

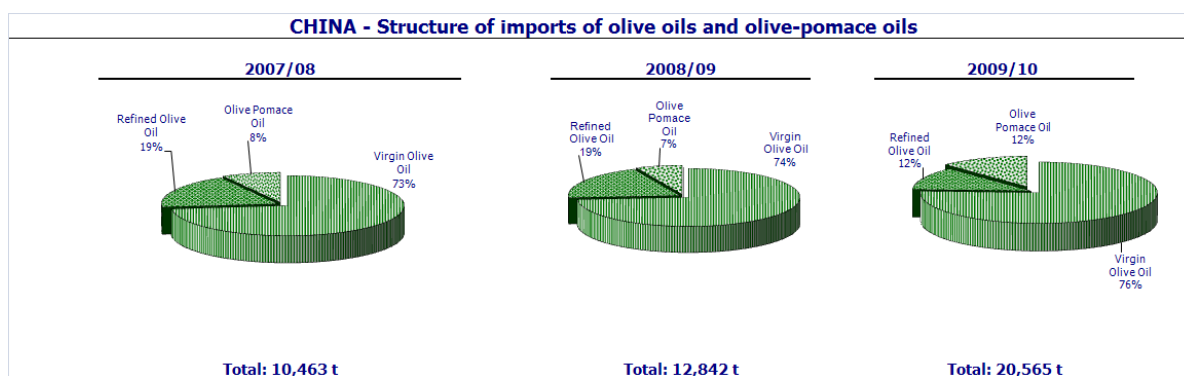
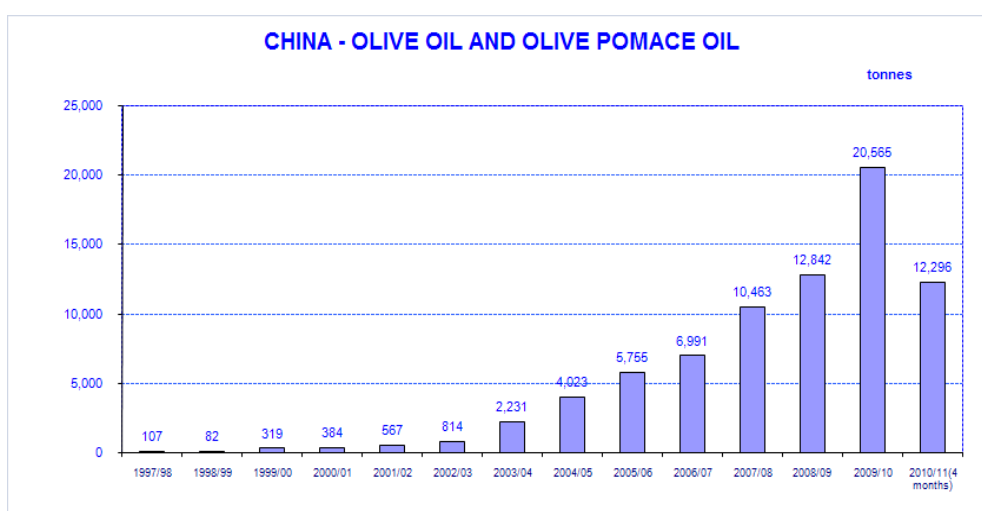


WORLD OLIVE OIL MARKET

1. OLIVE OIL IMPORTS INTO CHINA, RUSSIA AND INDIA: TRENDS AND STRUCTURE

CHINA

According to figures released by *Global Trade International*, imports of olive oil into China in 2009/10 recorded a season-on-season increase of 60%. The 27-Member European Union (EU) was the main source, accounting for 89% of China's imports. Inside the EU, Spain was the chief supplier (42%), followed by Italy (39%), Greece (7%) and Portugal (1%). Other exporters to China were Syria (4%), Australia (3%) and Turkey (2%). When broken down by product category, extra virgin olive oil accounted for 76% of import volume in 2009/10, followed by refined olive oil and olive-pomace oil with equal 12% shares. The next bar and pie charts show the trend and structure of imports over time. Significantly, in the first four months of 2010/11 imports totalled more than half the volume of imports over the 12 months of the preceding crop year.



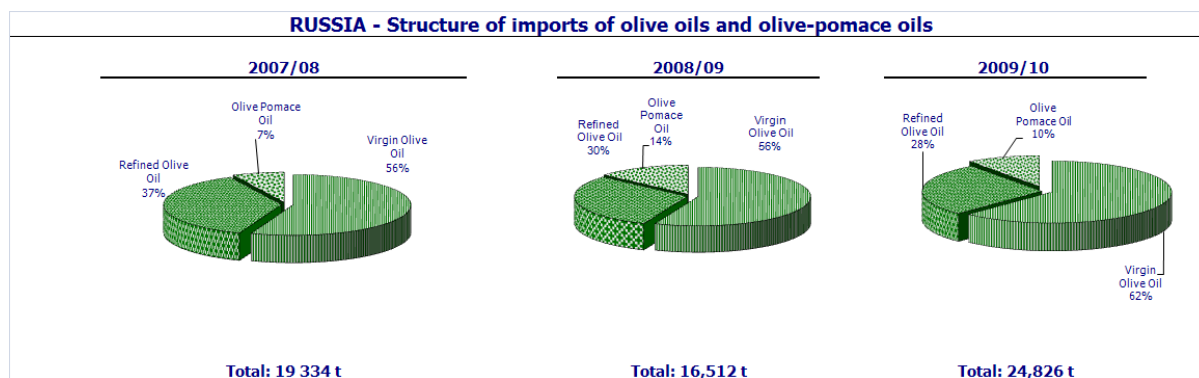
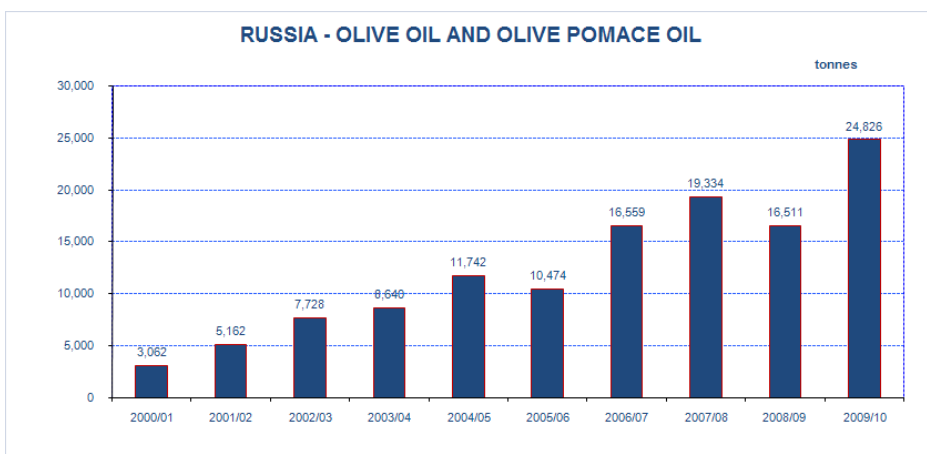
Source: IOC, compiled from *Global Trade International* data.

RUSSIA

According to the same source, Russia imported close to 25 000 t of olive oil in 2009/10. This represents an increase of 50% on the season before. When viewed over the last 10 crop years, the increase works out at 30%, albeit with ups and downs in 2005/06 and 2008/09. Ninety-three per cent of imports were from EU/27 countries, the principal suppliers being Spain (62%), Italy (25%) and Greece (6%). The shares of Tunisia and Turkey were 4% and 3%, respectively. The breakdown by product category for 2009/10 shows shares of 62% for extra virgin, 28% for refined and 10% for pomace.



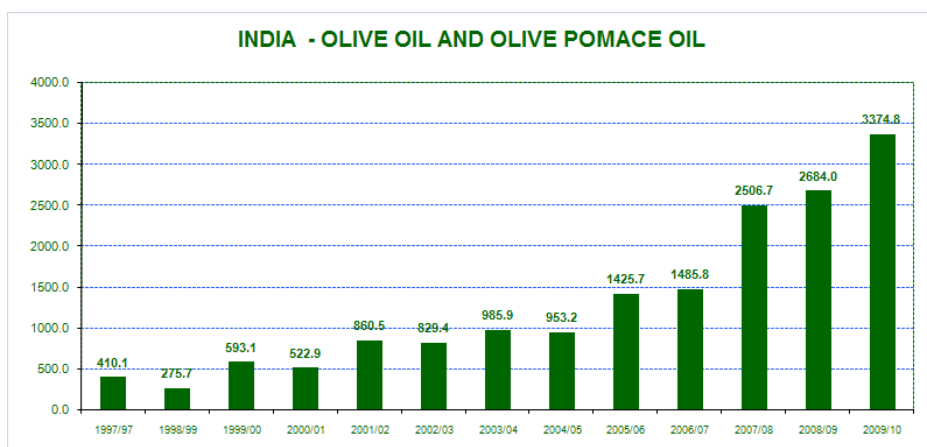
MARKET COMMENTARY



Source: IOC, compiled from *Global Trade International* data.

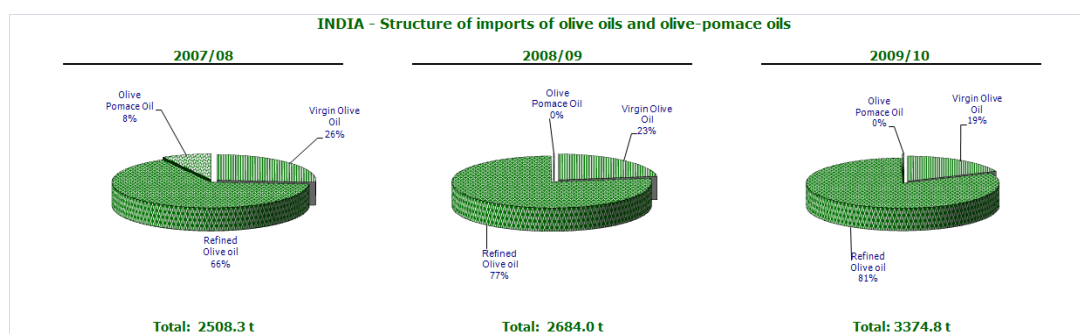
INDIA

The volume of imports into India remains modest according to the source cited below. During 2009/10, India imported 3 374.4 t of olive oil, translating into a year-on-year rise of +26%. Countries from the EU/27 supplied 94% of its imports, split between Spain with 60% and Italy with 34%. Turkey accounted for 5% of India's imports. During the same crop year, only 19% of import volume was extra virgin grade; the remaining 81% was refined olive oil. The following charts trace the changes in the olive oil market and the structure of imports in this country.





MARKET COMMENTARY



Source: IOC, compiled from data of the Directorate General of Foreign Trade, Ministry of Commerce & Industry, India
Data from April to March e.g. 2009/10 means Apr'2009 to Mar'2010

2. INTERNATIONAL TRADE: 2010/11 OPENS WITH +12% IN FIRST TWO MONTHS OF SEASON

In the first two months of 2010/11 aggregate imports by the six countries listed in the next table climbed by 12% compared with the same period the season before.

Over the first three cumulative months of the season (October – December), imports by Australia recorded a big increase (+20%). They also rose into the United States (+11%), Brazil (+9%) and Canada (7%) whereas they decreased into Japan (-7%). EU data were not available for December at the time of publishing this newsletter, but they did record a small increase (+3%) in the first two months compared with the season before.

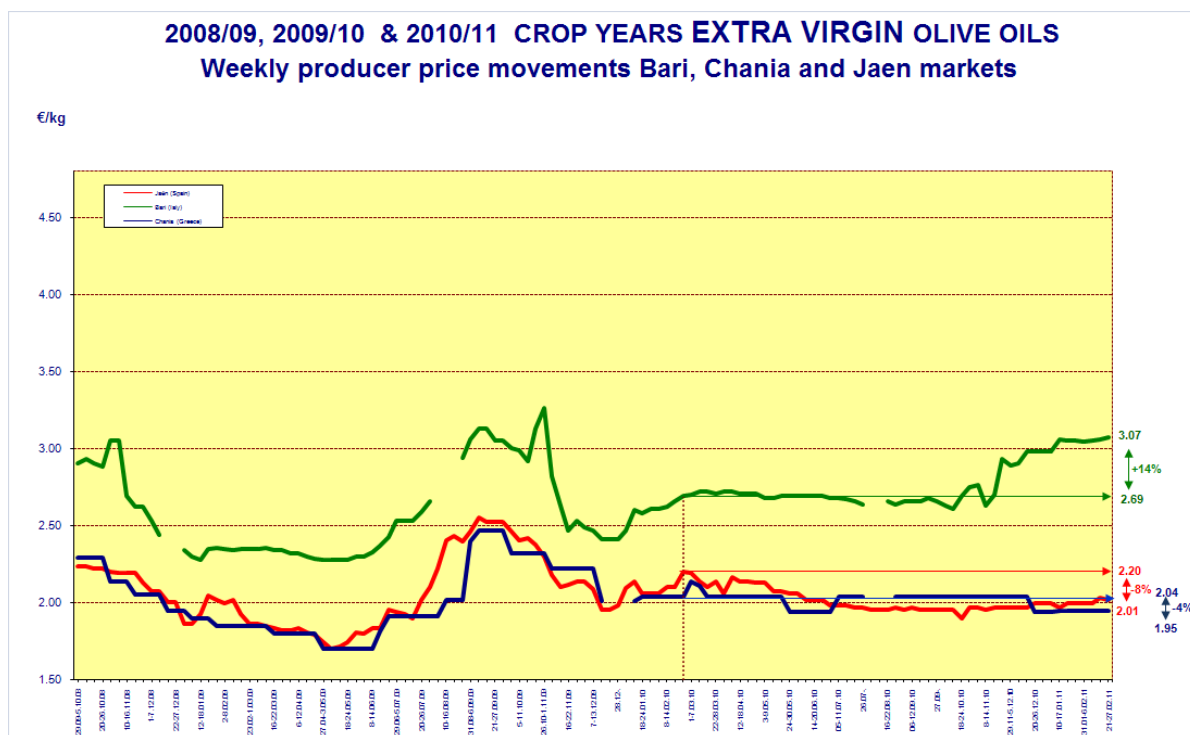
Olive oil imports (including olive-pomace oils) (t)

No	Importing country	October 09	October 10	November 09	November 10	December 09	December 10
1	Australia	2309.0	2492.8	3016.0	3519.0	2580.0	3505.0
2	Brazil	5499.0	6852.5	6154.4	5906.6	5557.8	6002.8
3	Canada*	3043.0	3494.0	4109.0	3498.0	2846.0	3702.0
4	Japan	2729.0	2911.0	2936.0	2651.0	3774.0	3181.0
5	USA	23098.0	25040.5	22746.0	20490.0	22136.0	30118.0
6	EU/27 (Intra+Extra EU)	82986.8	85665.1	72338.9	95273.8	82266.6	n.d.
	Total	119664.8	126455.9	111300.3	131338.4	119160.4	

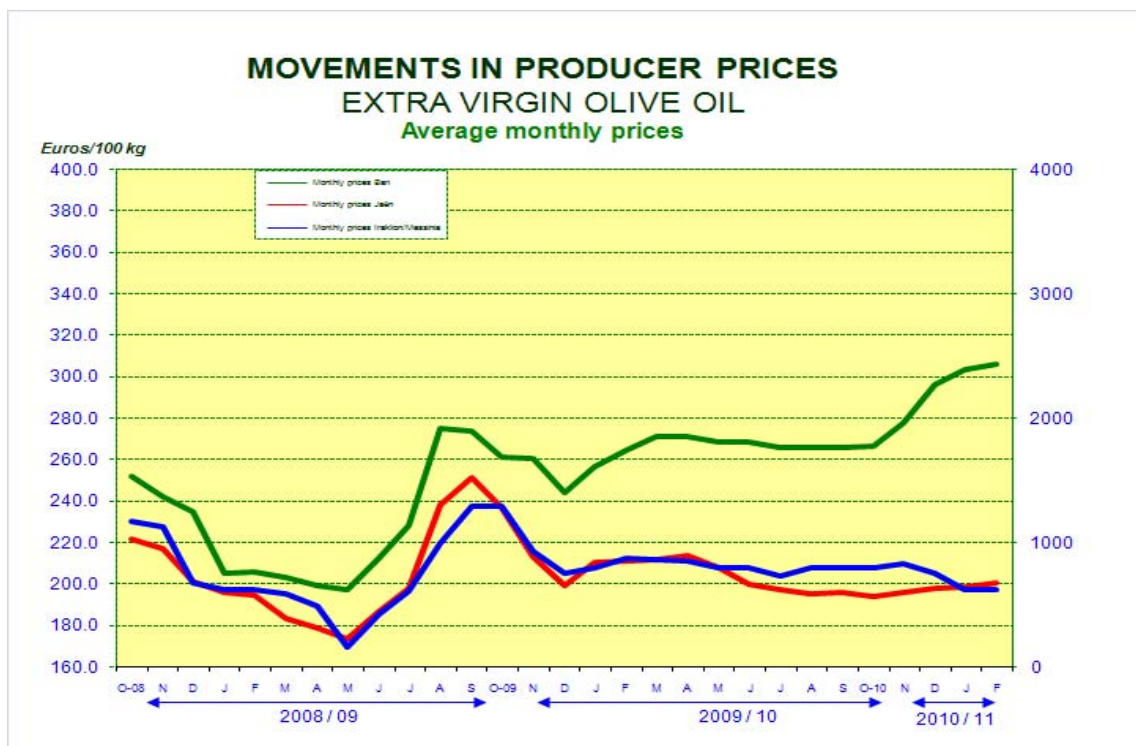
MOVEMENTS IN PRODUCER PRICES

Graphs 1 and 3 track the weekly movements in the producer prices paid 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 and refined olive-pomace oils are shown in Graphs 2, 4 and 5 respectively.

- Extra virgin olive oil: Comparison with the same period of the year before reveals that current prices have dropped by 8% in Spain (€2.01/kg) and 4% in Greece (€1.95/kg) while in Italy they moved in the opposite direction, going up by 14% to (€3.07/kg – Graph 1). Recent weeks have seen a steep rise in prices in Italy, contrasting with a small drop in Greece and stability in Spain, although there was a timid upturn in the last weeks of February 2011. This tends to confirm the growing distance between the prices paid to producers in Italy and those paid in Spain and Greece.

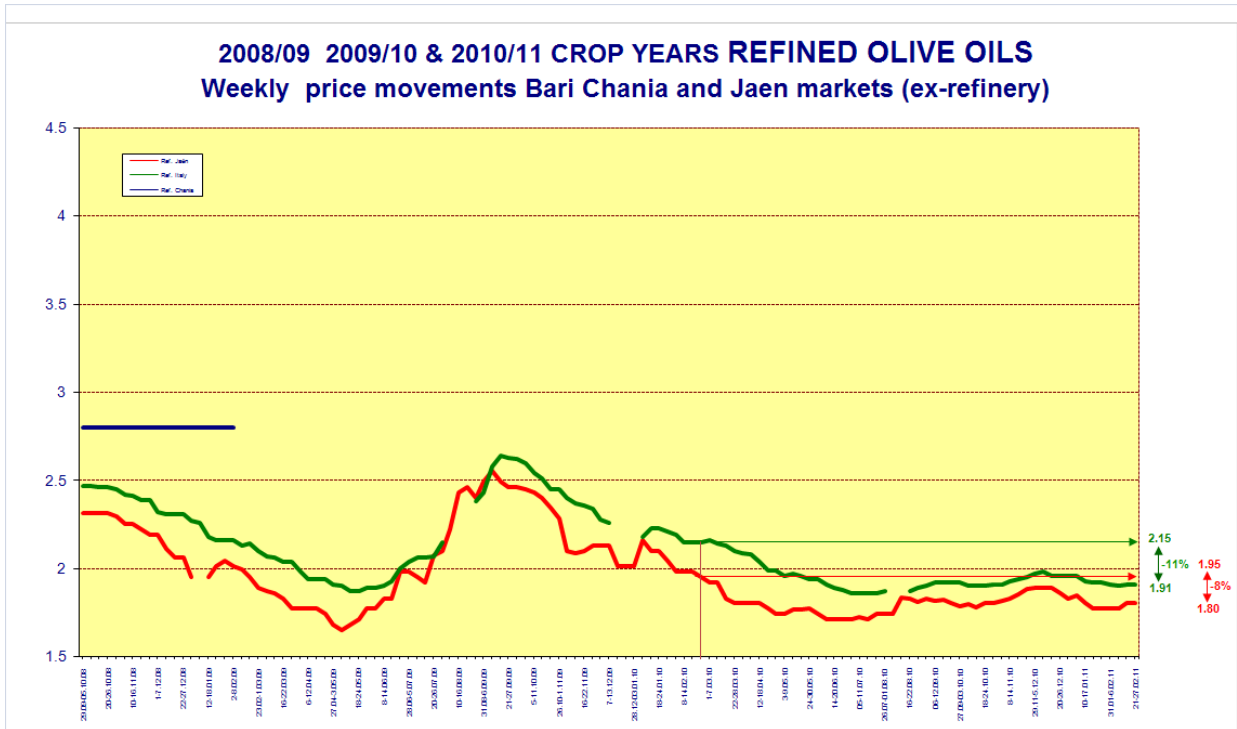


Graph 1

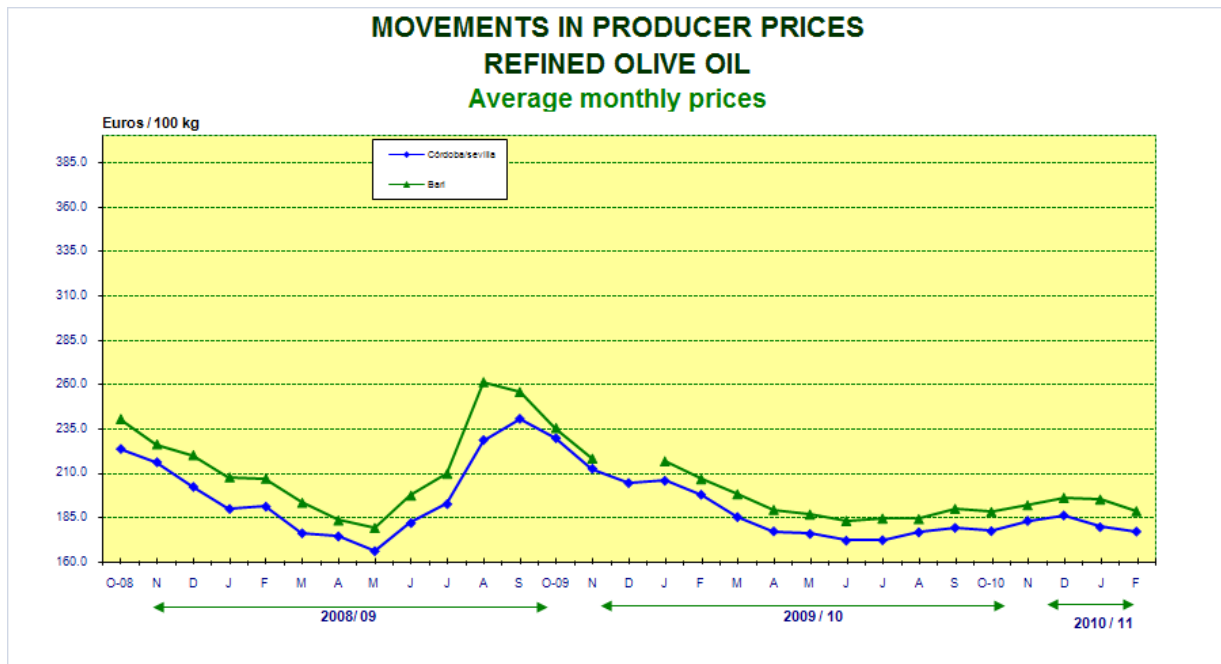


Graph 2

- Refined olive oil:** The same comparison for refined olive oil shows that prices have dropped by 8% (to €1.80/kg) in Spain and 11% (€1.91/kg) in Italy (Graph 3) from season-before levels. No data are available for Greece. The very mild price recovery that began in August 2010 continued through to mid-December, since when the trend seems to have reversed. The bulk of this recovery appears to have been lost although there have continued to be minor price fluctuations since the summer.



Graph 3

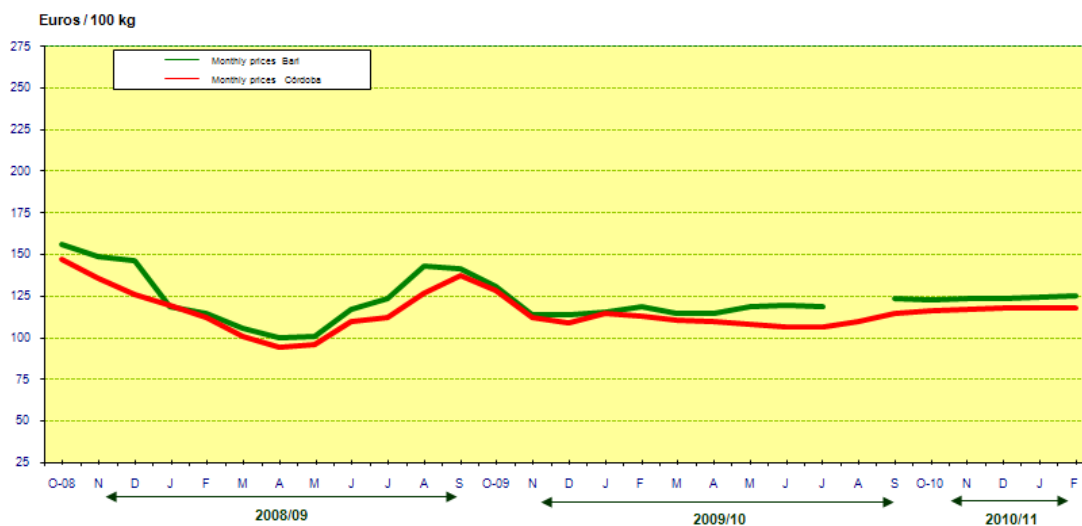


Graph 4



MARKET COMMENTARY

MOVEMENTS IN REFINERY PRICES
REFINED OLIVE-POMACE OIL
Average monthly prices



Graph 5