

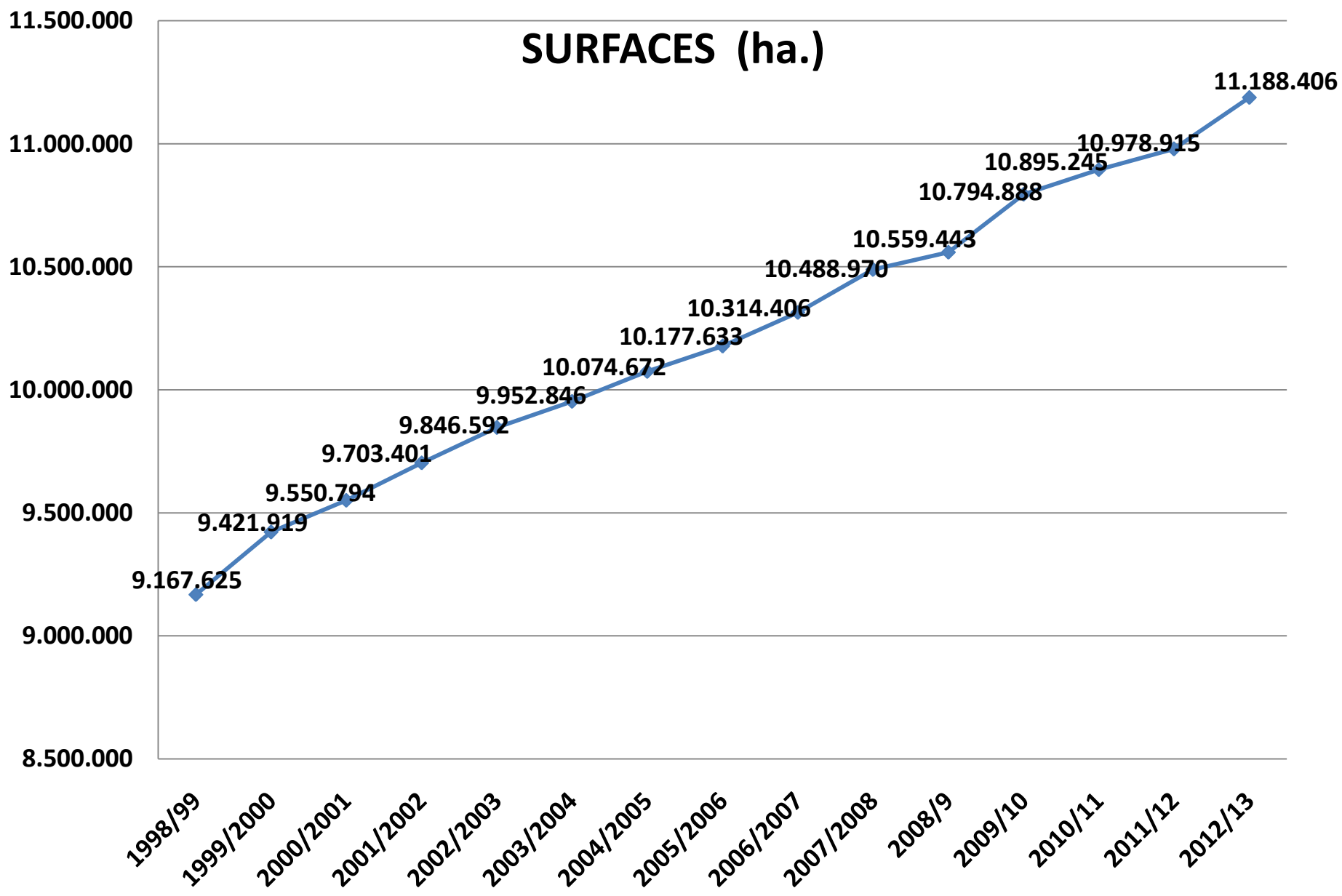
OLive oil and table olive from a global perspective

Milano- 13 July 2015

Jean-Louis Barjol
IOC Executive director

SURFACES

An aerial photograph of a terraced hillside covered with olive trees. The terraces are visible as a series of horizontal lines across the slope. The word "SURFACES" is overlaid in large, 3D, yellow letters with blue outlines, centered horizontally across the middle of the image.



> 11 million ha
(+ 150 000 ha/year since 04/05)

Less than 2.3% of world olive orchards are located in non-Mediterranean countries (South America, Australia, China, USA) and 2,2% are in non IOC Members

- ✓ 78% =traditional orchards
- ✓ 20% =intensive orchards
- ✓ 2%= super-intensive orchards (first appeared 30-40 years ago)

40 % of total orchard area is receiving some additional water (all systems)

- ✓ 36% of traditional orchards are *irrigated*, 50% of intensive orchards and 100% of high-density plantations

CONCLUSION

Access to WATER is a key issue

Finding political and economic ways of improving traditional orchards is essential, especially on steep land (50% of total) due to its social and environmental role



TABLE OLIVES



TABLE OLIVE BALANCES

	2012/13	2013/14	2013/14
Starting stocks	556.5	426	457
Production	2512.5	2596.5	2553.5
Imports	645.5	648.0	695.5
Consumption	2522.5	2476	2541
Exports	670	654	689.5
Losses/Pertes	96	83.5	104.5
Ending stocks	426	457	371

Limited changes in production or consumption, slight increases
 International trade = 27% of global consumption





Biggests producers :

Spain, Egypt and Turkey (more than 0,4 million tons each and 54% of world production all three)

Followed by Algeria (between 145 000 and 216 000), Greece (between 100 and 235), Morocco (stable at 100), Siria (but on a decreasing slope from 172 to 40) and Argentina (very irregular, between 28 and 140) and Peru (up to 110 in 13/14)

Then all the 10 significant others below 80 since 11/12



Biggest consumers :

Egypt and Turkey (more than 0,3 million tons each) **meaning that** they consume 2/3 of their production

Followed by **Algeria** (increasing up to 215 000, **meaning that whole** production is consumed) and **USA** (around 200, **meaning that** they import)

And by few others below 200 and above 70: **Spain** (+/- 170), Italy (+/- 140), **Brazil** (+/-110), **Russia** (+/- 75) and was Syria

Then all below 60



Obviously biggest exporters *to world* are :

Spain (+/-200) and Egypt (90 to 125)

Followed by Argentina (28 to 90), Morocco (70), Turkey (70), and later Greece (60), Peru (30) and Syria (20)

To serve the major importers (2/3 of total) :

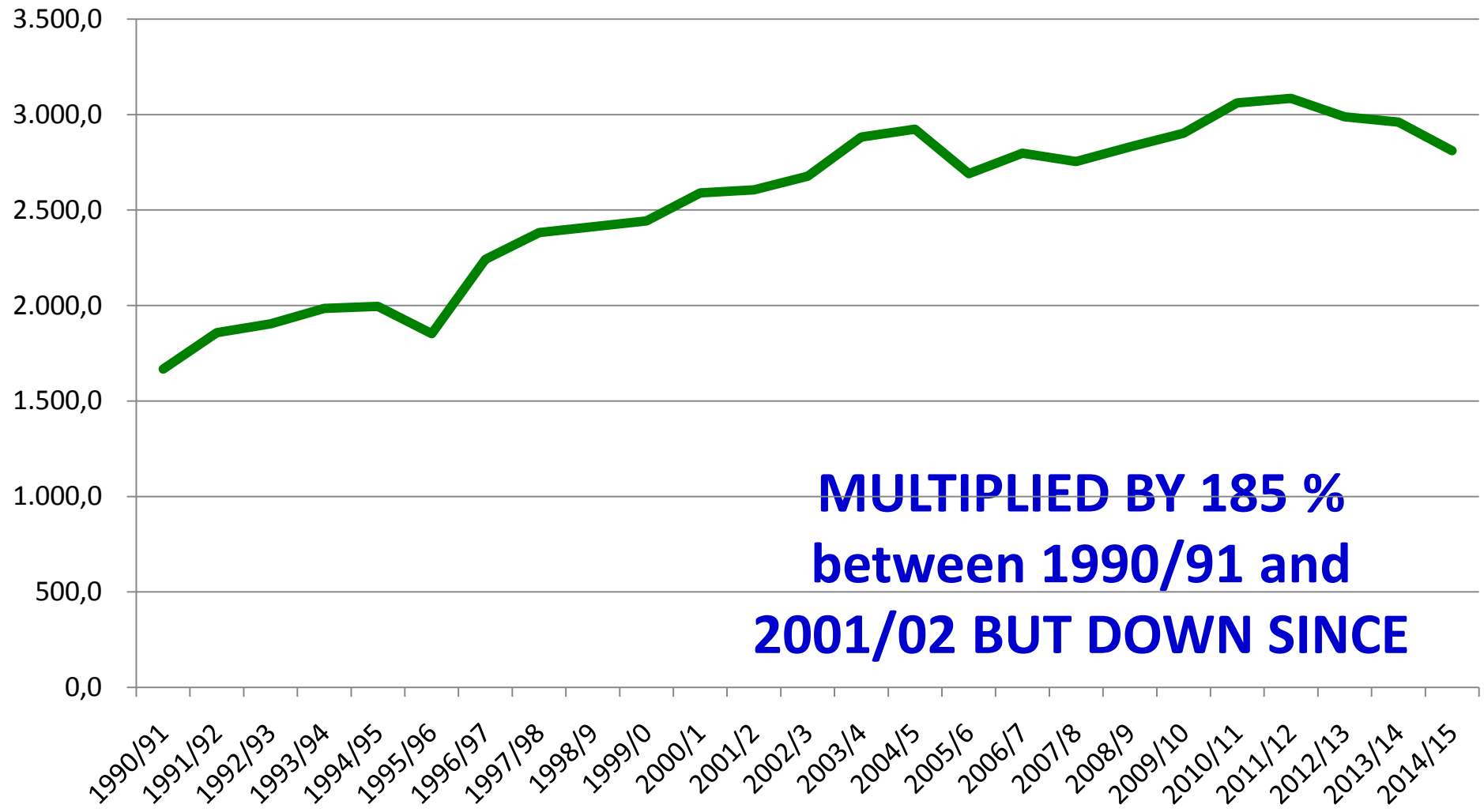
USA (+/- 150 from Spain, Greece and Morocco), **EU** (+/-100 from Morocco, Turkey and Egypt), **Brazil** (up to 110 from Argentina, Spain and Peru) and **Russia** (75 mainly from Spain)

Followed by Arabia Saudi (from Egypt and Turkey) and Canada (from Spain and Greece)

OLIVE OIL

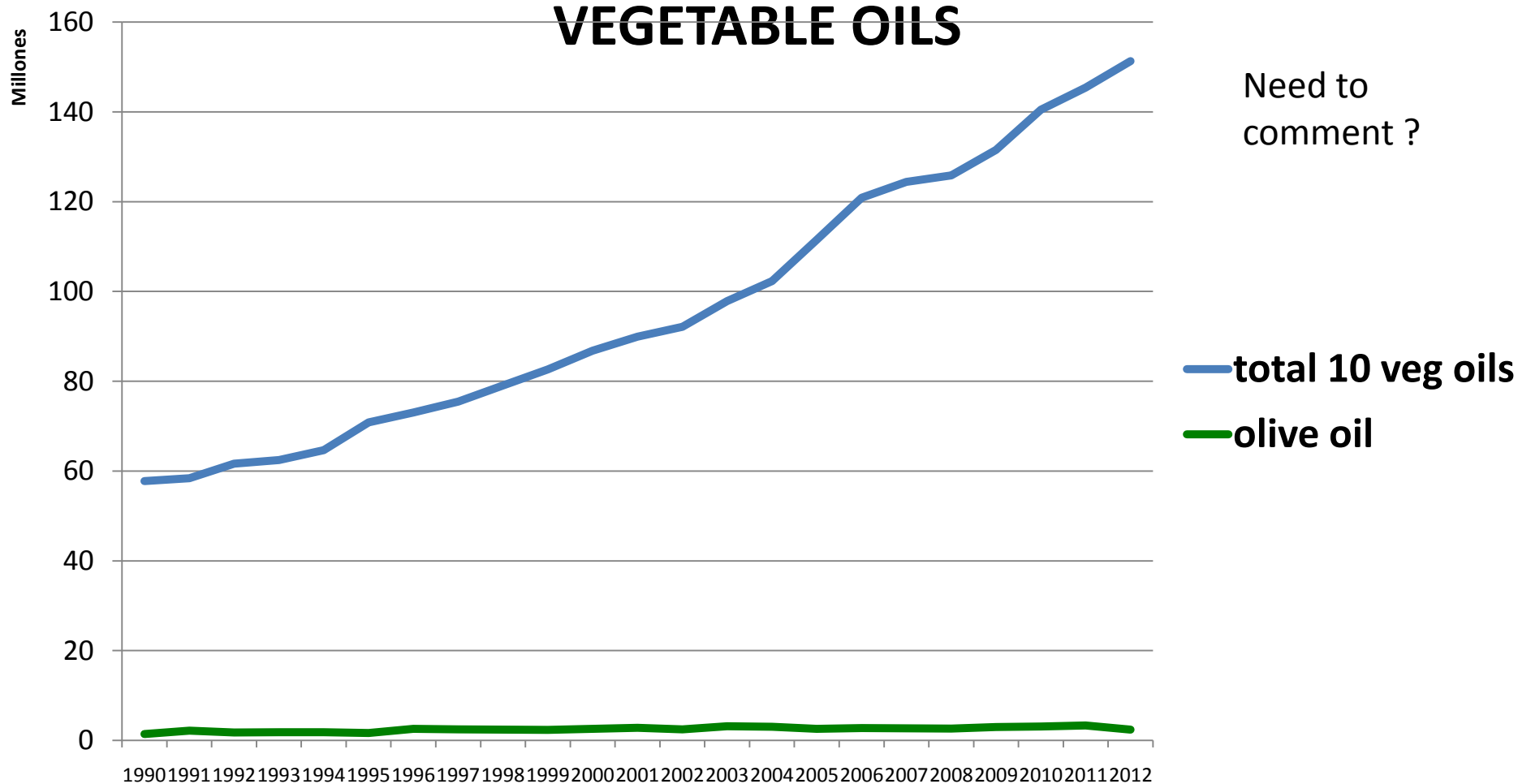


EVOLUTION OF WORLD CONSUMPTION OVER THE LAST 24 YEARS





EVOLUTION COMPARED WITH THE TOTAL OF TEN OTHER VEGETABLE OILS





CONCLUSION :

Over the last 25 years olive oil global consumption +/- 88% (from 0,34 liter /person up to 0,45) but this increase is too slow ... it should have reach 0,60 liter /person

Why ?

Price versus other oils (due to cost of production ?)

More or less no non food uses for olive oil up to now

How to improve?

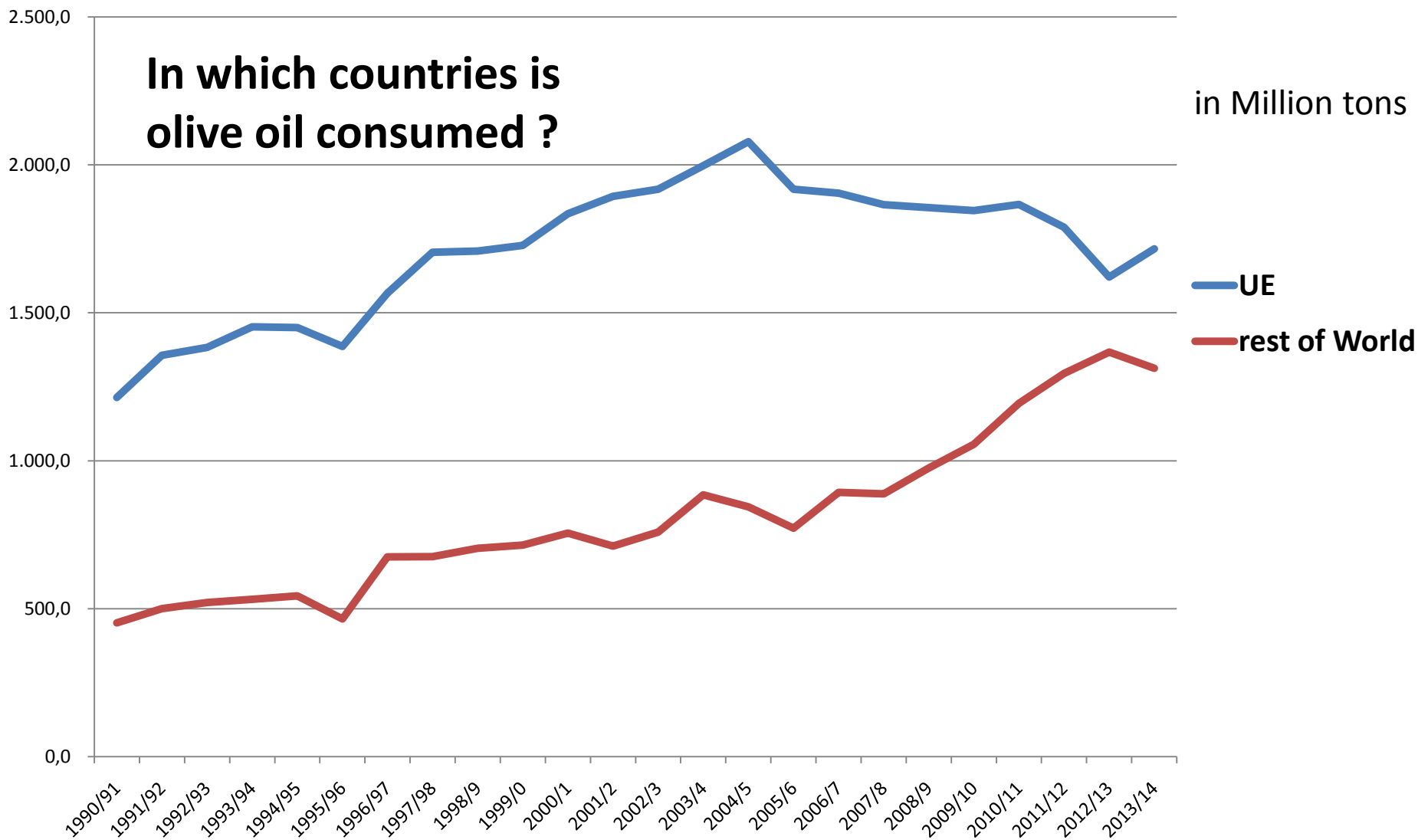
better sell health benefits ? What about flavour ?

reaching new consumers ? More generic promotion ?



In which countries is olive oil consumed ?

in Million tons

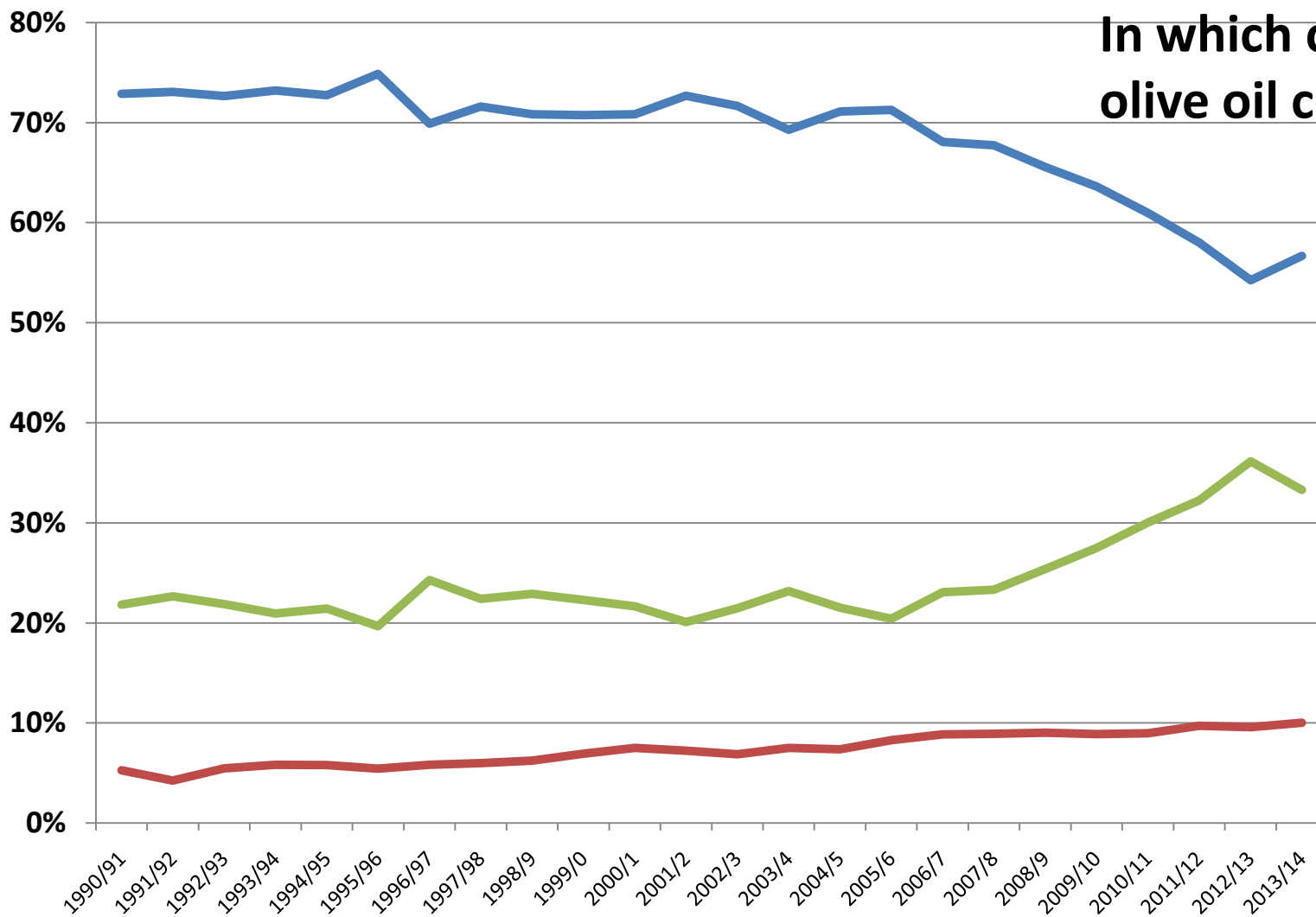




In which countries is olive oil consumed ?

In %

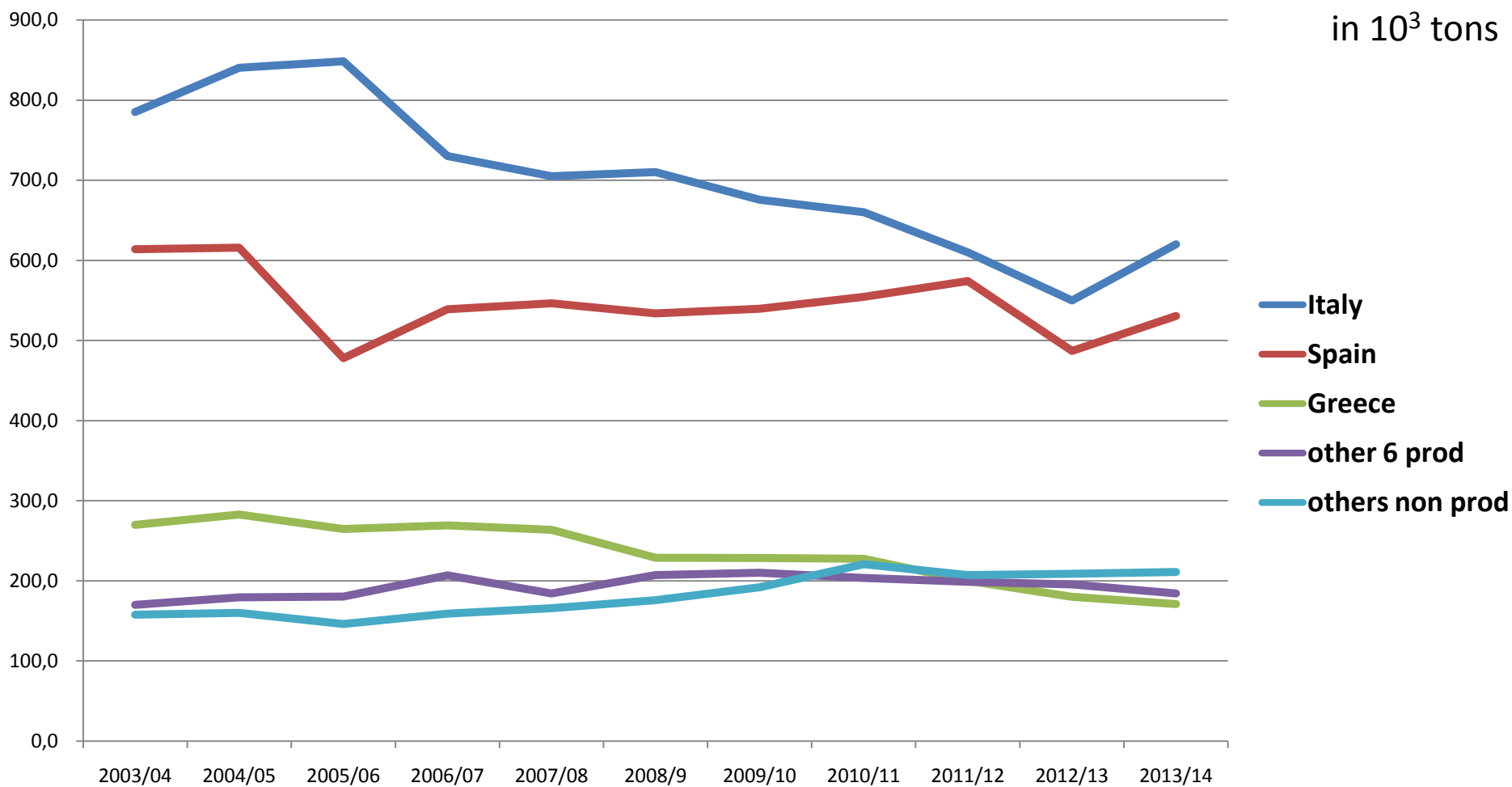
— UE
— USA
— rest of World





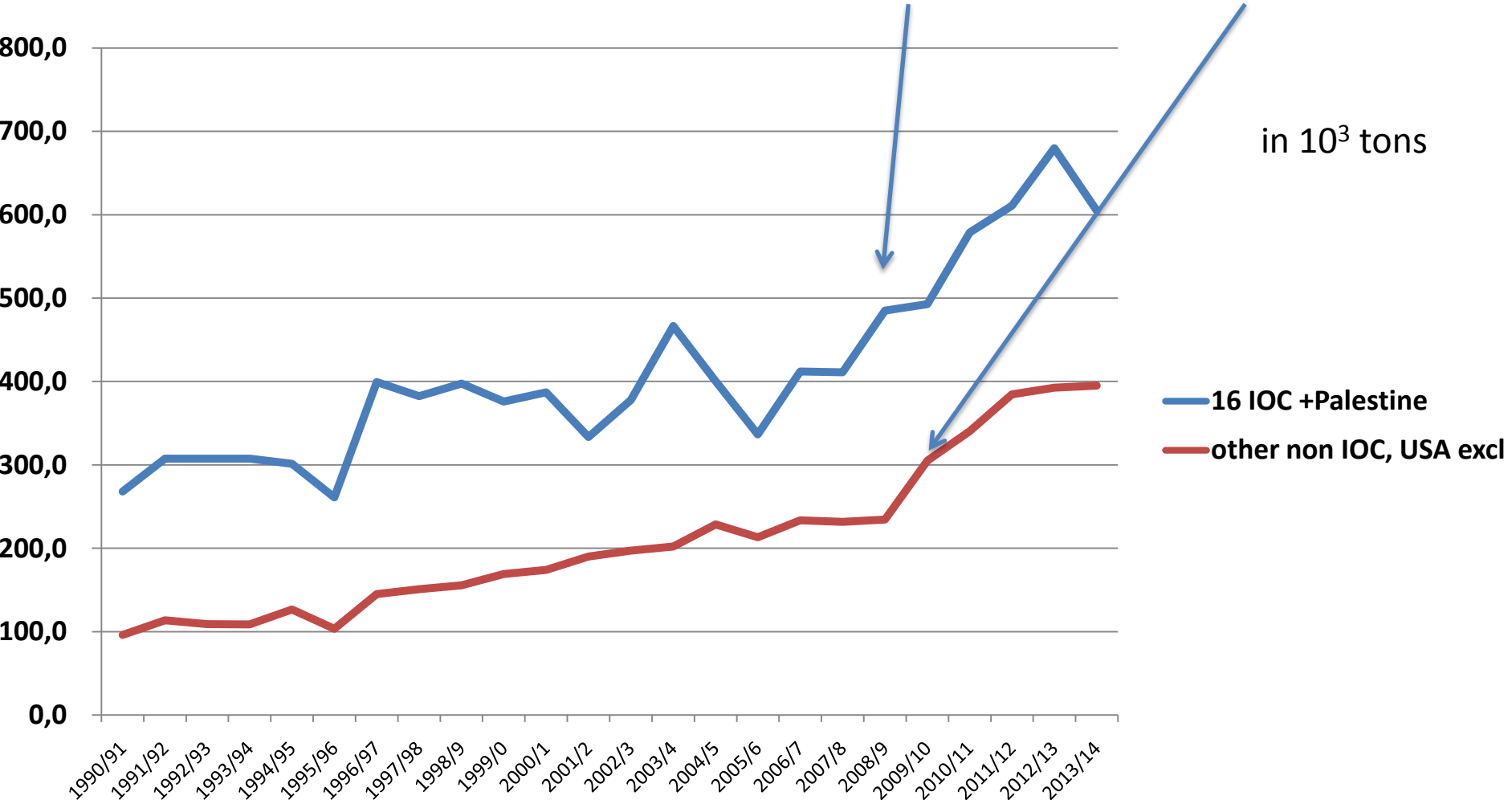
Back to European Union with some details :

in 10³ tons





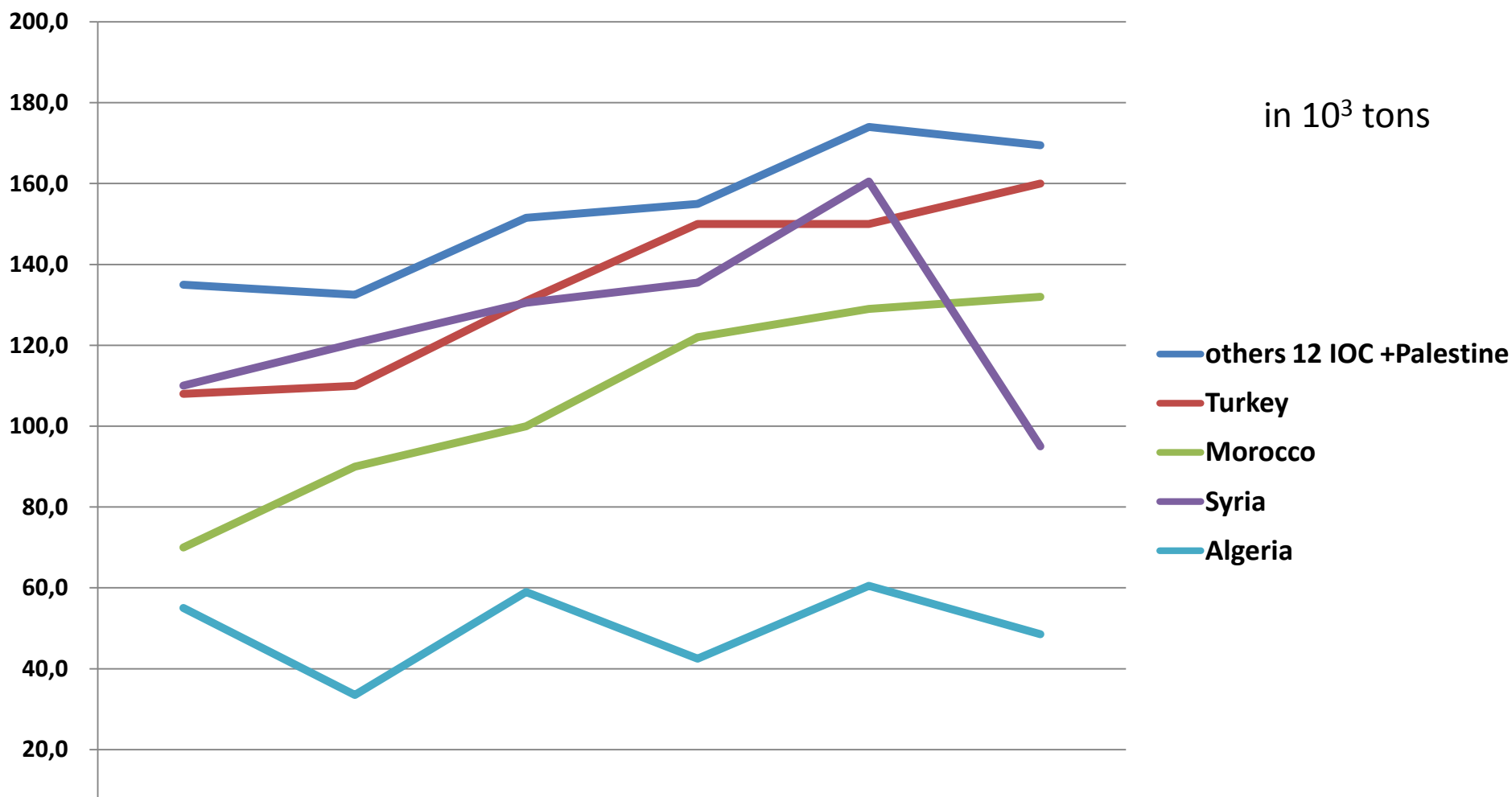
Out of the EU and USA from 2008/09 and 09/10 :





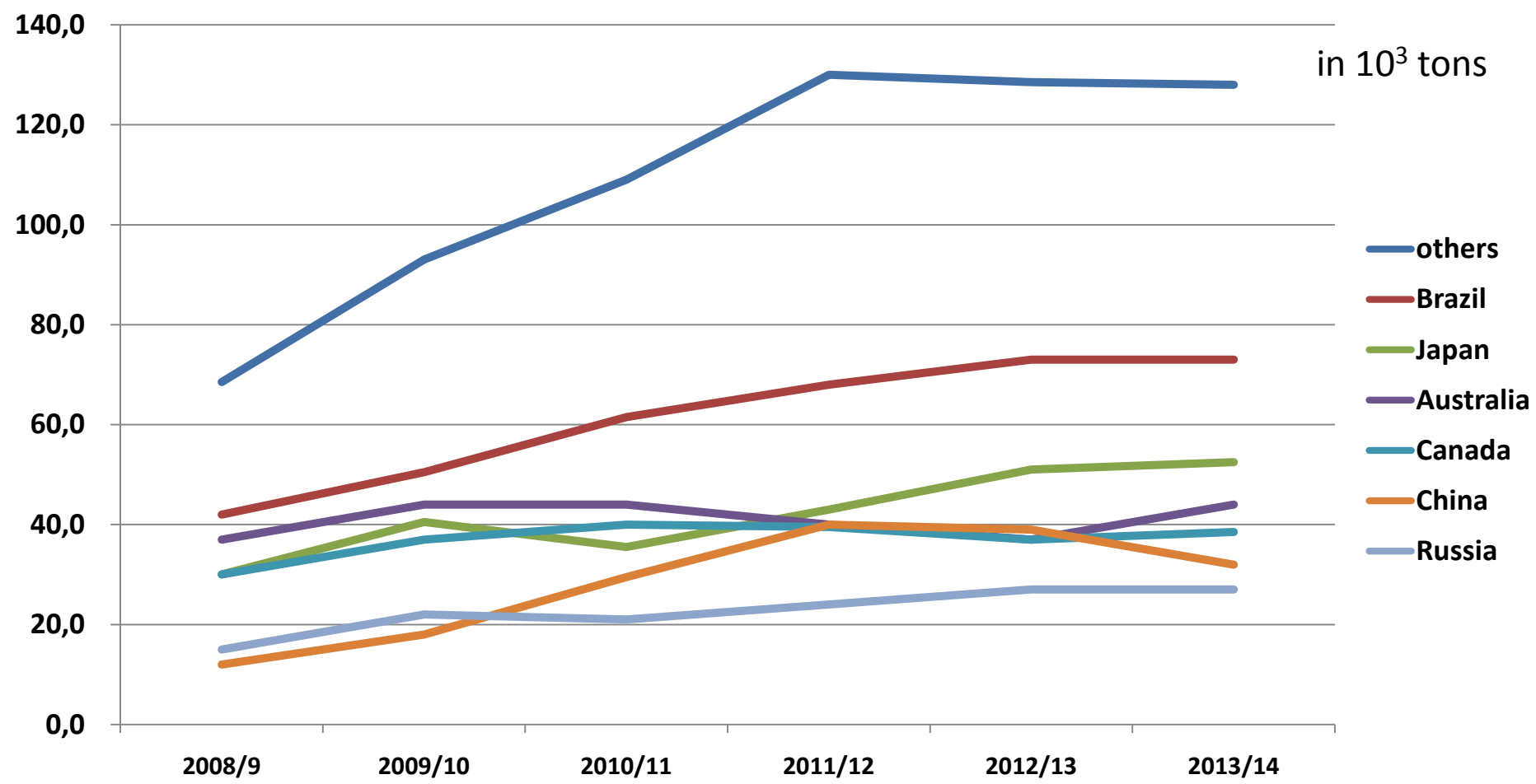
EMERGENCE OF **TURKEY** and **MOROCCO** but not only ...**OTHERS** too

in 10³ tons





RECENT EVOLUTION OF CONSUMPTION **IN non-IOC COUNTRIES** > 25 10³tons, **USA excl**





The 6 biggest markets are corresponding to a total of 63% of global consumption on average 2007/2014 :

Italy (21%) with 10 liters /capita

Spain (18%) with 11,3 liters /capita

US (9%) with 1,0 liter /capita in 2013

Greece (6,6%) with 17,7 liter/capita in 2013 but down

Syria (4%) with 7,6 liters /capita in 2013 but

Turkey (4%) with 2,2 liters /capita in 2013

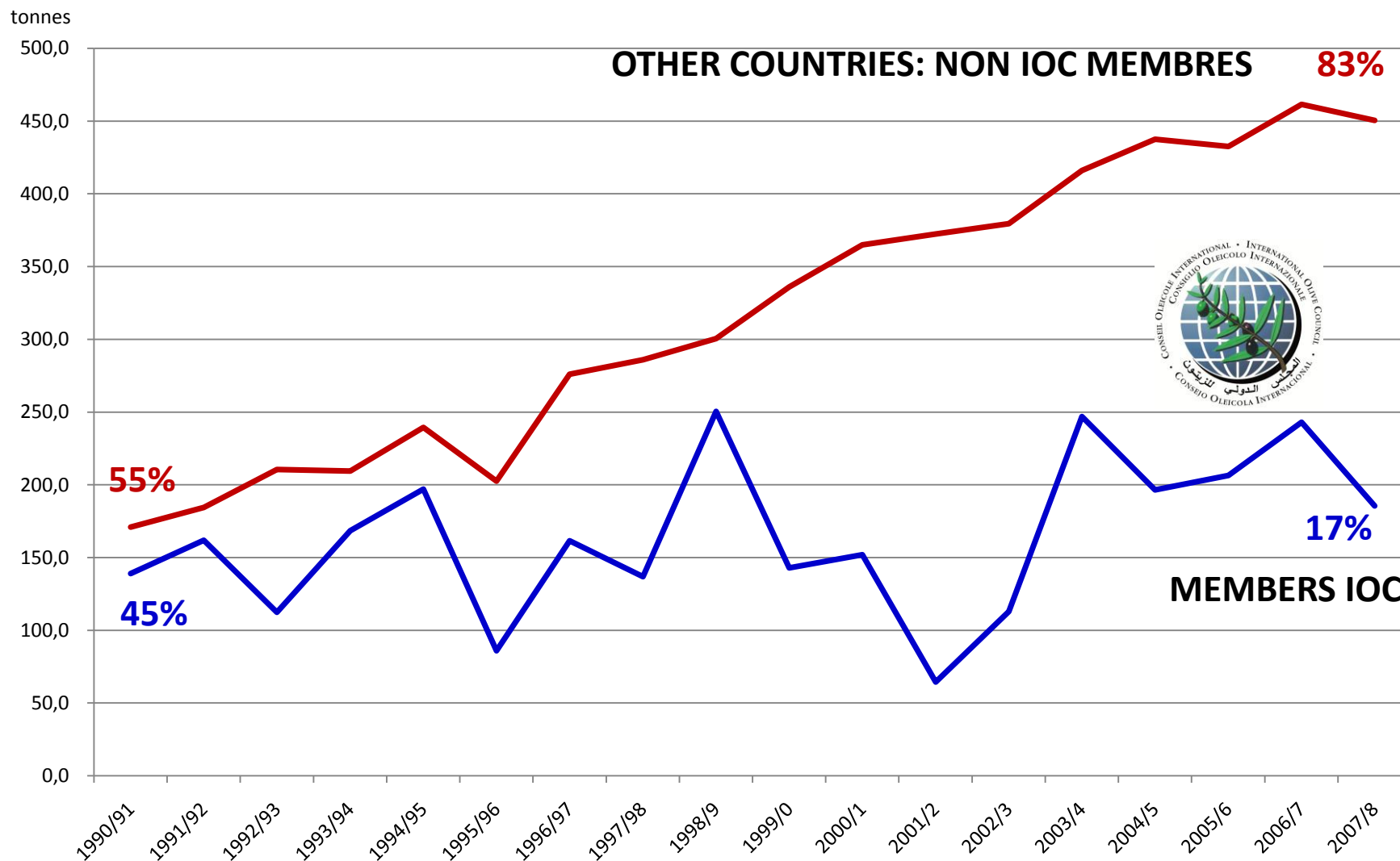


RECAP

How world consumption (3 025 000 t) is covered:

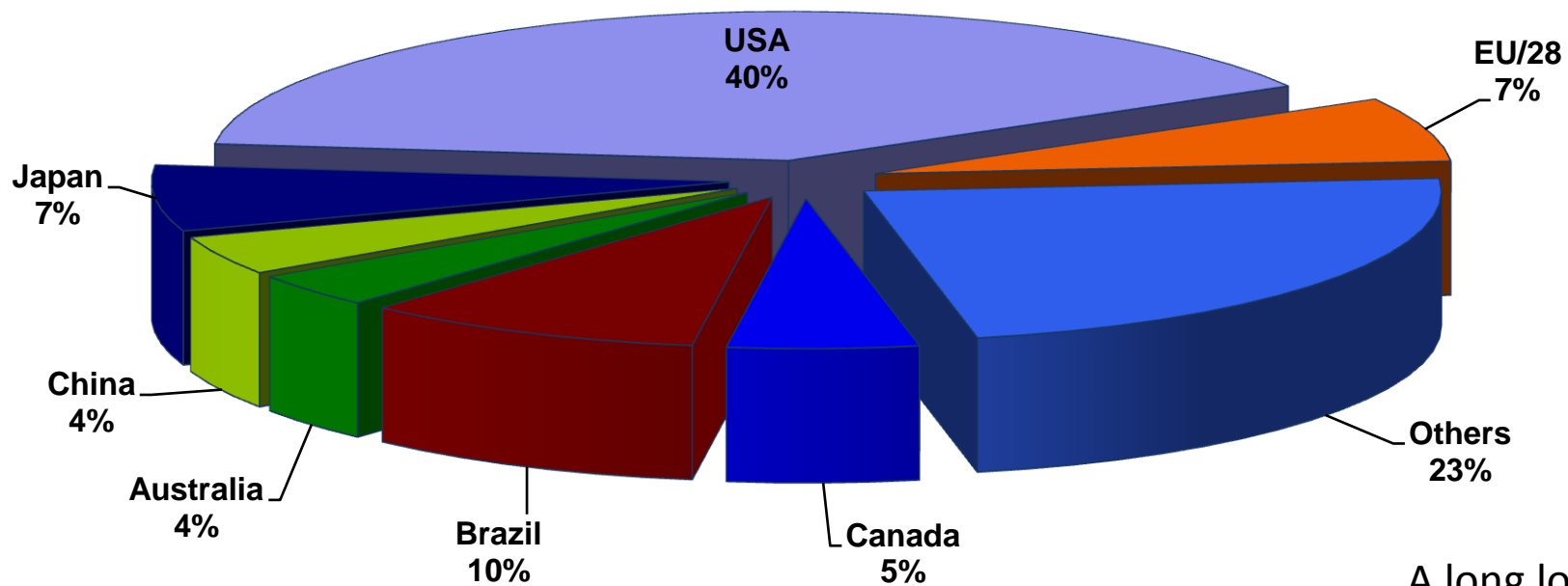
- **EU** consumes 1 710 000 t of which 118 000 t are imported (+ intra)
- **Eight IOC Members** (Albania, Egypt, Iraq, Iran, Israel, Lebanon, Morocco and Uruguay) consume 202 000 t, of which 25 300 t are imported
- **Eight IOC Members** (Algeria, Argentina, Jordan, Libya, Montenegro, Syria, Tunisia and Turkey) **plus Palestine** consume 425 000 t and do not import at all
- **Non-IOC Members** consume 688 000 t (23%/world total), of which 644 300 t (95%) are imported

OLIVE OIL: CHANGES IN DISTRIBUTION OF WORLD IMPORTS





OLIVE OIL IMPORTS 2013/14



A long long
list behind
others

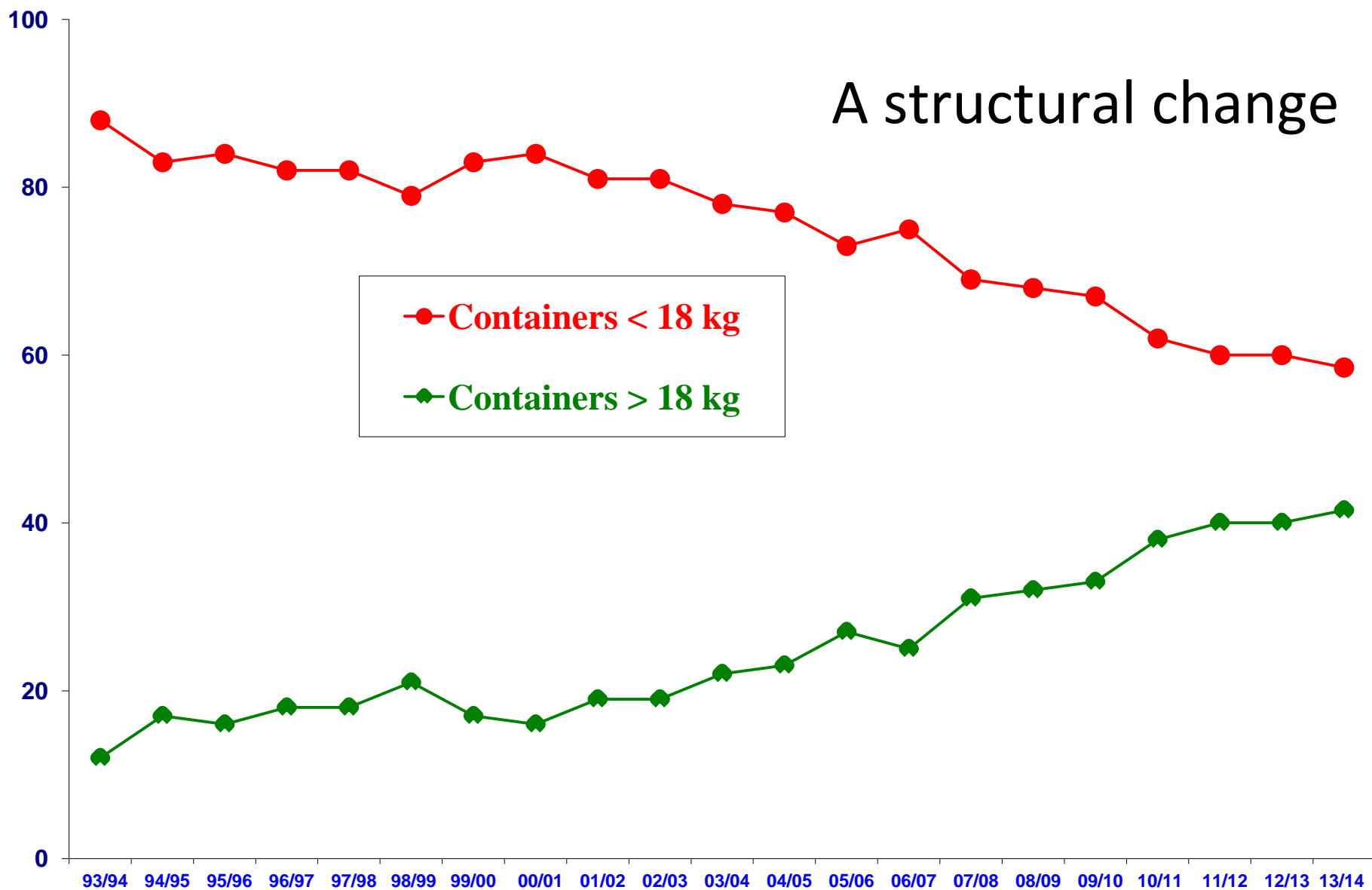


**THE MAJOR IMPORTING MARKET
IS FACING
A STRUCTURAL CHANGE**



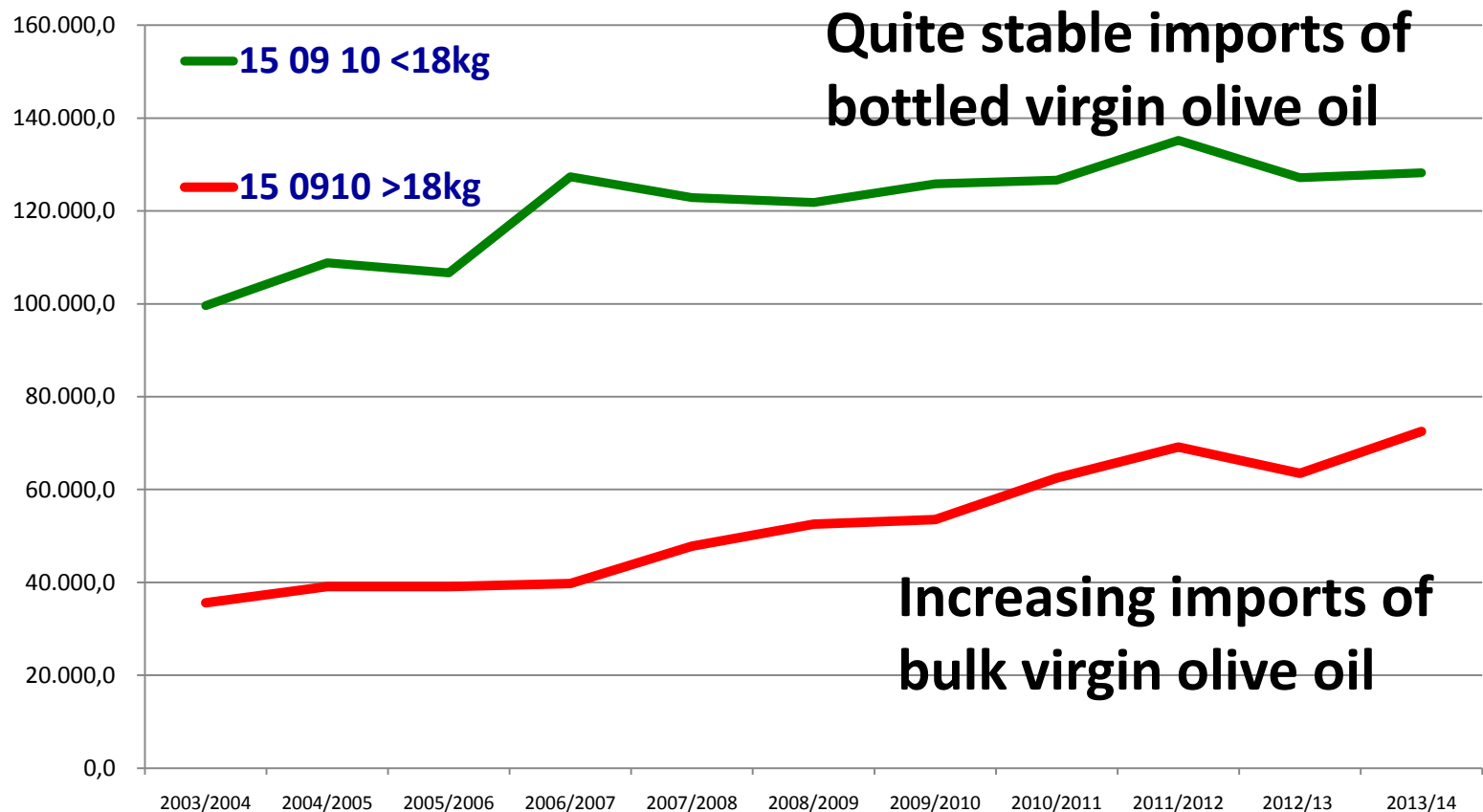
USA

OLIVE OIL IMPORTS BY CONTAINER SIZE %





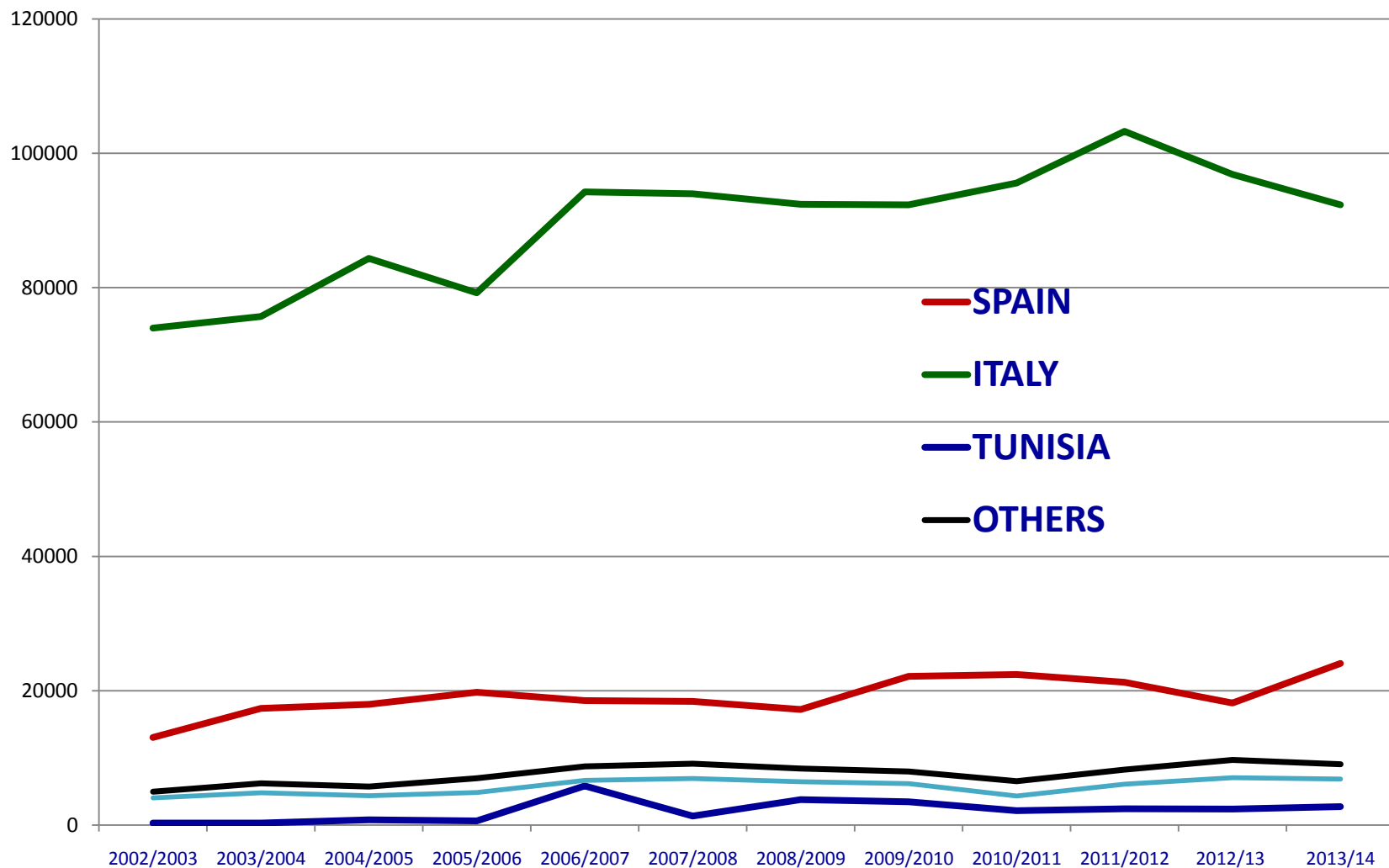
TREND OF VIRGIN OLIVE OIL IMPORTS BY TYPE OF CONTAINER





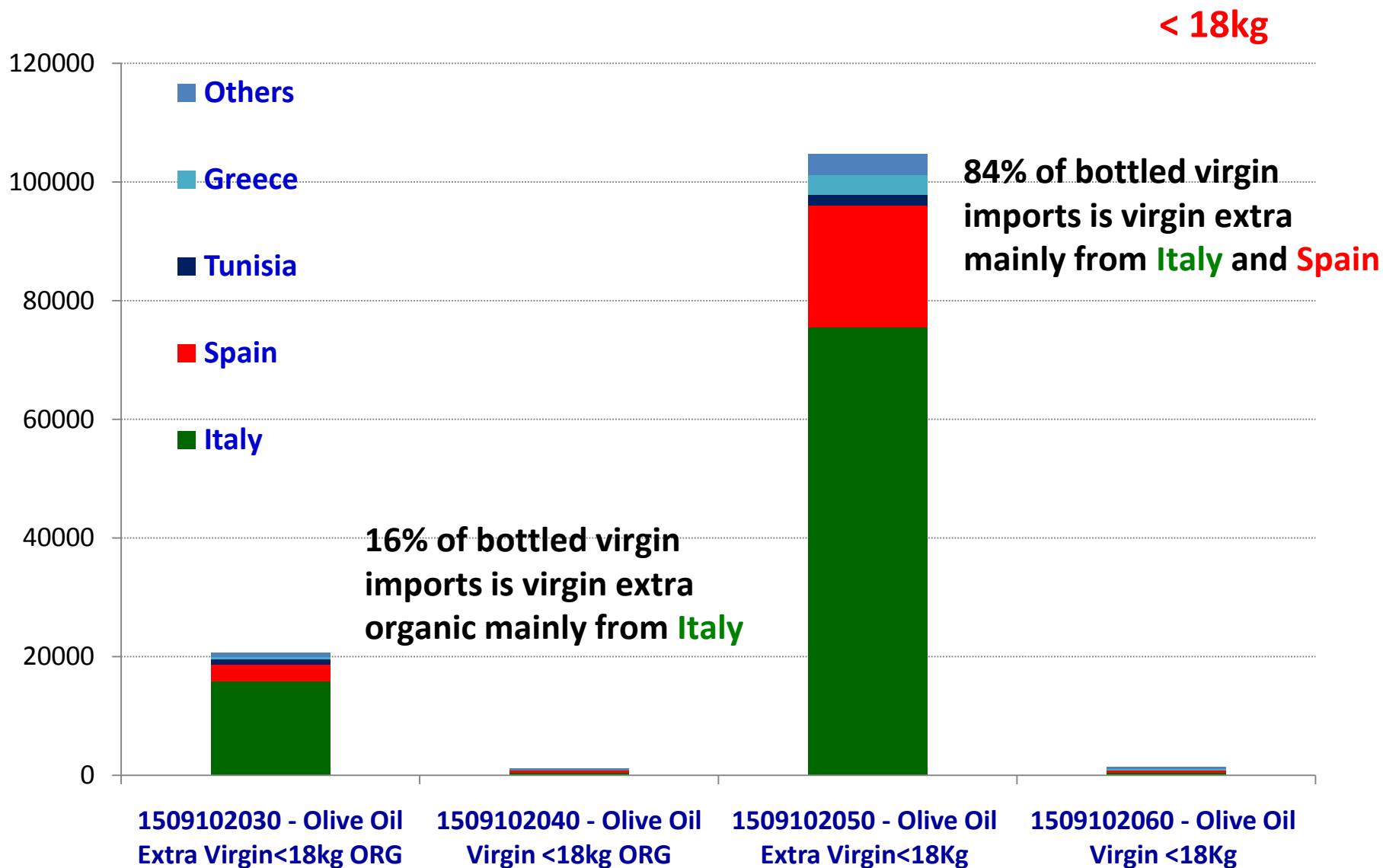
USA

TREND OF IMPORTS UNDER 15 09 10 < 18 kg (bottled virgin olive oil) BY COUNTRY OF DECLARED ORIGIN





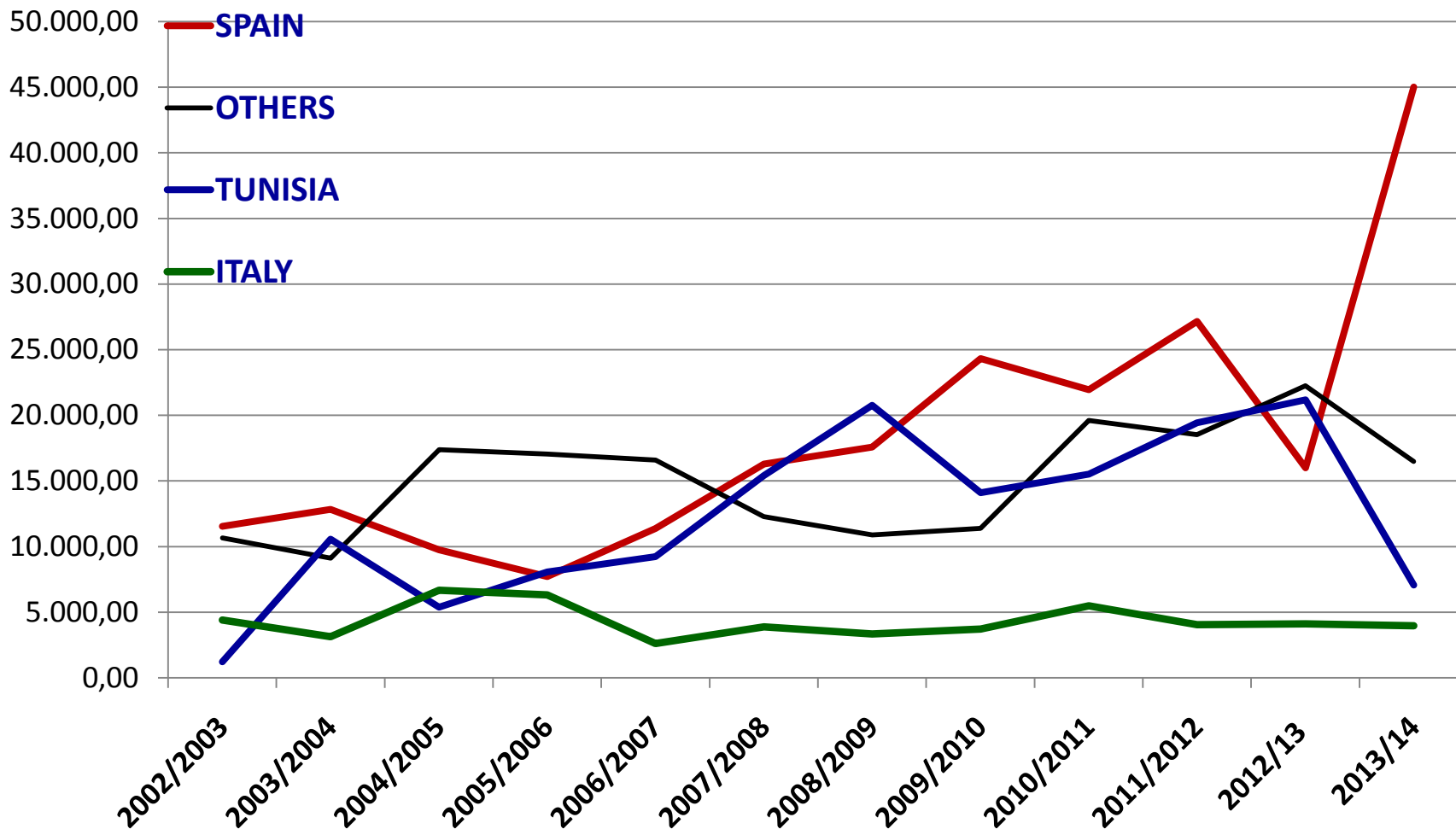
USA IMPORTS by ORIGIN AND CATEGORY 2013/14 crop year





USA

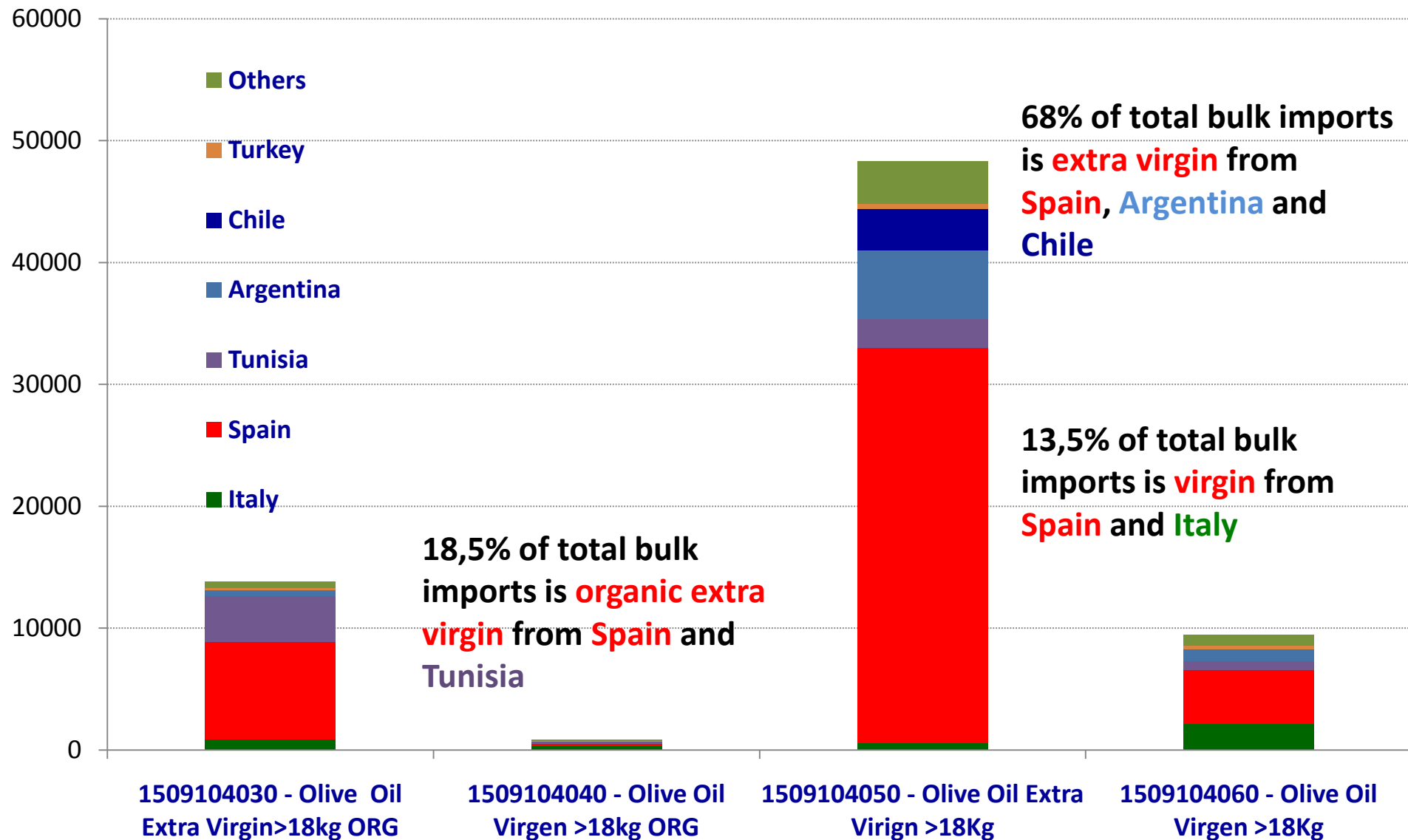
TREND OF IMPORTS UNDER 15 09 10 > 18 kg (bulk virgin olive oil) BY COUNTRY OF DECLARED ORIGIN



> 18kg



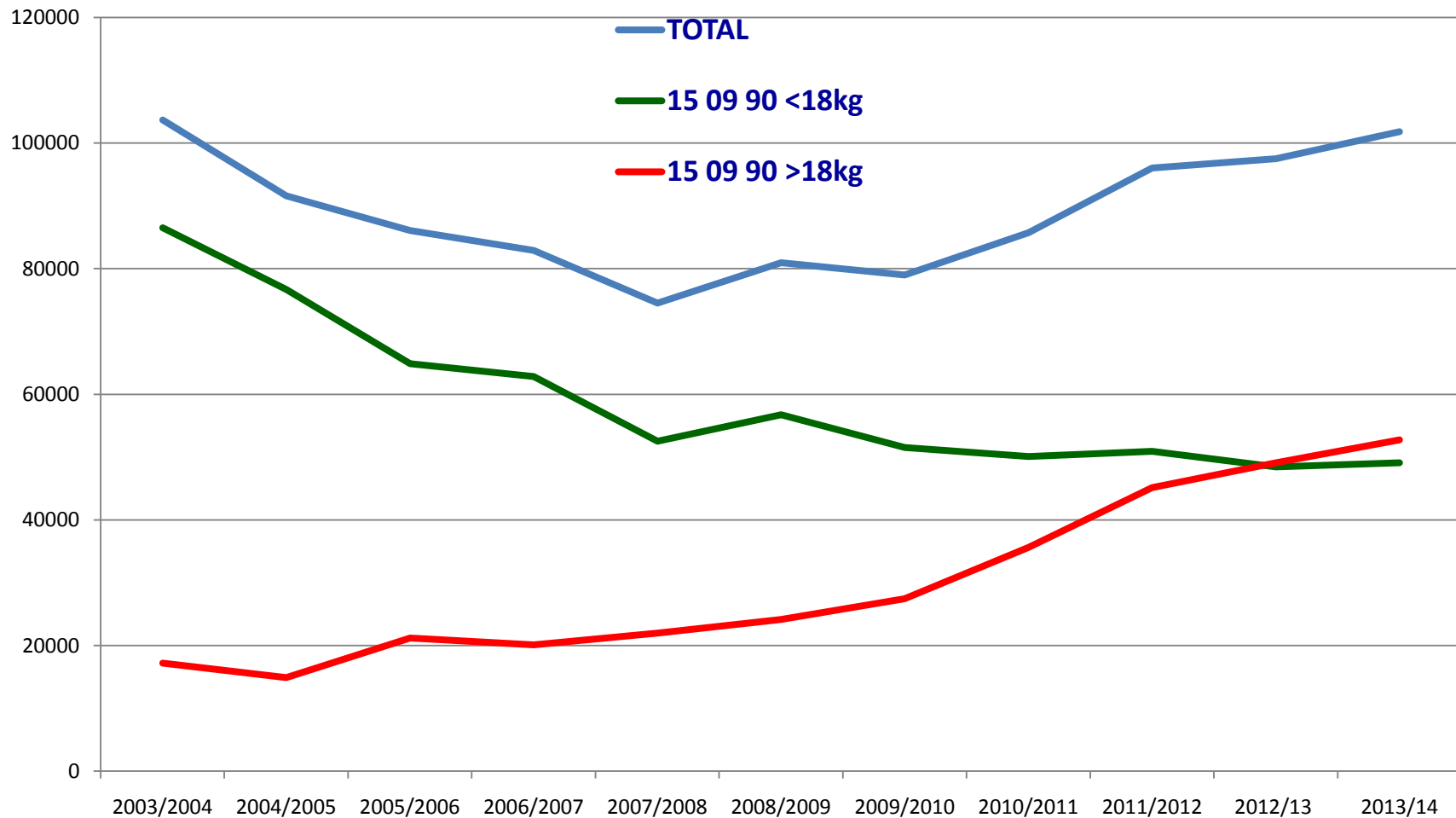
USA IMPORTS by ORIGIN AND CATEGORY – 2013/14 crop year





TREND OF OLIVE OIL IMPORTS BY TYPE OF CONTAINER

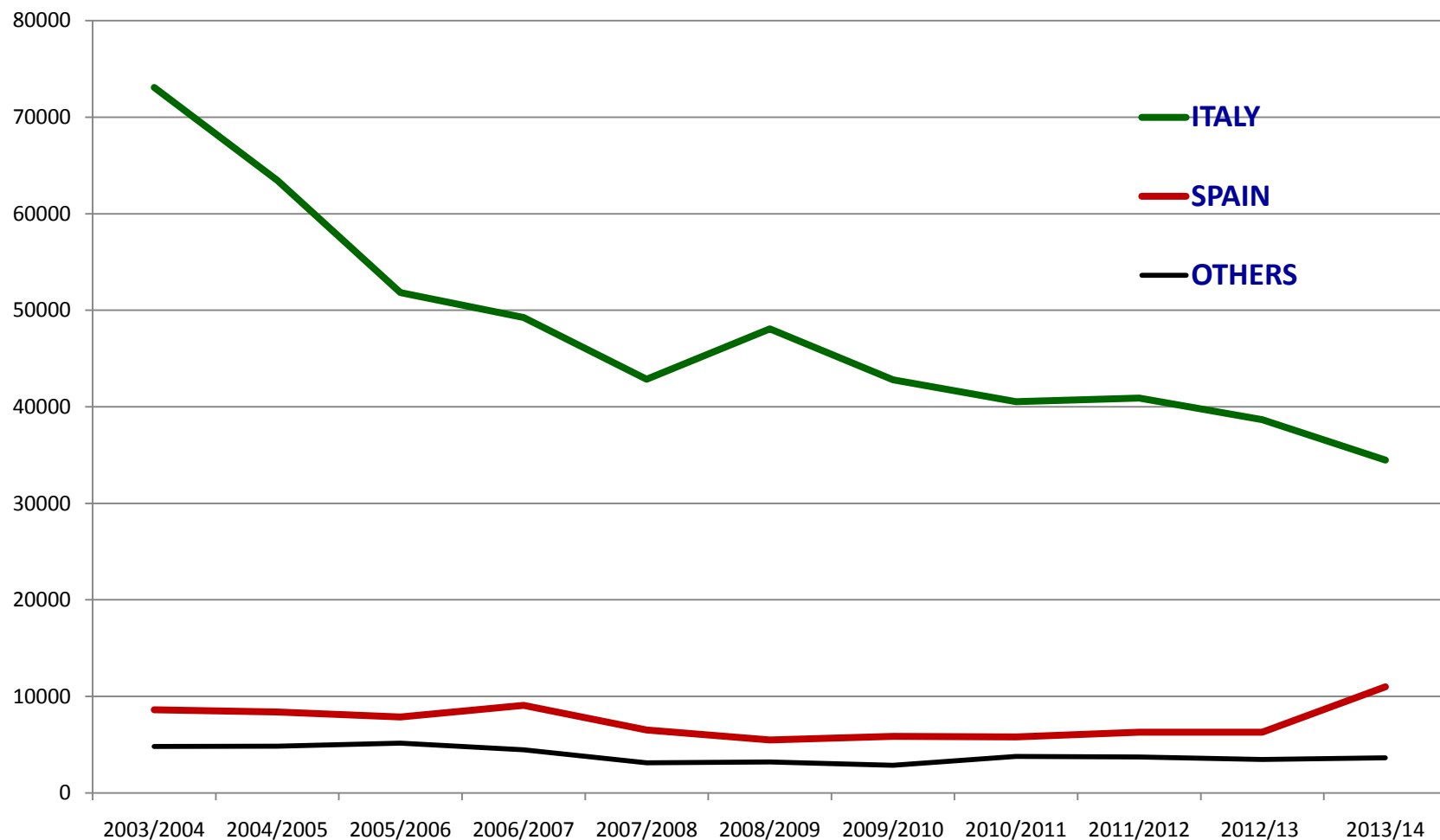
150990





USA

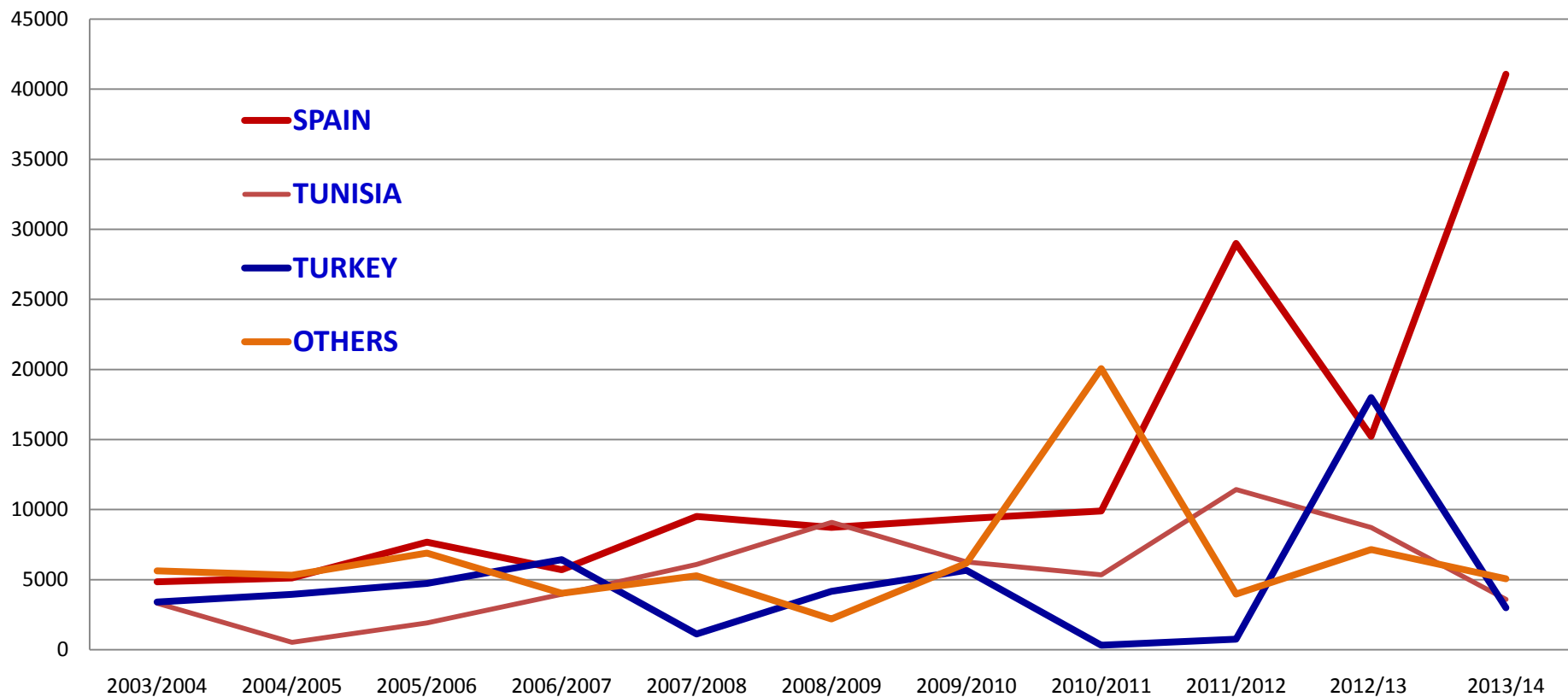
TREND OF IMPORTS UNDER 15 09 90 < 18 kg BY COUNTRY OF DECLARED ORIGIN





USA

TREND OF IMPORTS UNDER 15 09 90 > 18 kg BY COUNTRY OF DECLARED ORIGIN





Short analysis of the major exporting countries



Nine countries export 96% of the olive oil traded on the world market. Listed in descending order they are **Italy, Spain, Tunisia, Portugal**, Turkey, Syria, Argentina, Morocco and Chile. Each one exports more than 10 000 tonnes per year but the **top four** export 65 to 75% of the total.



As exporting countries it exists two models
:

On one hand an Italian model (mix of export based on domestic production and reexport of imports)

On the other hand a Spanish model (quasi exclusively based on domestic production exports)



ITALY

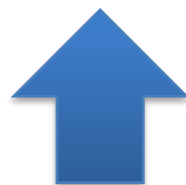
(average
2011/2014)

Exports incl to EU **390 000 tons**

+

Consumption 593 300 tons

} **983 300**



Production
388 200 tons

+

Imports
575 600 tons

+

Delta stock
19 500 tons



What are the strong point of the reexport model ?

- Bottling facilities (scales economy)
- Marketing (Italian brand names images)
- Knowhow in *coupages*
- Strong relationship with foreign consumers
- Others ?

Weak points ?

- strong dependence on suppliers
- Costs to access raw material
- Others ? Labelling ?



Portugal is in a similar position to Italy in that it needs to import oil (from Spain) to allow it to export to Brazil and Spain.



PORTUGAL

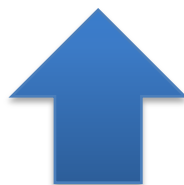
(average
2011/2014)

Exports incl to EU **93 500 tons**

+

Consumption 75 300 tons

168 800 tons



Production
75 600 tons

+

Imports
101 300 tons

+

Delta stock
- 8 100tons



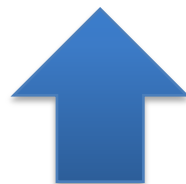
SPANISH model



SPAIN

(average
2011/2014)

Exports incl to EU 800 000 tons	}	1 330 000
Consumption 530 000 tons		



Production 1 337 00 tons

+

Imports 82 400 tons

+

Delta stock - 89 400 tons

Importance of picual



Tunisia

Depending on the harvest, Tunisian exports range from 50 000 to 175 000 tonnes. In good years, more than 80% goes to the EU, less in bad years because Tunisia tries to give priority to their new markets (US and Arabic peninsula)

A close-up photograph of a clear glass bottle pouring a thick, golden-yellow liquid, identified as olive oil, onto a light-colored, textured surface. The oil is captured mid-pour, creating a smooth, continuous stream that has just begun to spread into a shallow, irregular puddle on the surface. The background is a soft, out-of-focus light grey or white, emphasizing the vibrant color and texture of the oil.

OLIVE OIL BALANCES

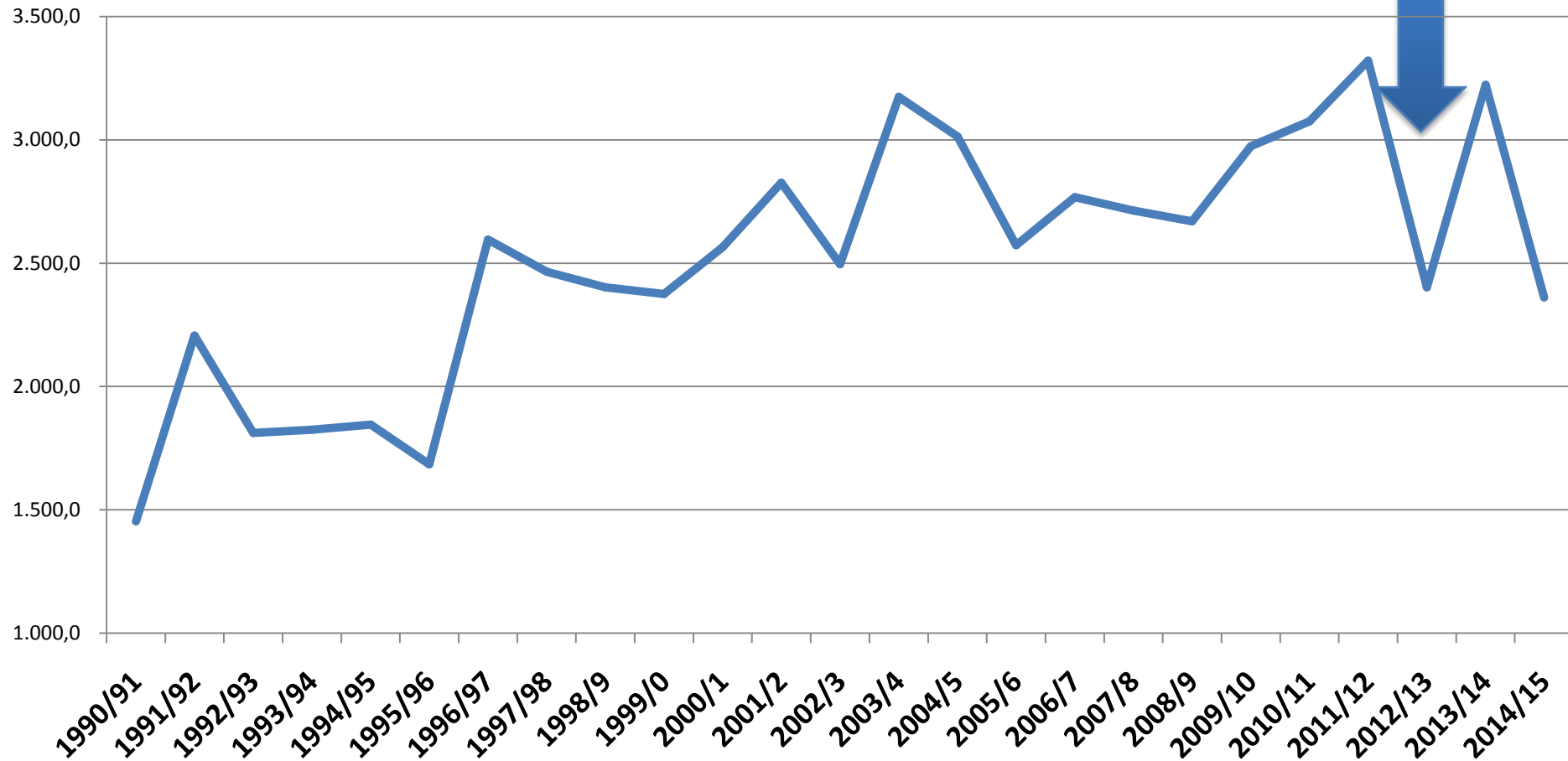
OLIVE OIL BALANCES 2012-13 - 2014/15

(thousand tonnes)

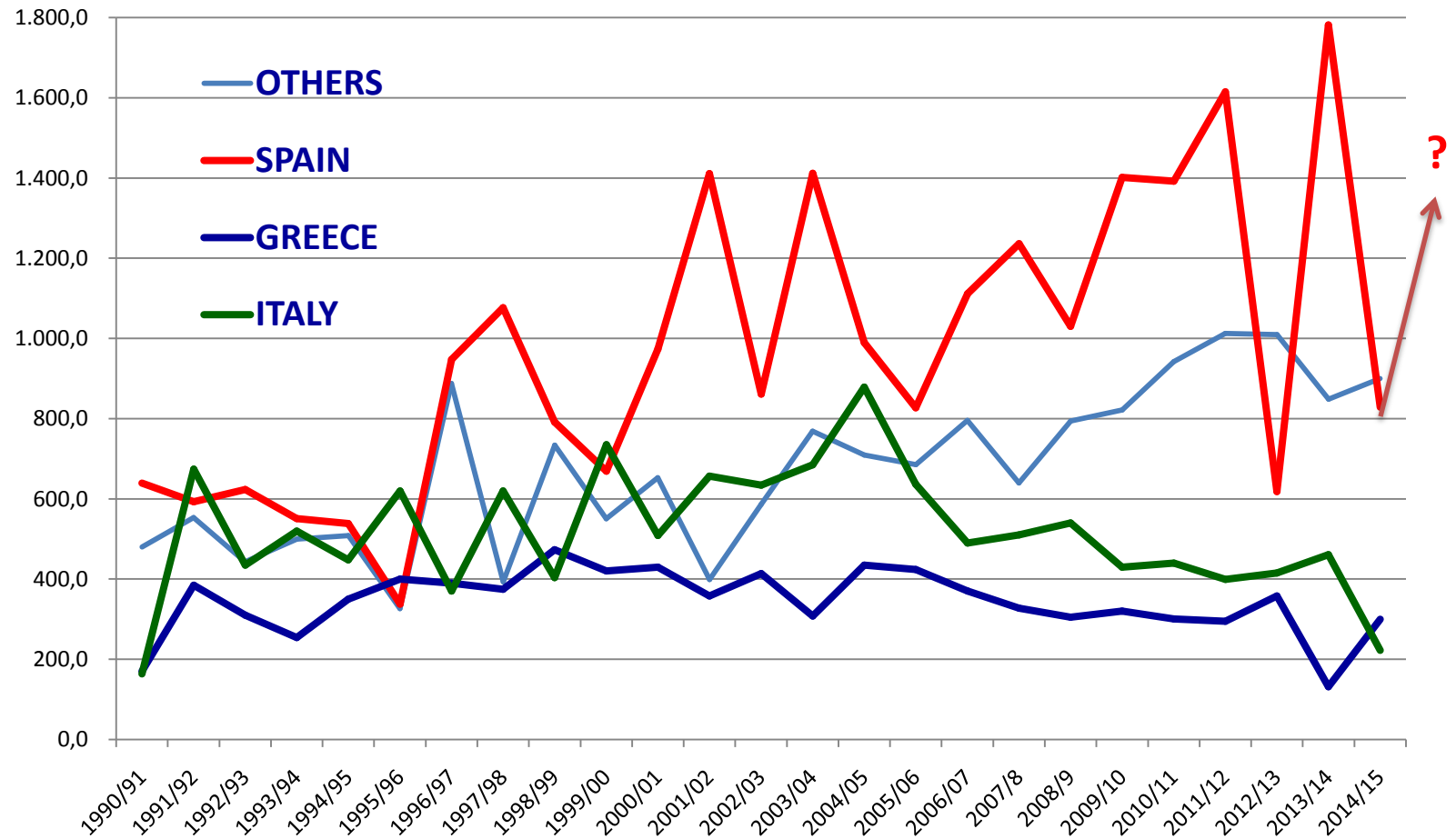
	2012/13	2013/14	2014/15
Starting stocks	1135.0	557.5	796.0
Production	2401.5	3224.0	2278.0
Imports	853.0	766.0	825.5
Consumption	2989.0	2958.0	2802.5
Exports	843.0	793.5	824.5
Ending stocks	557.5	796.0	272.5

PRODUCTION

(multiplied by 2,2 - *not* 1,22 - since 1990/91 but since 2012/13...)

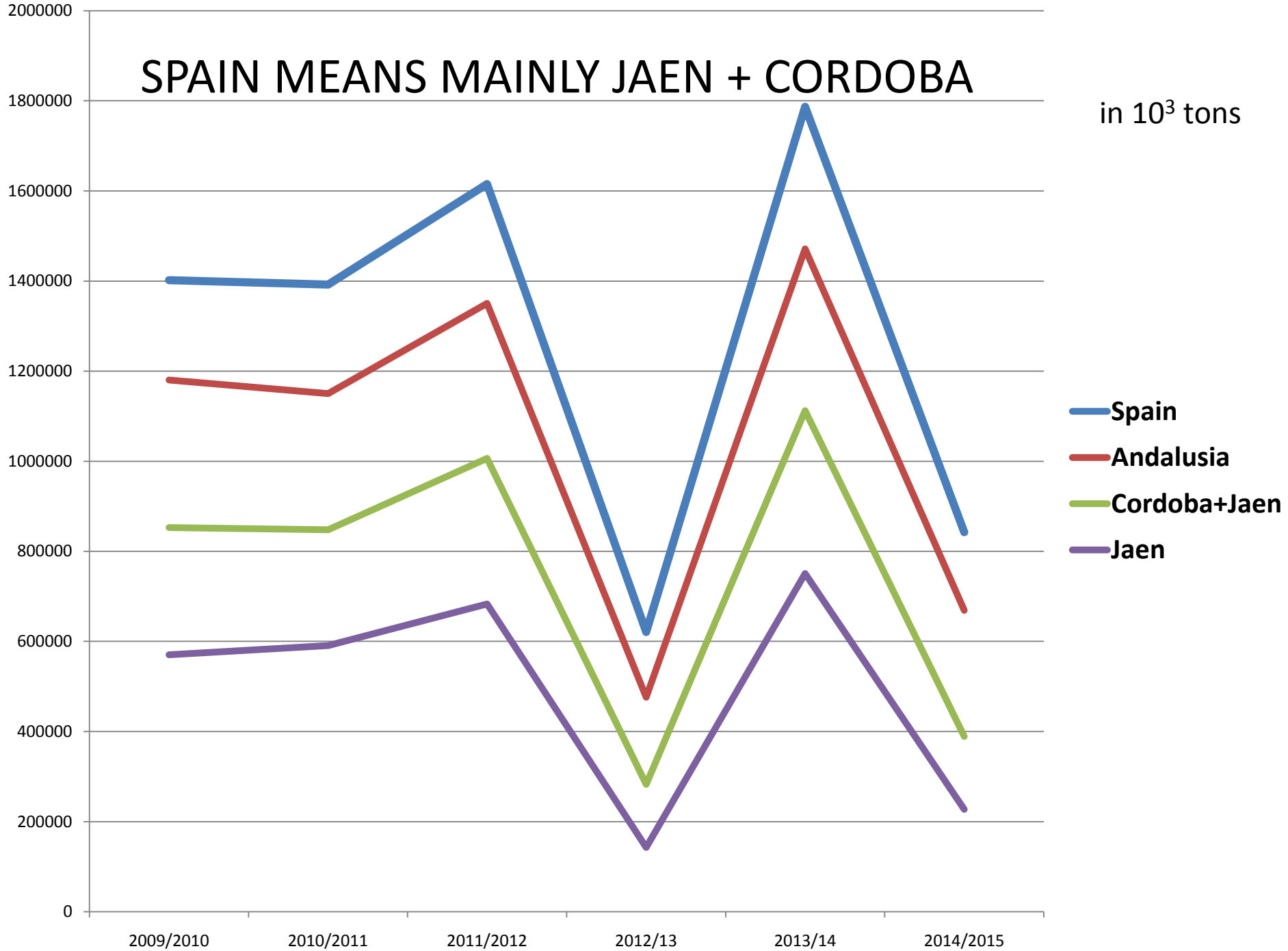


MAIN producers in 10³tons



SPAIN MEANS MAINLY JAEN + CORDOBA

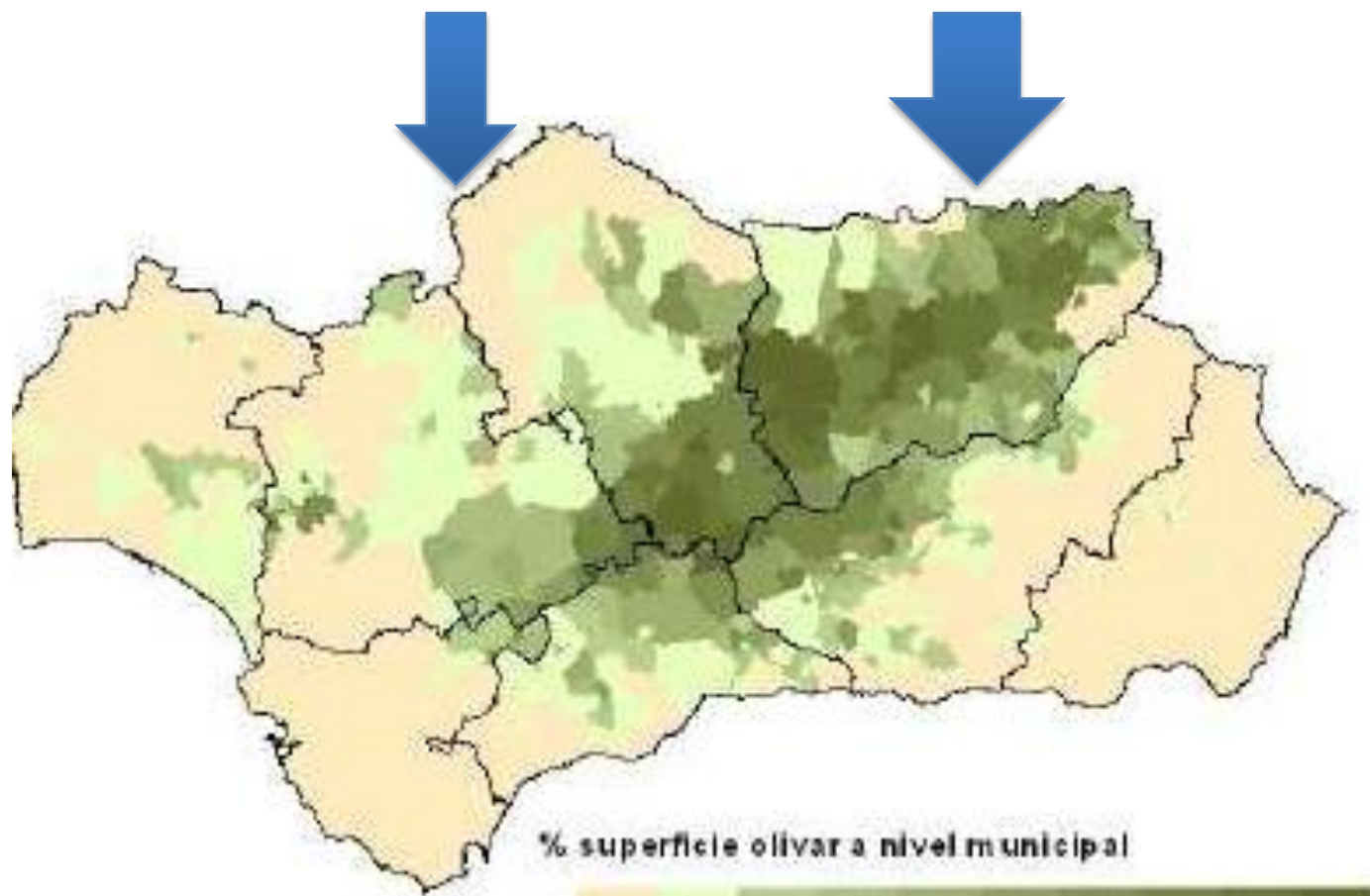
in 10³ tons





CORDOBA

JAEN





Some key issues

1/ No customs traceability of trade in extra virgin versus other categories except in the US

2/ New trade developments

Is olive oil becoming a commodity or still a speciality ?

- brand names versus private labels
- trade in bottles or in bulk

3/ Consumers issues

- Consumers taste olive oil but want to buy extra virgin
- Price elasticity (example of Spain in 2006)
- Insufficient growing demand (EU down)

4/ Agriculture issues

- Climate change
- Pests and diseases
- Different costs of production (but the olive orchard remains mainly traditional)
- Concentration of world production in one or 2 Spanish provinces



**For more
information visit:**

<http://www.internationaloliveoil.org>

THANK YOU