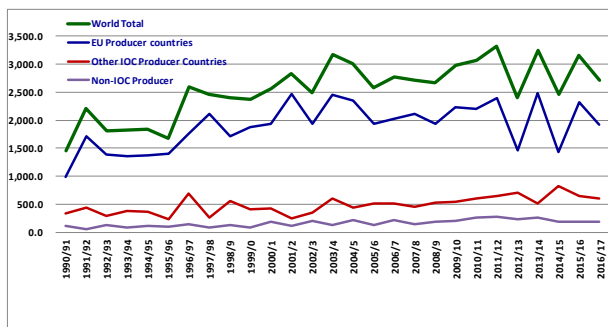




104th Session of the Council of Members– The 104th Session of the Council of Members was held at the IOC headquarters in Madrid over the week of 22 to 25 November 2016. During the session, the Economic Committee held its 18th meeting to discuss the olive oil and table olive figures presented in the balances for 2014/15 (final), 2015/16 (provisional) and 2016/17 (estimate), as well as production prices and global market trends. To see the balance figures adopted visit: http://www.internationaloliveoil.org/estaticos/view/134-approved-balances?lang=en_US

- **World olive oil balances for the 2015/16 and 2016/17 crop years**

The **2015/16 crop year** opened with 277 000 t of olive oil held in world stocks. **World production is assessed at 3 159 500 t**, up by 29% compared to 2014/15 (+ 701 500 t). The figure for the aggregate olive oil production of the IOC member countries stands at 2 964 500 t, equal to 94% of the world total. EU olive oil production is assessed at 2 322 000 t, up by 62% year-on-year. The individual figures show Spain in first place with 1 401 600 t, followed by Italy with 474 600 t, Greece with 320 000 t, Portugal breaking the 100 000 t barrier with 109 100 t, Cyprus with 6 000 t, Croatia with 5 500 t and Slovenia with 500 t. Overall output in the rest of IOC Members fell by 23%. The



leader of the group is Turkey with 143 000 t, followed by Tunisia (140 000 t), Morocco (130 000 t), Algeria (83 500 t at a constant increase), Jordan (29 500 t), Egypt (25 000 t), Lebanon (23 000 t), Argentina (19 000 t), Libya (18 000 t), Israel (15 000 t), Albania (10 500 t) and Iran (5 000 t). Production volumes in the remaining Members are on a smaller scale. Chart I shows the trend in world production, broken down by three producer groups: EU/IOC Members, other IOC Members and non-IOC Members.

Graph I – World olive oil production trends in recent crop years

World consumption in 2015/16 is provisionally assessed at 2 945 500 t, which is a 1% increase on the season before. The EU-28 consumed 1 618 500 t of this, for an overall increase of 1% (+14 000 t). The countries with the highest increases are Greece with 8% and Spain and Italy with 2% each, and the small producers (Cyprus, Croatia and Slovenia) which together post a 20% increase. Consumption in France however falls by 4%. The consumption figure for the rest of IOC member countries increases by approximately 7%. The biggest increases are seen in Iran (33%), Algeria (25%), Egypt (20%), Tunisia (17%), Libya (16%), Lebanon (11%), Argentina (8%) and Jordan (4%). Decreases are observed in Albania (-4%), Israel (-3%) and Turkey (-1%). The remaining countries post similar consumption rates to the previous crop year. Among the non-IOC Members, notable increases are observed in China (16%), Canada (9%), Russia (3%), the United States and Australia (5% each). Consumption however declined by 25% in Brazil and by 8% in Japan.

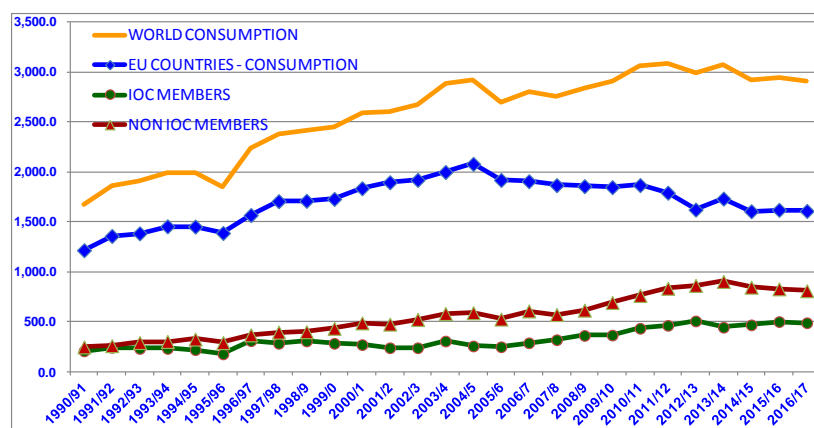
Olive oil imports in 2015/16 totalled 822 500 t, while exports came in at 829 500 t.

According to the latest official estimates **world olive oil production in 2016/17** is expected to fall by 14%, coming in at around 2 713 500 t. The aggregate output of IOC member countries is estimated at 2 519 000 t. EU producers are expected to account for 1 923 000 t of this tonnage, showing a 17% year-on-year decrease. The breakdown shows production forecasts of 1 311 300 t for Spain (-6%), followed by Greece with 260 000 t (-19%); Italy with 243 000 t (-49%), and Portugal with 93 600 t (-14%). Smaller tonnages are forecast for the rest of EU producers. Elsewhere among the IOC membership, olive oil production is forecast to be 7% lower than in 2015/16. Tunisia would take the biggest hit with a production of 100 000 t (-29%), followed by Morocco with 110 000 t (-15%), Algeria with 74 000 t (-11%), Jordan with 23 000 t (-22%), Lebanon with 20 000 t (-13%), Argentina and Libya with 15 500 t (-18% and -14% respectively). The countries that are forecast to increase their output are Turkey with 177 000 t (+24%), Egypt with 27 000 t (+8%), Israel with 16 000 t (+7%) and Albania with 11 000 t (+5%). The remaining countries present smaller production volumes.



World olive consumption for 2016/17 is forecast at 2 904 000 t, which would be 1% below the last crop year. Graph II illustrates the world consumption trends in three groups of countries: European consumer countries, IOC member countries and non-IOC Members.

Graph II – World olive oil consumption trends over the last 26 crop years



Historical time series data (1990/91–2015/16) for production, consumption, imports and exports of olive oil and table olives can be found at:

<http://www.internationaloliveoil.org/estaticos/view/131-world-olive-oil-figures>
and: http://www.internationaloliveoil.org/estaticos/view/132-world-table-olive-figures?lang=en_US

IOC PARTICIPATION IN COP 22

As we reported in our last newsletter, the International Olive Council (IOC) participated in the 22nd session of the **Conference of the Parties to the United Nations Framework Convention on Climate Change (COP22)**, which was held in Marrakech (Morocco) from 7 to 18 November 2016, and whereby the UN sought to adopt a framework for action against global warming.

For this event, the IOC invited all IOC member countries to participate in a conference on 16 November entitled “Olive Oil, the liquid gold helping to reduce greenhouse gas emissions”. During this conference, the IOC, through the presentations of recognised international experts, was able to highlight the corpora of scientific studies that indicate that **olive growing has positive effects on the environment and that the adoption of appropriate agricultural practices helps to increase the capacity for atmospheric CO2 sequestration** in permanent vegetative structures (biomass) and in the soil.

Woody crops, such as olive trees, are particularly efficient, compared to other annual crops, in capturing atmospheric CO2 and storing it as carbon in organic matter. Furthermore, olive trees can be grown in areas with a rainfall of less than 450 mm, typical of the semi-arid Mediterranean climate, where the boundary of the forest spread lies. Olive trees can store as much or more carbon than these forests.

A scientific consensus has now been reached that olive trees have a **positive carbon balance** and that they have a real positive impact and offer a real “environmental service” to society.

According to studies published to date, while an average of 1.5 kg of CO2e is emitted into the atmosphere throughout the life cycle of the production of one litre of olive oil, the adoption of appropriate agricultural practices enables the olive tree to sequester approximately 11.5 kg of CO2 in the soil, resulting in a clearly positive balance of 10 kg of CO2. Furthermore, the increase of carbon levels in the soil improves the biotic biodiversity of the soil and the upper parts of plants and improves the rainwater storage capacity of the soil.

The IOC shared a short video in support of its overarching message that **“Olive oil is good for your health and for the environment”**.

https://mega.nz/#!iQMyHThA!2bpvJTZIKEMlrETiBAs9AMY9_H0iYLd4LYXBwJ5YoZ8



I. WORLD TRADE IN OLIVE OIL AND TABLE OLIVES

1. OLIVE OIL – 2015/16

As can be seen in the table below, at the close of the 2015/16 crop year (October 2015 – September 2016) imports of olive oil and olive pomace oil in the eight markets that appear in the table below presented a year-on-year increase of 18% in Australia, 12% in China, 8% in Canada, 7% in the United States and 4% in Russia, whereas they fell in Brazil (-25%) and Japan (-8%).

In the EU¹, the 11-month figures for the current crop year (October 2015–August 2016) showed a 6% drop in intra-EU acquisitions and a 56% drop in extra-EU imports compared to the previous crop year.

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

No	Importing country	October 14	October 15	November 14	November 15	December 14	December 15	January 15	January 16	February 15	February 16	March 15	March 16	April 15	April 16	May 15	May 16	June 15	June 16	July 15	July 16	August 15	August 16	September 15	September 16
1	Australia	3125.1	1717.8	2391.8	1818.9	1652.1	1265.9	1856.8	2065.8	1607.8	2109.3	1790.4	2868.5	1727.6	2324.4	1721.5	3119.8	1646.9	2384.0	1881.9	1635.9	1883.4	2839.4	1537.8	2699.0
2	Brazil	9584.6	5529.5	7269.9	4853.6	6249.3	2689.6	6367.2	4394.6	5517.4	3169.2	6662.1	2680.4	4769.3	4079.5	2781.4	3915.1	3971.6	4150.9	4613.7	4735.2	5267.2	5193.3	4594.9	5278.2
3	Canada	3985.0	3092.5	3257.6	2875.6	3070.4	3193.2	2343.1	3015.8	3009.0	3834.0	2873.2	3745.1	4118.7	3883.2	4231.3	3672.0	3353.7	3618.7	3368.0	3072.6	2395.3	4484.6	2934.9	3441.3
4	China	2410.8	3106.7	3651.5	3219.6	3530.5	6015.2	2850.1	3067.6	1471.1	1501.0	2503.5	3680.2	2835.5	2575.8	2534.2	3062.6	4139.4	2215.7	4161.0	4900.3	3361.2	3682.6	2449.8	3263.9
5	Japan	4776.0	4492.0	4735.0	3791.0	3955.4	3097.0	4531.0	3402.0	3474.0	3916.0	6753.0	4876.0	6319.0	5608.0	6550.0	6437.0	4603.0	4896.0	5129.0	5993.0	5473.5	5401.5	5595.0	5229.0
6	Russia	4259.5	1785.8	3182.4	2084.0	2653.1	1940.6	1513.0	1390.1	1216.5	1765.0	1586.2	2424.1	1163.1	2652.8	1126.1	1735.9	1612.2	1776.6	1882.4	2285.7	1486.4	2488.8	1656.3	1895.8
7	USA	2332.0	2658.0	28449.8	20324.3	19755.6	23627.0	24296.3	26922.3	27443.4	22368.4	27053.3	35723.2	31125.9	25427.8	25985.9	34772.1	31444.9	32210.2	28484.5	22610.4	23531.4	34677.1	2361.0	24525.0
8	Extra-EU27	6722.0	17568.3	6801.8	8433.7	14707.0	10600.9	18871.7	8787.2	22619.4	11346.1	26731.0	12666.1	32426.3	5493.6	28187.5	7738.3	25734.0	6948.0	2316.0	6067.2	22293.1	5557.0	13465.6	nd
	Intra-EU27	89729.0	65823.0	98016.0	81263.5	122803.0	112768.4	102347.8	96573.4	107246.2	102171.0	105629.9	89644.1	91127.9	88969.7	94720.7	89708.5	83713.3	96192.2	85017.7	91112.7	77528.6	85375.0	72119.8	nd
	Total	147924.0	131695.6	157765.8	128664.2	177386.3	165197.8	164977.0	149618.8	173604.8	152180.0	181595.6	158287.7	175658.3	141014.6	166938.6	153551.3	160219.0	154392.3	157854.2	142013.0	143319.1	150179.3	126415.1	

2. TABLE OLIVES – 2015/16

At the close of the 2015/16 crop year (October 2015–September 2016) imports in table olives in the six markets that appear in the table below presented a year-on-year increase of 9% in Australia, 3% in Canada and 1% in the United States. Imports however decreased by 1% in Brazil and 3% in Russia.

EU² data for the first eleven months of the 2015/16 crop year (October 2015 – August 2016) present a year-on-year increase in intra-EU acquisitions of 3% and extra-EU imports of 3%.

Table Olive Imports (t)

No	Importing country	October 14	October 15	November 14	November 15	December 14	December 15	January 15	January 16	February 15	February 16	March 15	March 16	April 15	April 16	May 15	May 16	June 15	June 16	July 15	July 16	August 15	August 16	September 15	September 16
1	Australia	1547.0	1156.0	1234.0	1469.0	1580.0	1682.0	1408.0	1355.0	1064.0	1116.0	1416.0	1875.0	1365.0	1505.0	1316.0	1367.0	1154.0	1226.0	1405.0	1208.0	975.0	1530.0	1376.0	1705.0
2	Brazil	12930.3	7793.4	10285.5	9311.3	8685.1	8834.9	8007.7	6034.8	6715.2	7737.9	9256.8	8273.8	8610.0	7701.3	9197.6	7789.3	8558.6	9137.3	8822.6	8373.0	6790.3	10627.8	7394.7	10420.7
3	Canada	2413.0	2636.0	2489.0	3090.0	2810.0	3003.0	2144.0	1494.0	2390.0	1843.0	1890.0	2738.0	2704.0	2280.0	2721.0	2821.0	2500.0	3237.0	2568.0	2088.0	2341.8	2498.7	2186.0	2237.0
4	Russia	11076.5	6646.9	8719.1	7216.6	7288.0	5467.0	3413.8	3970.7	2313.8	3548.3	3292.9	4589.4	3564.1	4285.0	2856.5	4569.8	4034.7	4090.2	3646.3	4279.6	4804.4	5218.7	6245.1	5246.0
5	USA	10367.0	12738.0	10164.0	11635.0	12219.0	11997.0	11629.0	8133.0	10732.0	11348.0	16677.0	15441.0	13795.0	11179.0	14616.0	12329.0	11579.0	13725.0	15387.0	12948.0	12520.0	19170.0	12256.0	13398.0
6	Extra-EU27	8283.2	6386.7	7032.3	7133.3	8053.5	7836.3	7666.5	7633.0	6899.9	7568.4	9333.8	8731.2	8866.4	10433.6	7215.6	9244.4	8021.8	8631.0	8362.4	6885.8	5768.8	7473.1	5972.3	nd
	Intra-EU27	27945.4	30114.0	23889.4	31646.4	27859.4	30882.0	22021.7	21716.1	23698.1	22609.5	27484.3	26037.7	26315.7	24834.6	27319.9	26388.9	30542.8	28095.8	30222.0	29515.6	22692.1	25845.6	26220.1	nd
	Total	74562.4	67471.0	67393.3	71501.6	68495.0	69702.2	56290.7	50336.6	53813.0	55771.1	69350.8	67686.1	65220.2	62218.5	65242.6	64519.4	66390.8	68142.3	68413.3	65298.0	55892.3	72363.9	61650.2	

II. PRODUCER PRICES – OLIVE OILS

Graph 1 tracks the weekly movements in prices paid to producers for extra virgin olive oil in the top three European producing countries and Tunisia, while Graph 3 shows the weekly changes in producer prices for refined olive oil in the main three EU producers. The monthly price movements for these grades of oil are tracked in Graphs 2 and 4.

Extra virgin olive oil – Producer prices in Spain increased at a constant rate over the last few weeks coming in at **€3.37/kg at the end of November 2016**, which is a 10% year-on-year increase. If we compare this price with the maximum amount for the third week in August 2015 (€4.23/kg) it shows a 20% decrease (Graph 1).

¹ The September 2016 data for the EU were not available at the time of publication of this Newsletter.

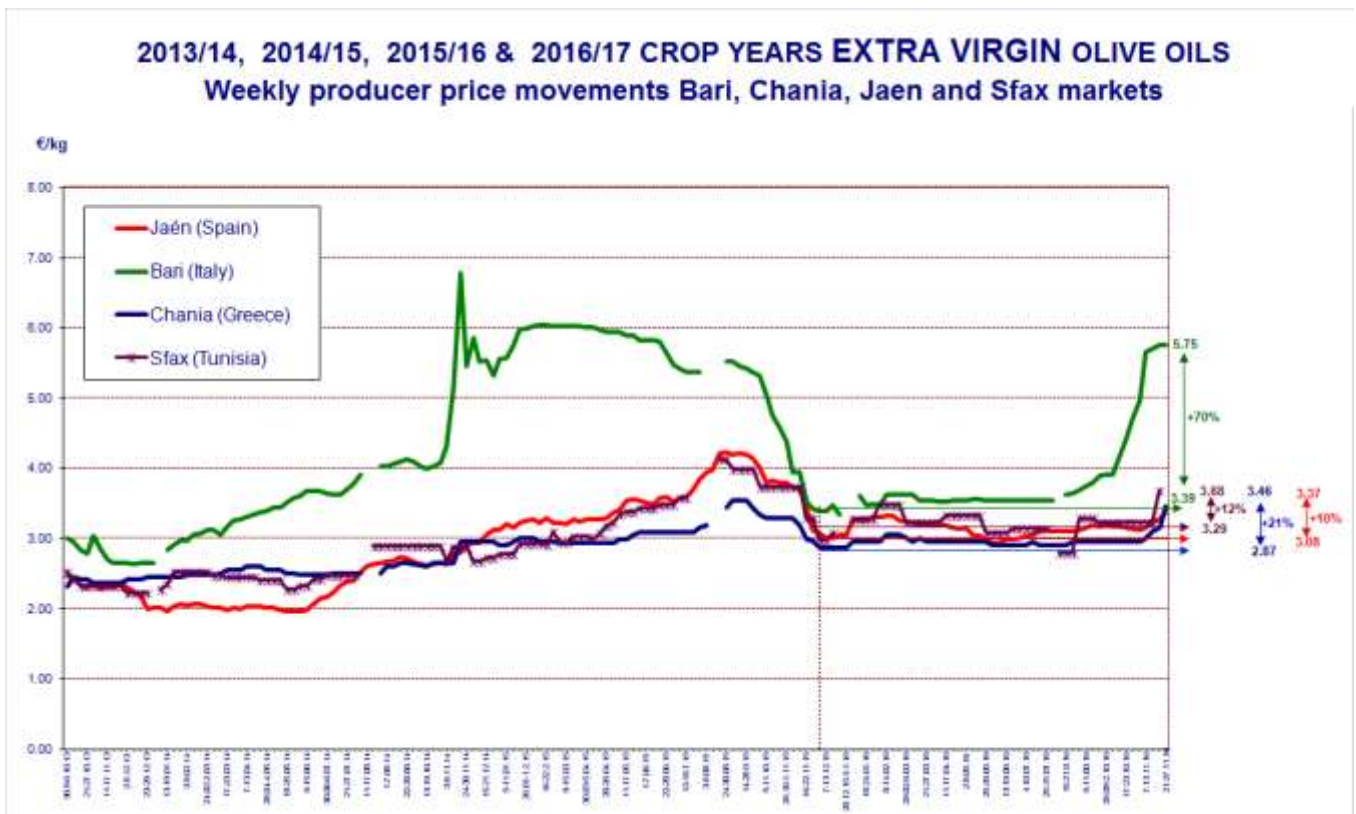
² The September 2016 data for the EU were not available at the time of publication of this Newsletter.



Italy – Producer prices in Italy started to climb at the beginning of August, intensifying at the beginning of November and breaking the €5 barrier at **€5.75/kg** at the end of November. This is a 70% year-on-year increase. Graph 2 shows how the monthly prices of extra virgin oil behaved in recent crop years.

Greece – Prices in Greece remained stable from mid-August until the beginning of November but, as in other markets, started to climb in recent weeks to come in at **€3.46/kg** at the end of November 2016, which is a 21% year-on-year increase.

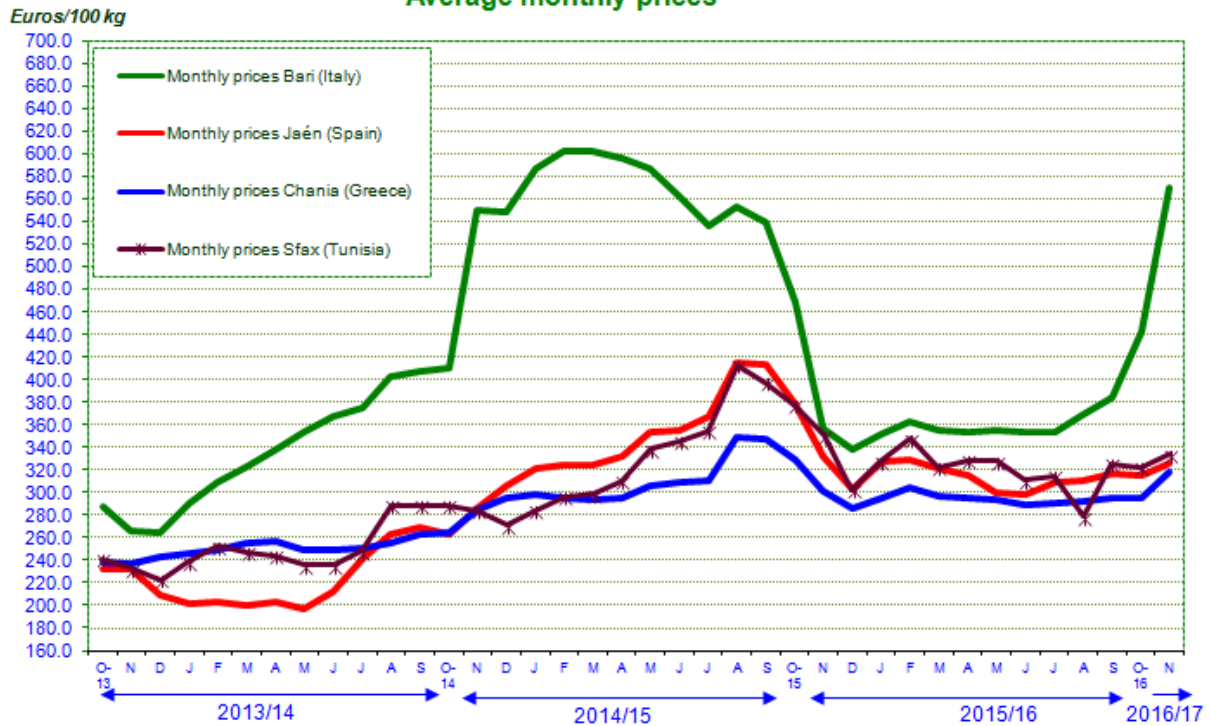
Tunisia – The prices in Tunisia had remained stable over the last few weeks, but then started to climb up to **€3.68/kg** at the end of November, which is a 12% increase compared to the same period the previous year.



Graph 1



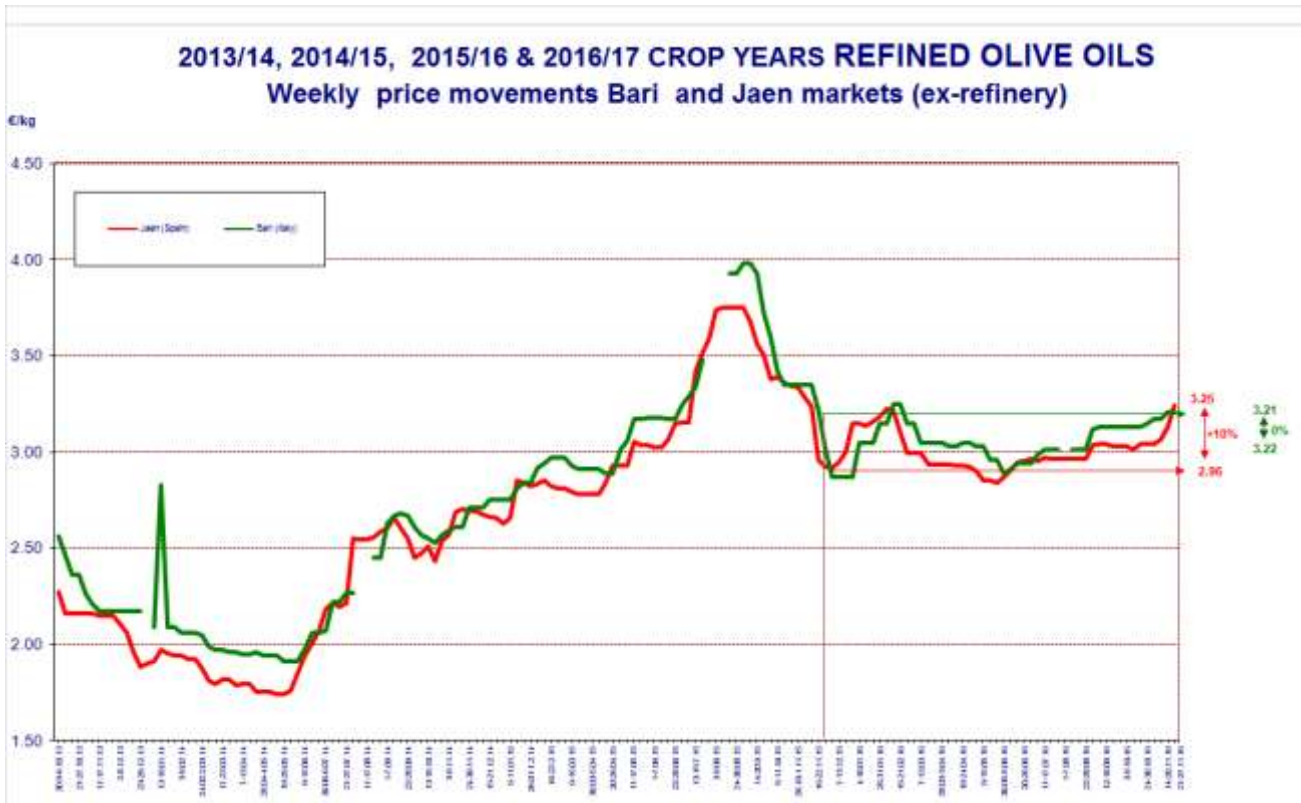
MOVEMENTS IN PRODUCER PRICES
EXTRA VIRGIN OLIVE OIL
Average monthly prices



Graph 2

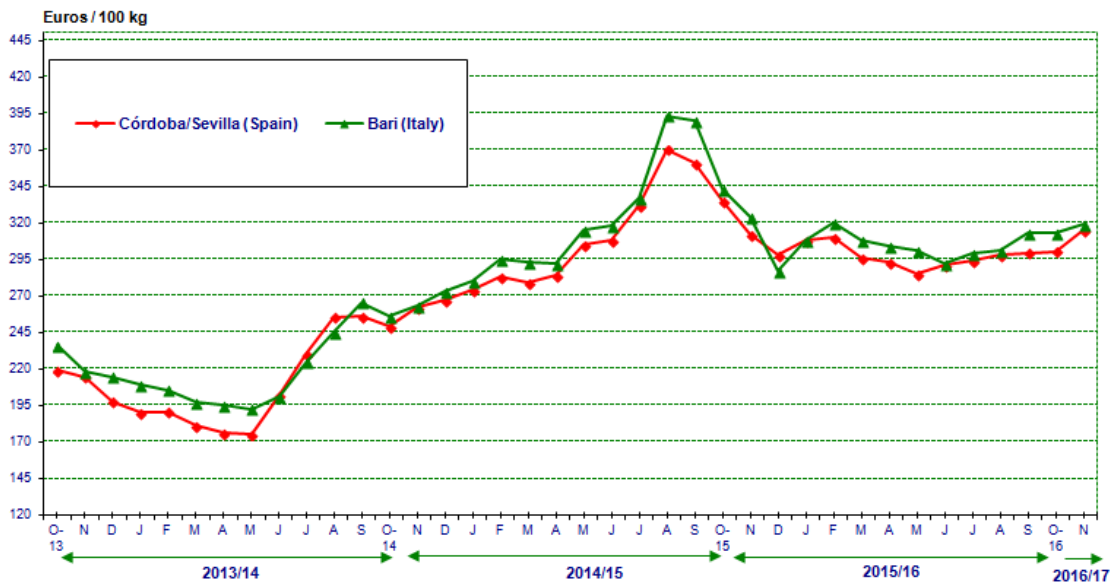
- Refined olive oil:** The prices of refined olive oil in Spain and Italy generally follow the same trend as the price of extra virgin olive oil. In **Spain**, they came in at **€3.25/kg**, which was a 10% increase on the same period the previous year. However, while prices for virgin oils in **Italy** rose in recent weeks, refined olive oil remained stable, coming in at **€3.21/kg** at the end of November, whereby there is no year-on-year change. No price data are available for this product category in Greece.

At the end of November 2016 the price of refined oil (€3.25/kg) and extra virgin oil (€3.37/kg) differed by €0.12/kg. In Italy, the difference in price between the two categories is wider than in Spain at €2.54/kg (Graph 3).



Graph 3

MOVEMENTS IN PRODUCER PRICES
REFINED OLIVE OIL
Average monthly prices



Graph 4

Stay tuned:

- **Read our scientific journal OLIVAE: OLIVAE:** <http://www.internationaloliveoil.org/store/index/48-olivae-publications>
- **Keep track of what's going on in the industry:** <http://www.scoop.it/t/olive-news>
- **Find out what's happening at the IOC:** <http://www.linkedin.com/company/international-olive-council>