09.10 (refined olive oils and blends).

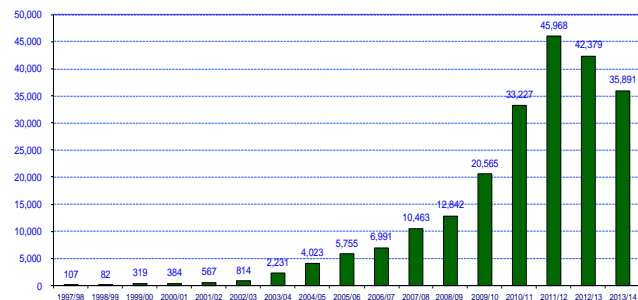


Chart 3: Chinese imports of olive oil and olive pomace oil by month (t)

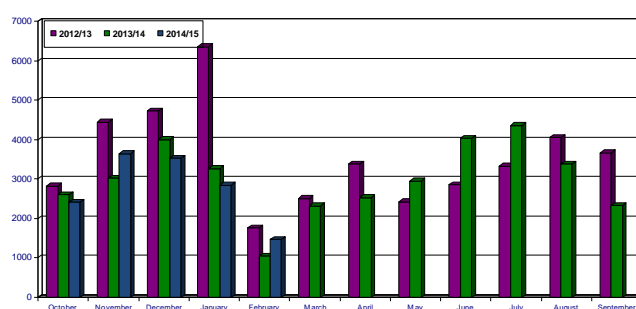


Chart 4: Chinese imports of olive oil and olive pomace oil (t) by crop year



I. WORLD MARKET FOR OLIVE OIL AND TABLE OLIVES

1. OLIVE OIL: UPDATE ON THE START OF THE 2014/15 CROP YEAR

For the first five months of the 2014/15 crop year (October 2014–February 2015), the figures for trade in olive oil (customs heading 15.09) and olive pomace oil (customs heading 15.10) in the countries listed in the table show year-on-year import increases of +7 pc in Brazil, +5 pc in the United States where the strong import growth in February 2015 made up for the drops in December 14 and January 15, and +2 pc in Japan despite the 14 pc reduction in imports in February 15. In contrast, imports were lower in Russia (–5 pc) owing to a switch of trend as of December 14, as well as in Australia and Canada (–2 pc each). In the case of Australia, imports started to fall in November 14 while in Canada they decreased in October 14 and January 15 and the decreases were not offset by the rises recorded in November and December 14 and February 15. Imports into China were lying at a similar level as in the same five-month period of 2013/14 although a monthly breakdown points to increases in November 14 and February 15 alternating with decreases in the other months.

Neither the January nor the February 2015 data were available for the EU at the time of publication but the data for the first months of 2014/15 show an increase of 18 pc in intra-EU acquisitions and 8 pc in extra-EU imports compared with the same period a season earlier. Owing to the hefty drop in Spain and Italy's output, imports from outside the EU will probably be considerably higher than last season, particularly imports from Tunisia where the harvest is much higher than last year (this can be seen in the 27.6 pc increase recorded in December even before the change in the EU regulation on the tariff quota at zero-rate duty).

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
1	Australia	2169.9	3125.1	2461.2	2391.8	2004.0	1652.1	2211.3	1856.8	2022.2	1607.8
2	Brazil	9075.3	9584.6	6239.6	7269.9	7156.7	6249.3	5163.6	6367.2	5215.4	5517.4
3	Canada	4014.7	3985.0	2845.6	3257.6	2662.2	3069.3	3649.0	2341.2	2785.6	3008.9
4	China	2609.4	2410.8	3030.7	3651.5	4007.6	3530.5	3268.3	2850.1	1050.3	1471.1
5	Japan	4410.0	4776.0	4386.0	4735.0	3967.0	3965.4	4271.0	4531.1	4039.0	3474.0
6	Russia	2982.0	4259.5	2763.7	3192.4	3174.3	2653.1	1914.2	1513.0	2641.5	1216.5
7	USA	23274.0	23332.0	27163.1	28449.8	21455.9	18755.6	26704.8	24296.3	17979.9	27443.4
8	Extra-EU/27	14233.0	6722.0	6659.0	6801.8	5141.0	14707.0	6711.3	nd	2110.4	nd
	Intra-EU/27	88710.0	89729.0	75558.0	98016.0	98320.0	122803.0	93392.2	nd	107591.3	nd
	Total	151478.3	147924.0	131106.9	157765.8	147888.7	177385.2	147285.7		145435.6	

2. TABLE OLIVES: UPDATE ON 2014/15

In the first five months of the 2014/15 crop year, i.e. from October 2014 to February 2015, table olive imports (see table below) were higher in Brazil (+5 pc), the United States (+5 pc) and Russia (+1 pc) than in the same period a year earlier; note the rise in US table olive imports as of December 14 and in Brazilian imports as of January 15. Imports moved in the opposite direction in Australia, dropping by 17 pc since November 14, and Canada (–2 pc).

At the time of publication, the data for January and February 2015 were not available for the EU but in the first three months of the 2014/15 season, intra-EU acquisitions increased 2 pc as of December 14 and extra-EU imports rose 30 pc from the start of the season compared with 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
1	Australia	1511.0	1547.0	1657.0	1234.0	1905.0	1580.0	1740.0	1409.0	1431.0	1064.0
2	Brazil	11769.2	12930.3	11299.5	10285.5	8721.4	8685.1	6171.8	8007.7	6273.1	6715.2
3	Canada	2795.0	2413.0	2656.0	2469.0	2074.0	2810.0	2622.0	2144.0	2308.0	2390.0
4	Russia	8882.2	11076.5	9073.0	8719.1	5026.1	7288.0	4861.8	3413.8	4713.8	2313.8
5	USA	11434.0	10367.0	10396.0	10164.0	10937.0	12219.0	10483.0	11629.0	9452.0	10732.0
6	Extra-EU/27	6204.0	8298.0	5459.0	7062.1	6404.0	8086.7	7154.4	nd	7134.0	nd
	Intra-EU/27	27012.0	27129.0	25216.0	23218.6	23898.0	27295.4	19431.0	nd	20767.8	nd
	Total	69607.4	73760.8	65756.5	63152.3	58965.5	67964.2	52464.0		52079.7	



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 three main 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 but they are a concern that all the players will no doubt take into account for the long-term sustainable equilibrium and development of the sector

Extra virgin olive oil: Producer prices in **Spain** started to rise constantly in the second half of 2014. After breaking the three-euro barrier in the second week of December 2014, they continued on their upward trajectory with some minor fluctuations until they reached **€3.41/kg** in the **last week of April 2015**, the highest level yet during the period plotted in Graph 1. This is 69 pc higher than a year earlier and 74 pc above the low recorded in the third week of May 2014 (€1.96/kg).

Italy: In recent months, producer prices in Italy have been on a very clear upward trend. In the week from 10 to 16 November 2014, they 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 switched back upwards. After some small dips, they remained stable for three weeks and were lying at **€5.94/kg at the end of April 2015**, i.e. 72 pc higher than a year earlier and 125 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.

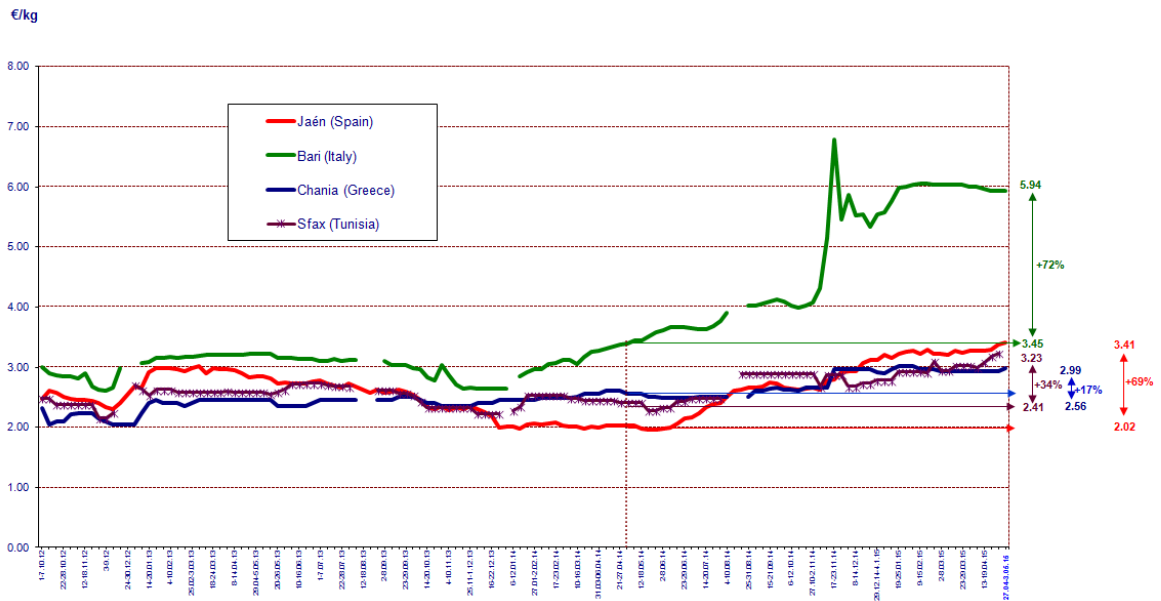
Greece: Prices have recently been high, breaking the three-euro/kg barrier in the third week of January 2015; after remaining stable for some weeks, they were lying at around **€2.99/kg** in the **last week of April 2015**, +17 pc higher than the same period a season earlier.

Tunisia: Towards the end of December 2014, producers were paid €2.73/kg for their extra virgin olive oil. Prices held steady for a while but then started to move upwards in the first week of January 2015. After some small dips in recent weeks, they again peaked at the highest level of the period under review, reaching **€3.23/kg at the end of April 2015**, equating with period-on-period growth of +34 pc.

For the time being, the outcome of the law of supply and demand is very clear. It will be interesting to see how the expectations for the next crop year will slowly start to make themselves felt as flowering begins this month.

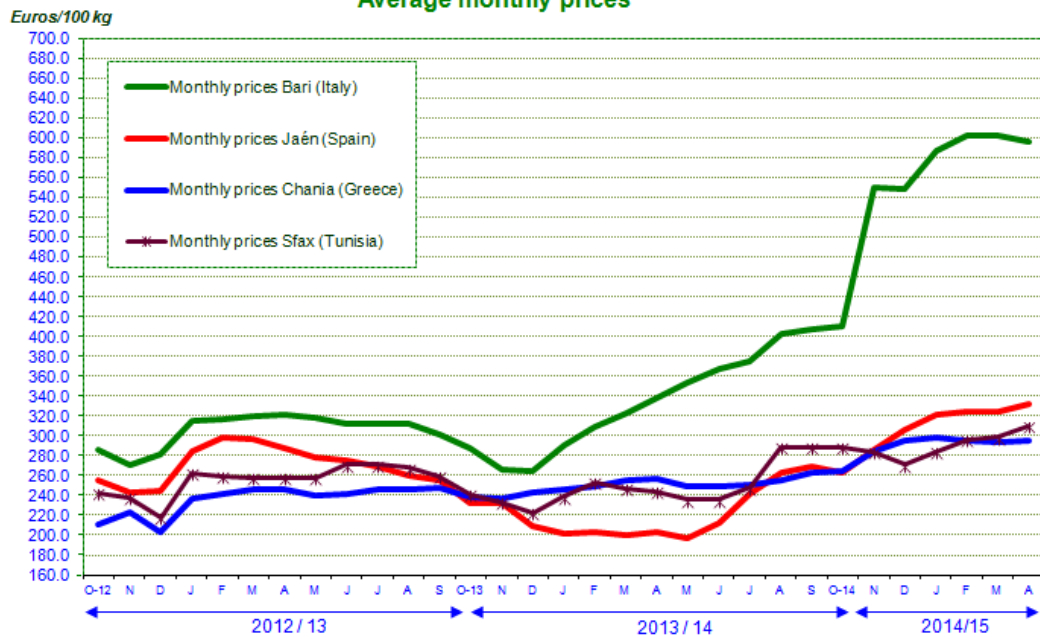


2012/13, 2013/14 & 2014/15 CROP YEARS EXTRA VIRGIN OLIVE OILS
Weekly producer price movements Bari, Chania and Jaen markets



Graph 1

MOVEMENTS IN PRODUCER PRICES
EXTRA VIRGIN OLIVE OIL
Average monthly prices

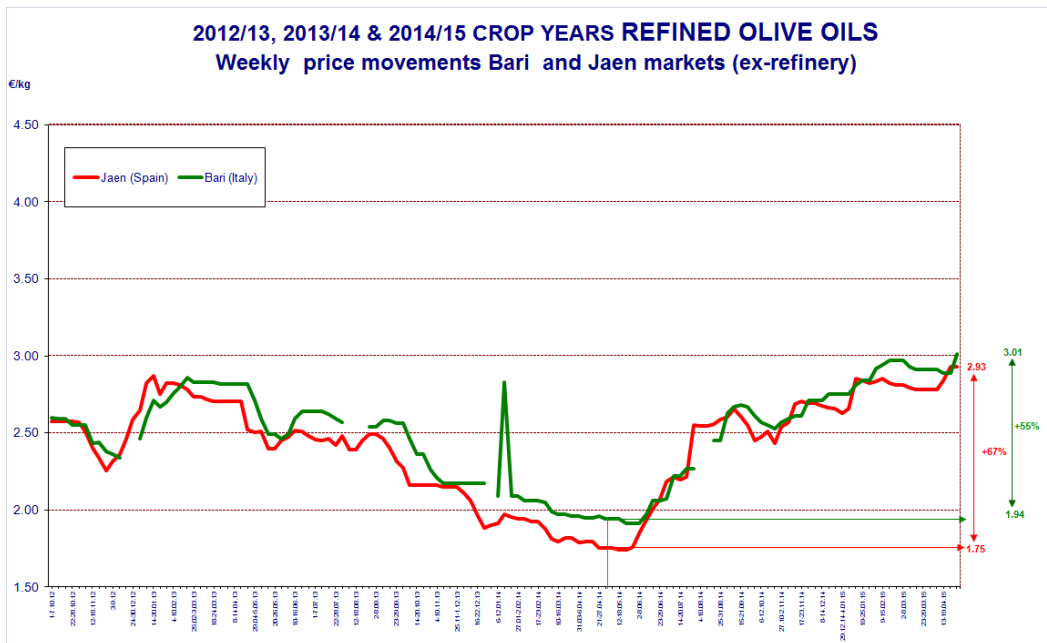


Graph 2

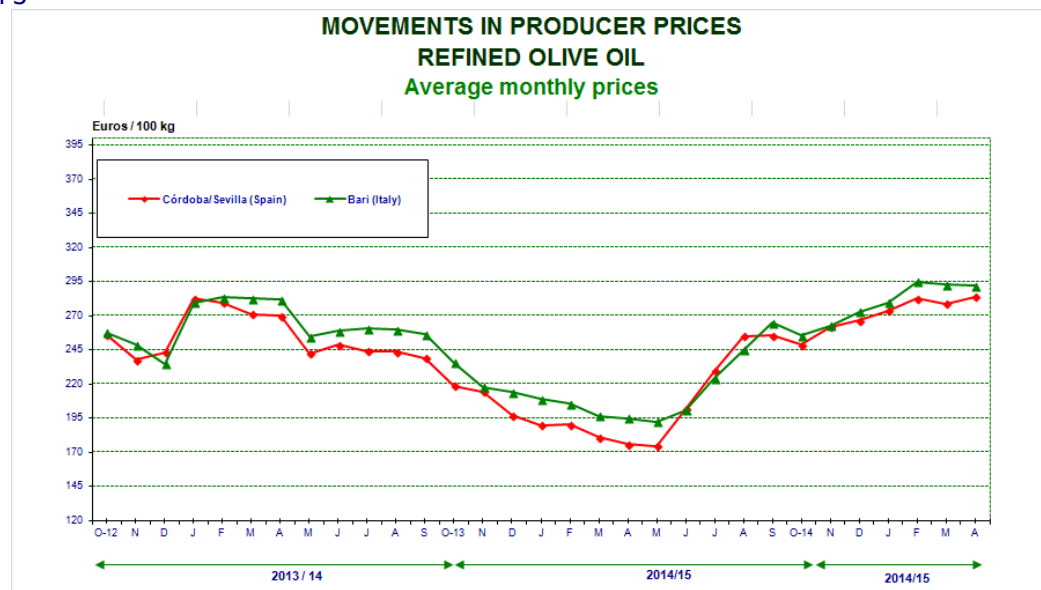


- **Refined olive oil:** After keeping to the same trend, producer prices for refined olive oil in Spain and Italy appeared to be drifting apart in recent weeks but have now shifted back into position with each other and reached the highest levels yet in the period analysed. In Spain they were standing at **€2.93/kg** at the end of April 2015, up by 67 pc on the same period of the preceding crop year. In **Italy** prices stood at **€3.01/kg** at the end of April 2015, translating into a period-on-period increase of 55 pc which restores Italian prices to their usual position above Spanish prices. No price data are available for this product category in Greece.

At the end of April 2015, the price of refined olive oil (€2.93/kg) and extra virgin olive oil (€3.41/kg) differed by €0.48/kg in Spain. In Italy, the difference in price between the two categories is considerably wider (€2.93/kg - Graph 3).



Graph 3



Graph 4

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