MARKET NEWSLETTER
No 48 – March 2011

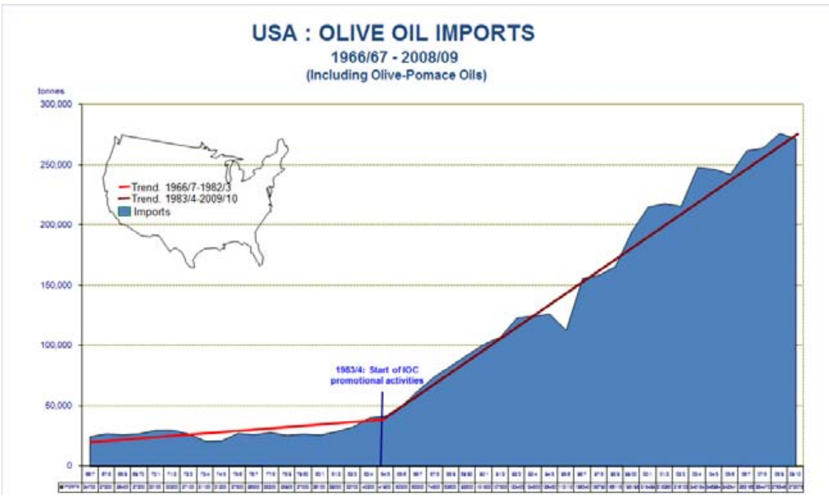
WORLD OLIVE OIL MARKET

1. TRENDS AND STRUCTURE OF IMPORTS INTO THE USA, THE WORLD'S LEADING OLIVE OIL IMPORTER

Market research conducted by the IOC in 2010 reported 15% growth in the U.S. olive oil market through the five years from 2004 to 2009 when consumption climbed from 2.5 million hectolitres to 2.9 million hectolitres. This growth is expected to continue, with consumption forecast to reach 3.2 million hectolitres in 2013. The research recommends focusing IOC promotion on retail where it is easier to influence consumers. To find out more go to:
http://www.internationaloliveoil.org/estaticos/view/389-market-research

The IOC will be undertaking a promotion campaign in the USA and Canada and intends to make the campaign launch coincide with the Fancy Food Show in Washington D.C., 10–12 July 2011. The invitation for tenders will be published in the *Contracts, grants and vacancies* section of the IOC website (**www.internationaloliveoil.org**) in mid-April 2011.

The IOC carried out its first promotional activities in the USA back in 1983/84. The result was a proven success. Taking 83/84 as the base year, comparison of the two six-season periods 77/78–82/83 and 83/34-88/89 shows that imports increased by 110%. Average imports for the ten crop years between 2001/02 and 2010/11 (246 281 t) have climbed by 79% versus the previous 10-season average (137 290.2). This upward movement is traced in the graph below. US imports reached an all-time high in 2008/09 (276 584 t), recording a 5% increase on the season before and a 9% rise from the average of the previous four crop years.



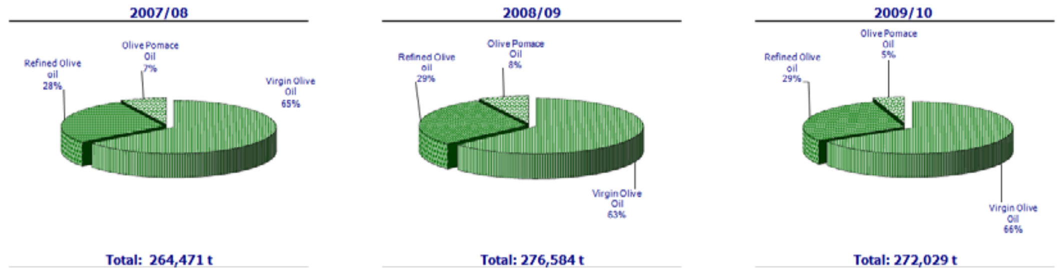
European Union countries are the USA's chief suppliers. In 2009/10, 81% of US imports were from EU/27 countries. Italy was the EU's top exporter, accounting for 54%, followed by Spain with 25%. The other suppliers, by order of volume, were Tunisia (9%), Morocco and Turkey (3%) and Argentina (2%) (*Table 1*). Broken down by product grade, 66% of import volume was extra virgin, 46% of which was packed in containers <18kg; 29% was refined olive oil and only 5% was olive pomace oil.

OLIVE OILS IMPORTS, BY COUNTRY OF ORIGIN (including olive-pomace oils)

Origin	2005/06 t	2005/06 %	2006/07 t	2006/07 %	2007/08 t	2007/08 %	2008/09 t	2008/09 %	2009/10 t	2009/10 %
France	616	0.3	611	0.2	700	0.3	237	0.1	108	0.0
Greece	4,539	1.9	5,208	2.0	4,728	1.8	4,983	1.8	4,218	1.6
Italy	146,726	60.5	155,164	59.2	150,683	57.0	150,693	54.5	145,669	53.5
Portugal	2,738	1.1	2,881	1.1	2,192	0.8	1,558	0.6	2,059	0.8
Spain	43,568	18.0	46,363	17.7	57,369	21.7	60,273	21.8	67,366	24.8
Others EU/27	352	0.1	110	0.0	135	0.1	467	0.2	93	0.0
Algeria	15	0.0	0	0.0		0.0	0	0.0	0	0.0
Argentina	8,162	3.4	7,523	2.9	8,566	3.2	7,915	2.9	5,439	2.0
Egypt	316	0.1	401	0.2	433	0.2	102	0.0	26	0.0
Morocco	5,336	2.2	2,002	0.8	3,269	1.2	1,589	0.6	8,486	3.1
Israel	157	0.1	1,015	0.4	685	0.3	874	0.3	246	0.1
Lebanon	618	0.3	1,041	0.4	783	0.3	912	0.3	724	0.3
Tunisia	13,351	5.5	21,967	8.4	27,269	10.3	36,389	13.2	25,593	9.4
Turkey	12,231	5.0	14,315	5.5	3,585	1.4	6,570	2.4	7,963	2.9
Australia	2,188	0.9	1,623	0.6	2,065	0.8	2,574	0.9	2,050	0.8
Canada	41	0.0	23	0.0	63	0.0	173	0.1	96	0.0
Others	1,587	0.7	1,920	0.7	1,946	0.7	1,275	0.5	1,893	0.7
Total	**242,542**	**100.0**	**262,167**	**100.0**	**264,471**	**100.0**	**276,584**	**100.0**	**272,029**	**100.0**
EU/27	198,541	81.9	210,337	80.2	215,807	81.6	218,211	78.9	219,513	80.7
Extra-EU	44,001	18.1	51,830	19.8	48,664	18.4	58,373	21.1	52,516	19.3

Tabla 1

USA - Structure of imports of olive oils and olive-pomace oils



2. INTERNATIONAL TRADE: 2010/11 OPENS WITH + 17% IN FIRST THREE MONTHS OF SEASON

In the first three months of 2010/11 aggregate imports by the six countries listed in the next table climbed by (59 928.4), up 17% compared with the same period the season before.

Over the first four cumulative months of the season (October–January), imports by Australia recorded a small increase (+1%) while Brazil (+16%) and Canada (14%) saw larger increases. Imports into the USA remained unchanged but decreased by 6% into Japan. This drop in Japanese imports has occurred since November. EU data were not available for January at the time of publishing this newsletter, but the figures for the first three months show a big increase (22%) compared with the season before.

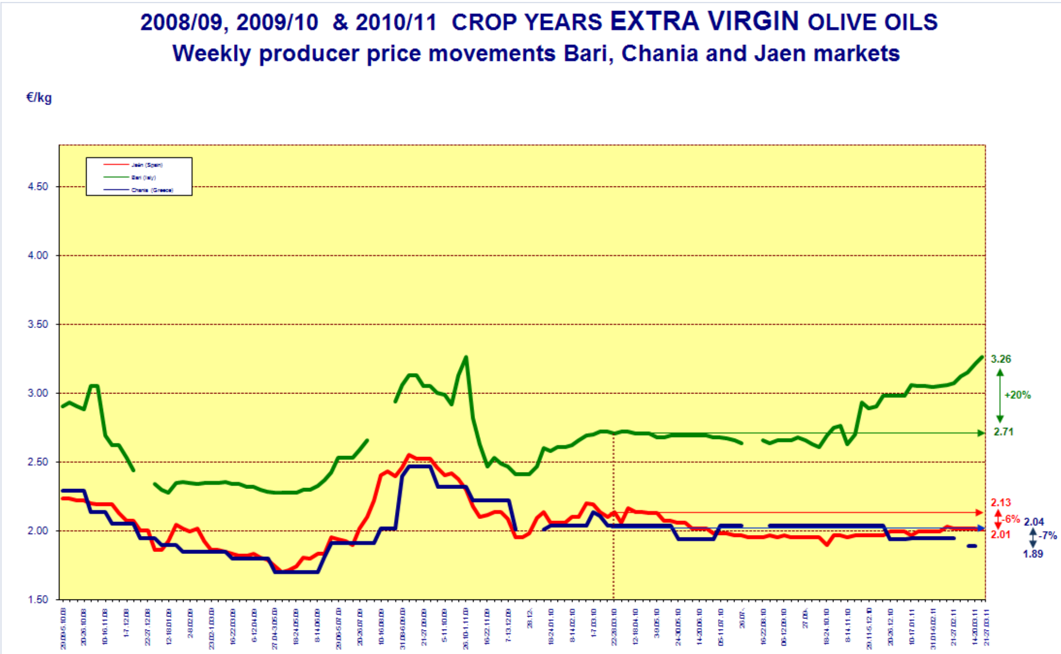
Olive oil imports (including olive-pomace oils) (t)

No	Importing country	October 09	October 10	November 09	November 10	December 09	December 10	January 09	January 10
1	Australia	2309.0	2492.8	3016.0	3519.0	2580.0	3505.0	3342.0	1887.0
2	Brazil	5499.0	6852.5	6154.4	5906.6	5557.8	6002.8	3434.5	5280.8
3	Canada	3043.0	2488.0	4109.0	3520.0	2846.0	3703.0	2411.0	4400.0
4	Japan	2729.0	2911.0	2936.0	2651.0	3774.0	3181.0	3338.0	3254.0
5	USA	23098.0	25040.5	22746.0	20490.0	22136.0	27937.0	25628.0	19729.9
6	EU/27 (Intra+Extra EU)	82986.8	85910.7	72338.9	95754.5	82266.6	108188.5	66104.1	n.d.
	Total	**119664.8**	**125695.5**	**111300.3**	**131841.1**	**119160.4**	**152517.3**	**104257.6**	

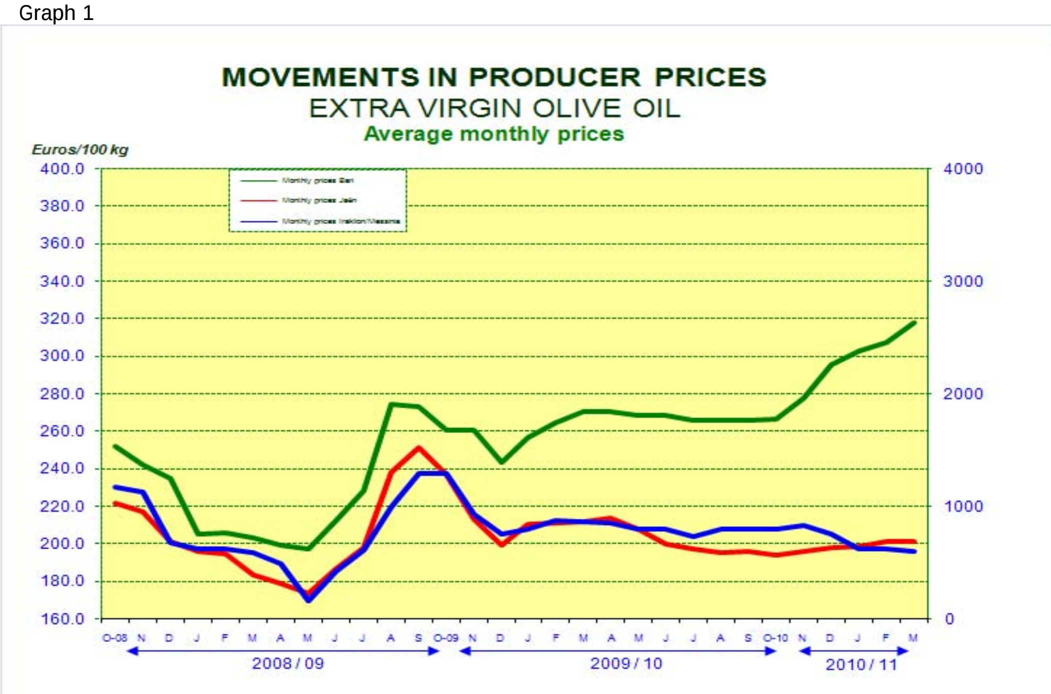
MOVEMENTS IN PRODUCER PRICES

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 6% in Spain (€2.01/kg) and 7% in Greece (€1.89/kg) while in Italy they moved in the opposite direction, going up by 20% to €3.26/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. This tends to confirm the growing distance between the prices paid to producers in Italy and those paid in Spain and Greece.

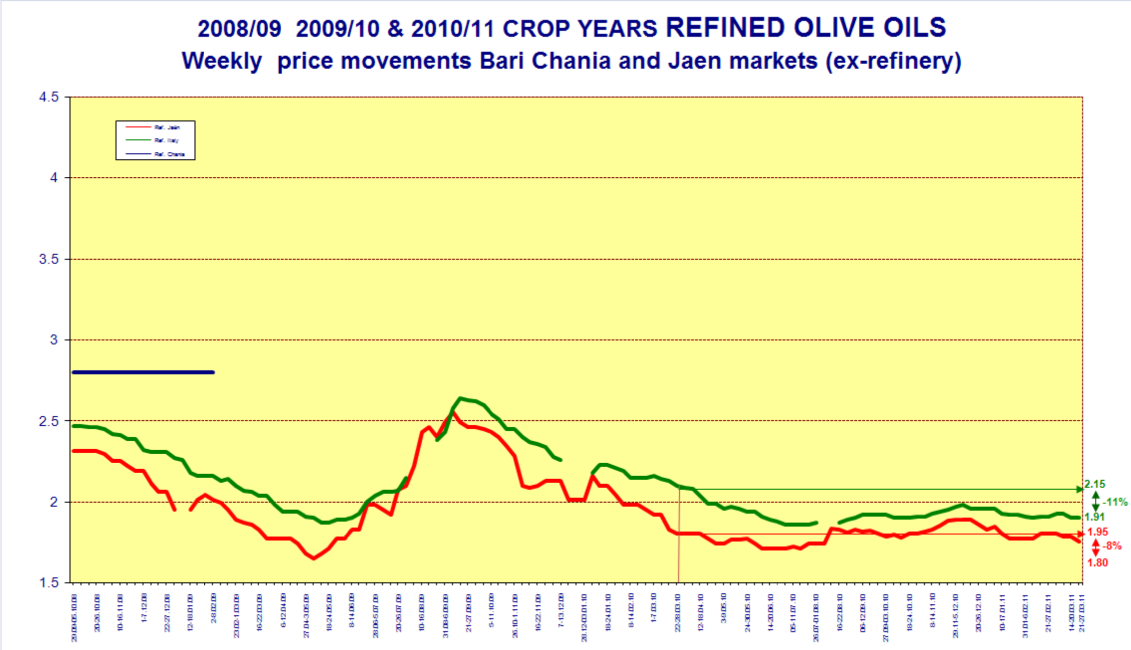


Graph 1

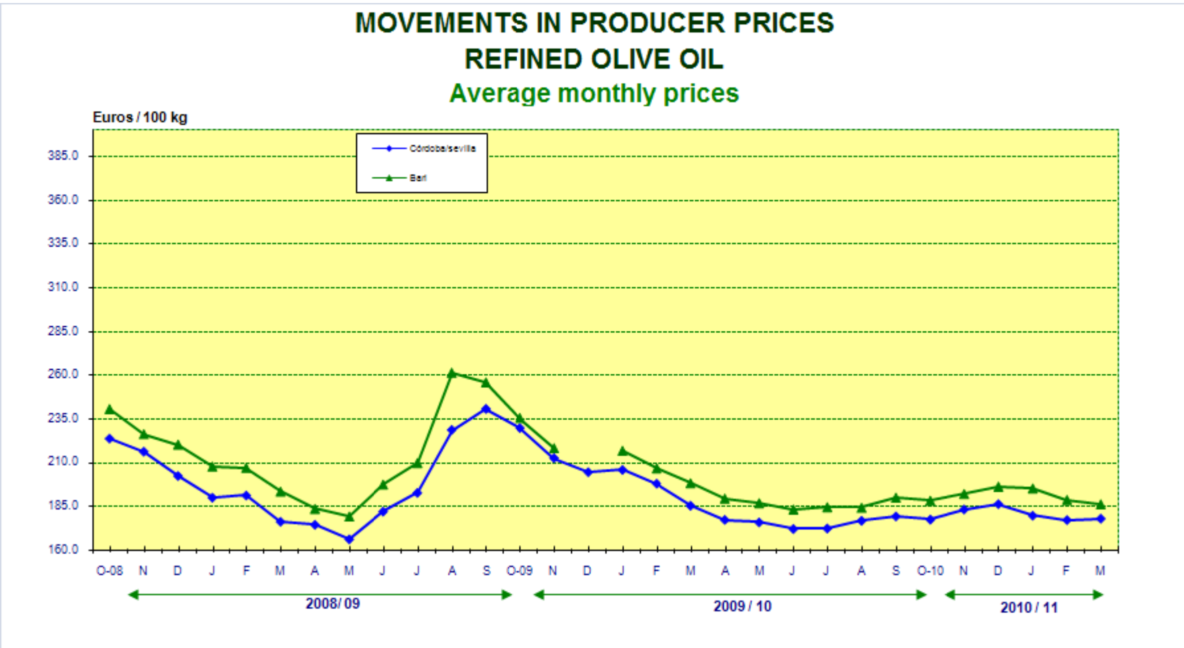


Graph 2

- 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.

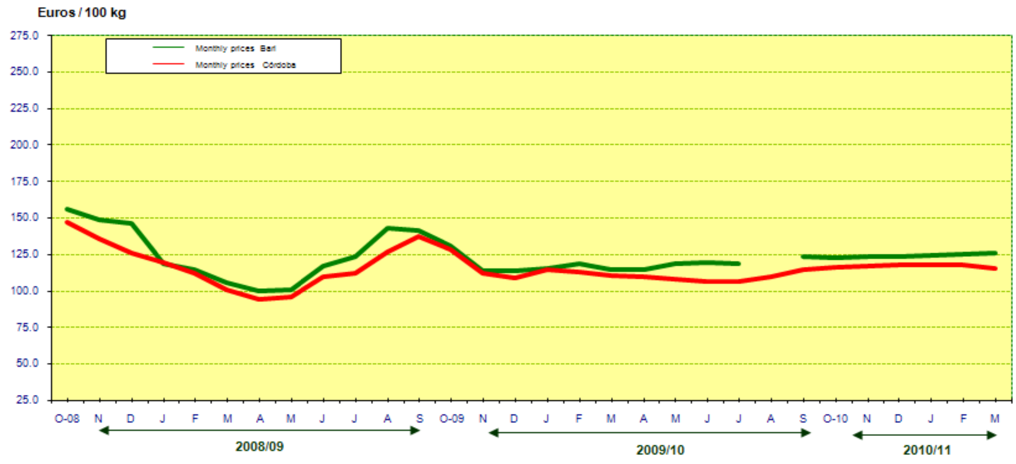


Graph 3



Graph 4

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



Graph 5