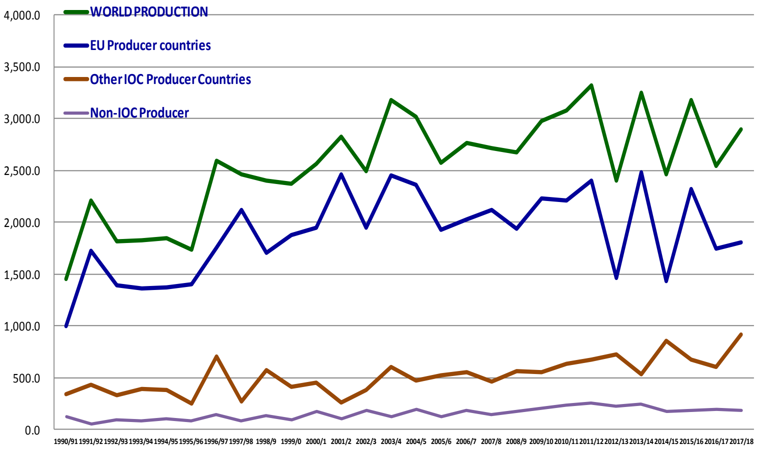
MARKET NEWSLETTER
No 121 – November 2017

106th session of the Council of Members – The 106th session of the Council of Members took place over the week of 21 to 24 November 2017 at the headquarters of the IOC in Madrid. During the session, the Economic and Promotion Committee met for its 2nd meeting to discuss the olive oil and table olive figures presented in the balances of the last three crop years 2015/16 (definitive), 2016/17 (provisional) and 2017/18 (estimated), the producer prices and the global market trends. To see the balance figures adopted please visit :
http://www.internationaloliveoil.org/estaticos/view/134-approved-balances?lang=es_ES

- **World olive oil balances for the 2016/17 and 2017/18 crop years**

The world olive oil balance for the **2016/17 crop year** opened with 549 500 t of olive oil held in stocks. **World olive oil production is assessed at 2 539 000 t**, down by 20% compared with the previous crop year (- 637.500 t). The figure for the aggregate olive oil production of IOC member countries stood at 2 350 500 t, accounting for 93% of the world total. EU olive oil production is assessed at 1 747 500 t, decreasing by 25% year-on-year. The individual figures show Spain in first place with 1 286 600 t, followed by Greece with 195 000 t, Italy with 182 300 t, Portugal with 69 400 t and the smaller producers (Cyprus with 6 000 t, Croatia with 5 100 t, France with 2 800 t and Slovenia with 400 t). Overall output in the rest of IOC Members fell by 10%. The leader of the group is Morocco with 110 000 t (-15%) followed by Tunisia with 100.000 t. (-29%); Algeria with 63 000 t (-23%); Argentina with 21 500 t (-10%); Jordan with 20 000 t (-32%); Palestine with 19 500 t (-7%); Libya with 16 000 t (-11%) and Israel with 15 000 t (-17%). Production volumes in the remaining Members are on a smaller scale. Production increased in Turkey, coming in at 177 000 t (+18%); Egypt with 20 000 t (+21%); and Lebanon with 25 000 t (+9%). Graph 1 shows the trends in world production, broken down by three producer groups: EU/IOC Members, other IOC Members and non-Members.



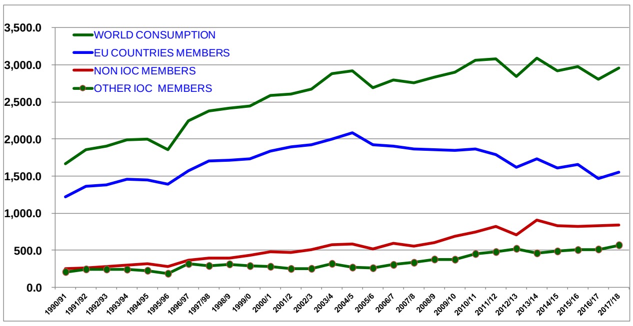
Graph I – World olive oil production trends in recent crop years

World consumption in the **2016/17** crop year is provisionally assessed at 2 803 000 t, which is a 6% decrease compared to the previous year. The EU-28 consumed 1 463 000 t of this, for an overall decrease of 12% (-197 000 t). The countries where consumption fell are Greece (-25%), France (-17%), Italy (-14%), Spain (-7%), while the small producers (Cyprus, Croatia, Slovenia) together post an 8% increase. The consumption figures for the rest of the IOC member countries increase by approximately 2%. The most important increases are seen in Turkey (+34%), Lebanon (+11%) and Iran (+5%). The remaining countries either post decreases or the same volumes as the previous crop year. Among the non-member countries, notable increases in consumption are observed in Brazil (+19%), China (+13%), Australia (+7%) and Japan (+2%). Consumption however declined in Canada by 4% and in the United States by 2%.

According to the latest official national estimates, **world olive oil production in 2017/18** is expected to increase by 14% at around 2 894 000 t. The aggregate output of IOC member countries is estimated at 2 717 000. EU countries are expected to account for 1 805 000 t of this tonnage, for a 3% year-on-year increase. Production in Spain is estimated at 1 090 500 t for a 15% decrease compared to the last crop year, it would be followed by Italy with 320 000 t (+76%); Greece with 300 000 t (+54%); and Portugal with 78 800 t (+14%). Smaller tonnages are forecast for the rest of EU producer countries. Production in the other IOC member countries is expected to see a strong year-on-year increase, up by 51%. The main increases are forecast in Turkey, at around 287 000 t (+62%), followed by Tunisia with 220 000 t (+120%); Morocco with 140 000 t (+27%), Algeria with 80 000 t (+27%); Argentina with 37 500 t (+74%); Jordan and Egypt with a production of 25 000 t, both increasing by 25%; Libya with 18 000 t (+12%); Israel with 16 000 t (+7%), while production in Lebanon will decrease by 8% at 23 000 t. The remaining countries present small production volumes.

World olive consumption for 2017/18 is estimated at 2 954 000 t, which would be a 5% increase compared to the previous crop year. Graph II shows world consumption trends in the three groups of countries: European consumer countries, IOC member countries and non-Members.

Historical time series data (1999/91–2017/18) for production, consumption, imports and exports of olive oil and table olives can be found on the following links:



Graph II – World olive oil consumption trends over the last 28 crop years

- http://www.internationaloliveoil.org/estaticos/view/131-world-olive-oil-figures and for **table olives** :
- http://www.internationaloliveoil.org/estaticos/view/132-world-table-olive-figures?lang=es_ES

NOTICE:

The Executive Secretariat of the International Olive Council has drawn up a simple questionnaire to find out about your preferences, in order to adapt itself to your needs and tastes as it works on developing a new, more modern and more dynamic website.

To this end, **please fill out the questionnaire** and send it back to the following address by 20 December 2017: **iooc@internationaloliveoil.org**

I. WORLD TRADE IN OLIVE OIL AND TABLE OLIVES

1. OLIVE OIL – 2015/16

Imports in olive oil and olive pomace oil in the eight markets in the table below close the year (October 2016 – September 2017) with an increase of 17% in Brazil, 14% in China; and 10% in Australia; imports in Japan and Russia remain stable, while they decrease by 4% in the United States and by 3% in Canada.

EU[1] figures for the first ten months of the current crop year (October – August 2017) indicate that intra-EU acquisitions increased by 1% and extra-EU imports decrease by 1% compared to the same period the previous year.

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

No	Importing country	October 15	October 16	November 15	November 16	December 15	December 16	January 16	January 17	February 16	February 17
1	Australia	1717.8	2295.4	1818.9	3529.7	1265.9	2512.7	2065.8	3516.9	2109.3	2376.7
2	Brazil	5529.5	5232.9	4853.6	6844.5	2689.6	7652.5	4394.6	4363.3	3169.2	3930.6
3	Canada	3092.5	3580.2	2875.6	4873.0	3193.2	2883.7	3015.8	3222.4	3835.0	2842.6
4	China	3106.7	4188.8	3219.6	8375.6	6015.2	4928.6	3067.6	2776.8	1501.0	1852.0
5	Japan	4492.0	3718.0	3791.0	5987.0	3097.0	3395.0	3402.0	4007.0	3916.0	3034.0
6	Russia	1785.8	2141.1	2084.0	2266.8	1940.6	1745.7	1390.1	1325.9	1765.0	1800.0
7	USA	28580.0	22315.9	20324.3	29150.7	23627.0	21996.1	26922.3	30428.7	22368.4	20021.8
8	Extra-EU/27	17568.3	7774.5	8433.7	8827.0	10600.9	23950.8	8787.2	3177.8	11346.1	9111.2
	Intra-EU/27	65823.0	81875.5	81263.5	93162.0	112768.4	113387.6	96573.4	93291.0	102171.0	118311.2
	Total	**131695.6**	**133122.3**	**128664.2**	**163016.3**	**165197.8**	**182452.7**	**149618.8**	**146109.8**	**152181.0**	**163280.1**

No	Importing country	March 16	March 17	April 16	April 17	May 16	May17	June 16	June17	July 16	July 17	August 16	August 17	September 16	September 17
1	Australia	2868.5	2206.4	2324.4	2225.4	3119.8	2428.2	2384.0	1786.1	1635.9	2701.1	2839.4	2272.0	2699.0	1772.0
2	Brazil	2660.4	3930.6	4079.5	5397.1	3915.1	4496.4	4150.9	3971.8	4735.2	4243.8	5193.3	4786.9	5278.2	4610.0
3	Canada	3745.1	4200.9	3883.2	3882.6	3659.8	4068.8	3618.7	2720.7	3072.6	2177.6	4484.6	3149.6	3441.3	3127.0
4	China	3680.2	2410.9	2575.8	2579.0	3052.6	3036.7	2215.7	2335.4	4900.3	4253.8	3682.6	5057.3	3263.9	4027.0
5	Japan	4876.0	4328.0	5608.0	4829.0	6437.0	6697.0	4896.0	4813.0	5593.0	5215.2	5401.5	5689.0	5229.0	5170.5
6	Russia	2424.1	2354.0	2652.6	2504.4	1735.9	2326.3	1776.6	2442.0	2285.7	1581.0	2468.8	2191.6	1895.8	1641.3
7	USA	35723.2	23209.0	25427.8	33968.4	34172.1	28045.4	32210.2	26623.2	22610.4	26375.6	34877.1	31323.2	24525.0	23264.0
8	Extra-EU/27	12666.1	8328.9	5493.6	5755.2	7738.3	6587.2	6948.0	10545.6	6067.2	8455.2	5857.0	7537.0	8311.1	nd
	Intra-EU/27	89644.1	109296.6	88969.7	78684.8	89708.5	87367.5	96192.2	88557.9	91112.7	82518.3	85375.0	65053.0	93637.6	nd
	Total	**158287.7**	**160265.3**	**141014.6**	**139825.9**	**153539.1**	**145053.5**	**154392.3**	**143795.7**	**142013.0**	**137521.6**	**150179.3**	**127059.6**	**148280.9**	

2. TABLE OLIVES – 2016/17

At the close of the 2016/17 crop year[2] (September 2016– August 2017) imports in table olives were up by 15% in Brazil and 4% in Australia. Canada and the United States however both closed the year on a downturn with a 4% year-on-year decrease in both markets.

EU figures for table olive imports closed the 2016/17 crop year with a 6% increase in intra-EU acquisitions and a 5% increase in extra-EU imports compared to the previous year.

[1] EU data for the September 2017 were not available at the time of writing.

[2] According to the new provisions of the International Agreement on Olive Oil and Table Olives, 2015, which came into force on 1 January 2017, "table olive crop year" means the period of twelve months from 1 September of one year to 31 August of the next. Under the 2005 Agreement, the crop year for table olives was the same as that for olive oil (October to September).

Table Olive Imports (t)

No	Importing country	September 15	September16	October 15	October 16	November 15	November 16	December 15	December 16	January 16	January 17
1	Australia	1376.0	1705.0	1156.0	1192.0	1469.0	1943.0	1682.0	1479.0	1355.0	1196.0
2	Brazil	7394.7	10420.7	7793.4	7994.2	9311.3	10718.4	8834.9	11311.1	6034.8	9330.4
3	Canada	2186.0	2237.0	2636.0	2225.0	3090.0	3037.0	3003.0	2864.0	1494.0	1790.0
4	USA	12256.0	13398.0	12738.0	11758.0	11635.0	12898.0	11997.0	10549.0	8133.0	10139.0
5	Extra-EU/27	5972.3	6570.8	6386.7	6858.6	7133.3	7302.6	7836.3	8074.8	7633.0	8325.0
	Intra-EU/27	26220.1	24999.2	30114.0	29334.5	31646.4	30830.4	30882.0	27758.6	21716.1	20986.6
	Total	**55405.1**	**59330.7**	**60824.1**	**59362.3**	**64285.0**	**66729.4**	**64235.2**	**62036.5**	**46365.9**	**51767.0**

No	Importing country	February 16	February 17	March 16	March 17	April 16	April 17	May16	May17	June16	June17	July 16	July 17	August 16	August 17
1	Australia	1116.0	1144.0	1875.0	1426.9	1505.0	1452.0	1387.0	2088.0	1226.0	1257.0	1208.0	1394.0	1517.0	1320.0
2	Brazil	7737.9	8466.5	8273.8	10043.1	7701.3	7091.6	7789.3	9218.2	9137.3	10592.5	8373.0	9459.7	10627.8	9638.4
3	Canada	1843.0	1943.0	2738.0	2170.0	2280.0	2505.0	2821.0	2269.0	3188.0	2539.0	2088.0	2483.0	2498.7	2599.0
4	USA	11348.0	9256.0	15441.0	12894.0	11179.0	11852.0	12329.0	12461.0	13725.0	12028.0	12948.0	13143.0	19170.0	15856.0
5	Extra-EU/27	7568.4	7249.3	8731.2	9501.1	10433.6	9844.1	9244.4	9657.6	8631.0	9800.7	6885.8	7855.8	7473.1	7846.0
	Intra-EU/27	22609.5	24319.3	26037.7	28196.3	24834.6	24723.0	26388.9	29038.1	28095.8	30217.1	29515.6	46479.7	25845.6	25062.2
	Total	**52222.8**	**52378.1**	**63096.7**	**64231.4**	**57933.5**	**57467.7**	**59959.6**	**64731.9**	**64003.1**	**66434.3**	**61018.4**	**80815.2**	**67132.2**	**62321.6**

II. PRODUCER PRICES – OLIVE OILS

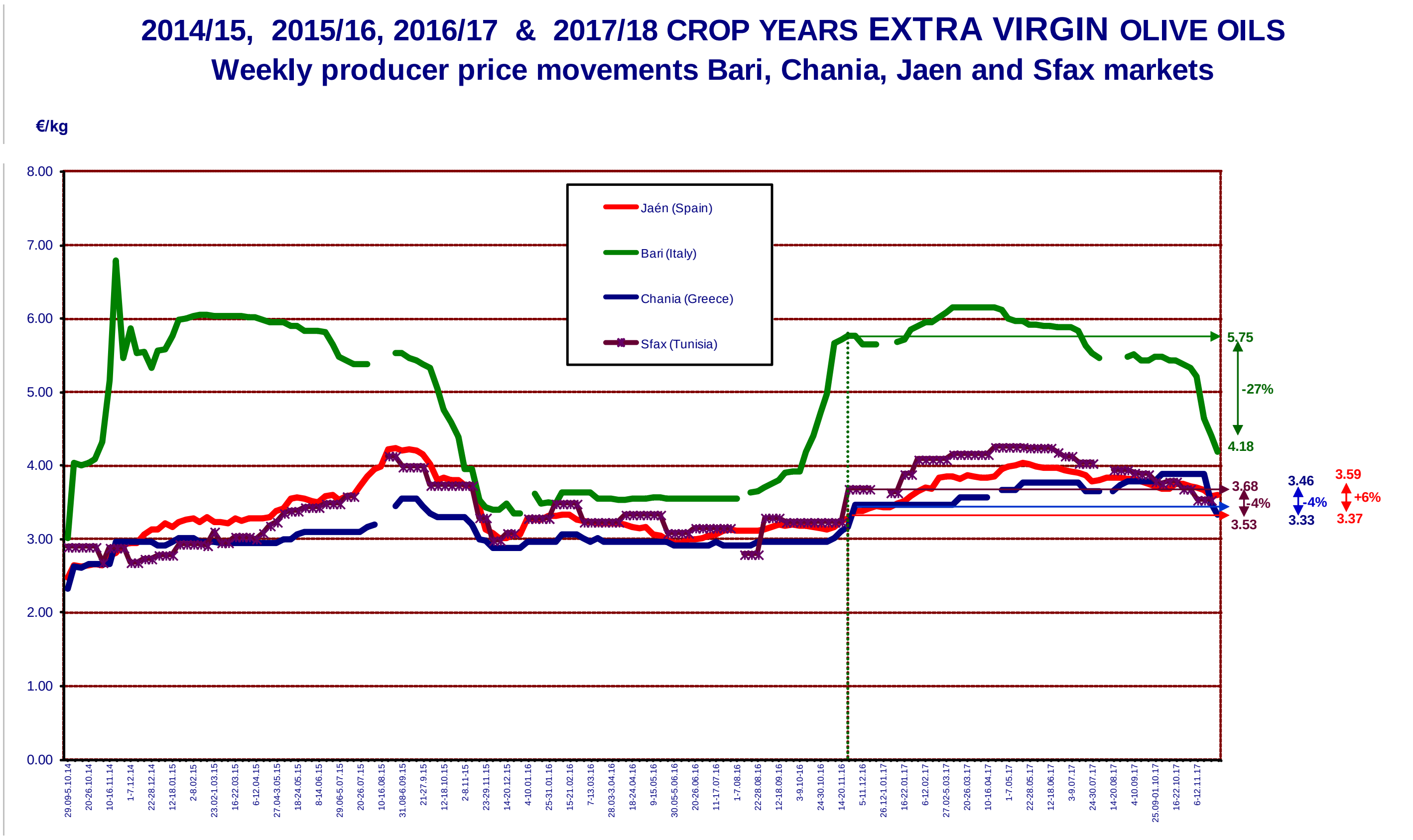
Graph 1 tracks the weekly movements in prices paid to producers for extra virgin olive oil in the top three European producing countries and Tunisia, while Graph 3 shows the weekly changes in producer prices for refined olive oil in the main three EU producers. The monthly price movements for these grades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

Extra virgin olive oil – Producer prices in **Spain** have fallen over the last few weeks, coming in at **€3.59/kg** at the end of **November 2017**, which is a 6% increase compared to the same period the previous year (Graph 1).

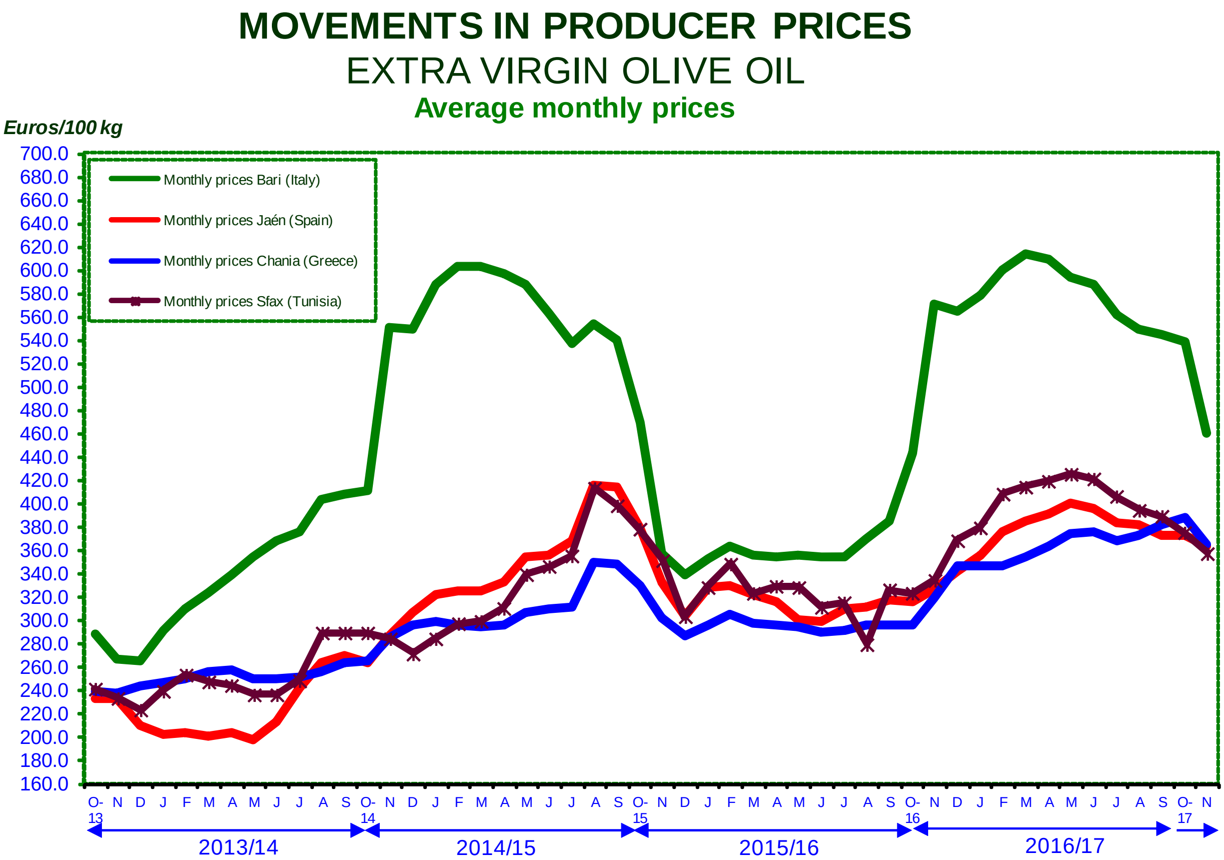
Italy – Prices in Italy have fallen sharply, down to **4.18€/kg** at the end of November, for a 27% year-on-year decrease. Graph 2 shows the monthly price movements of the extra virgin olive oil category in recent crop years.

Greece – The prices in Greece also fell in the last two weeks, coming in at **3.33€/kg** at the end of November, down by 4% compared to the previous year.

Tunisia – Prices in Tunisia, as in the other markets, fell over the last few weeks to **3.53€/kg** at the end of November, which is a 4% year-on-year decrease.



Graph 1

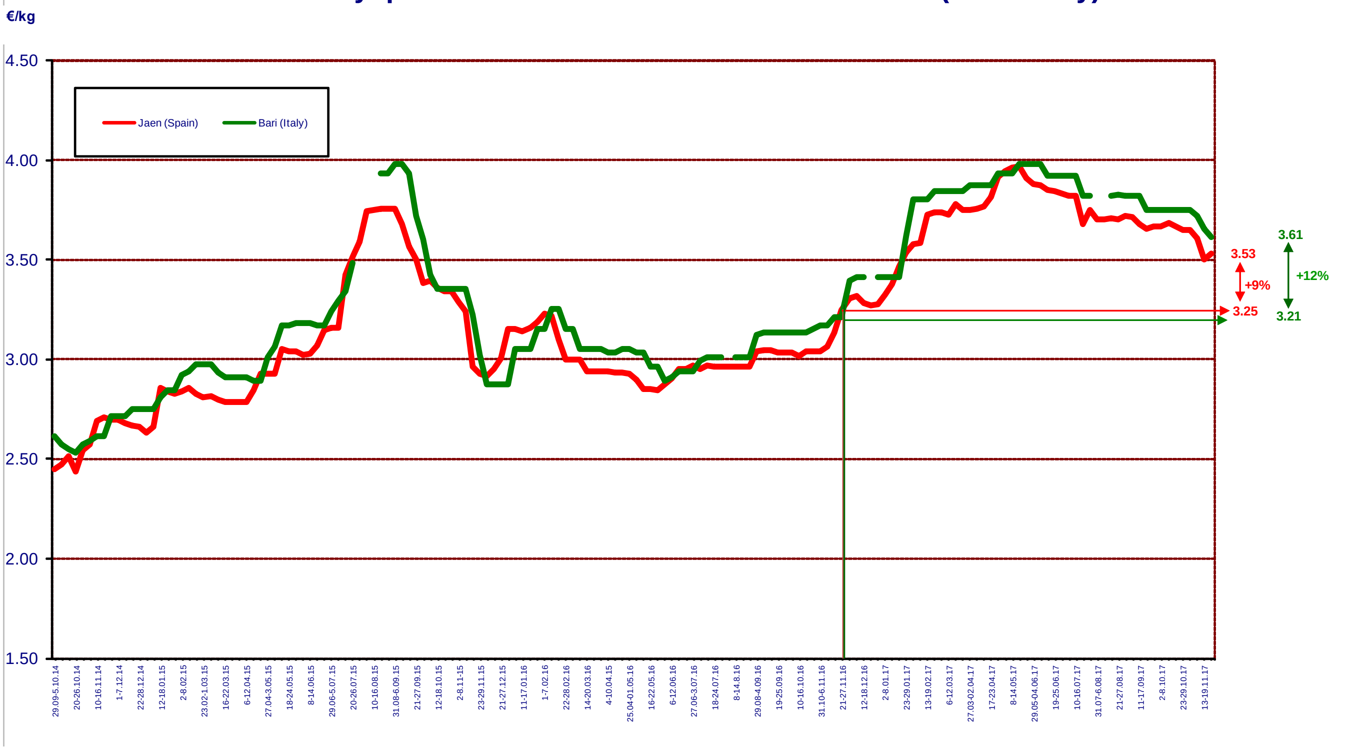


Graph 2

- **Refined olive oil:** Producer prices for refined olive oil in Spain and Italy generally follow the same trend as the prices for extra virgin olive oil. The price in **Spain** at the end of November 2017 stood at **€3.53/kg**, up by **9%** compared to the same period the previous year. In **Italy** it reached **€3.61/kg,** for a **12%** year-on-year increase. No price data are available for this product category in Greece.

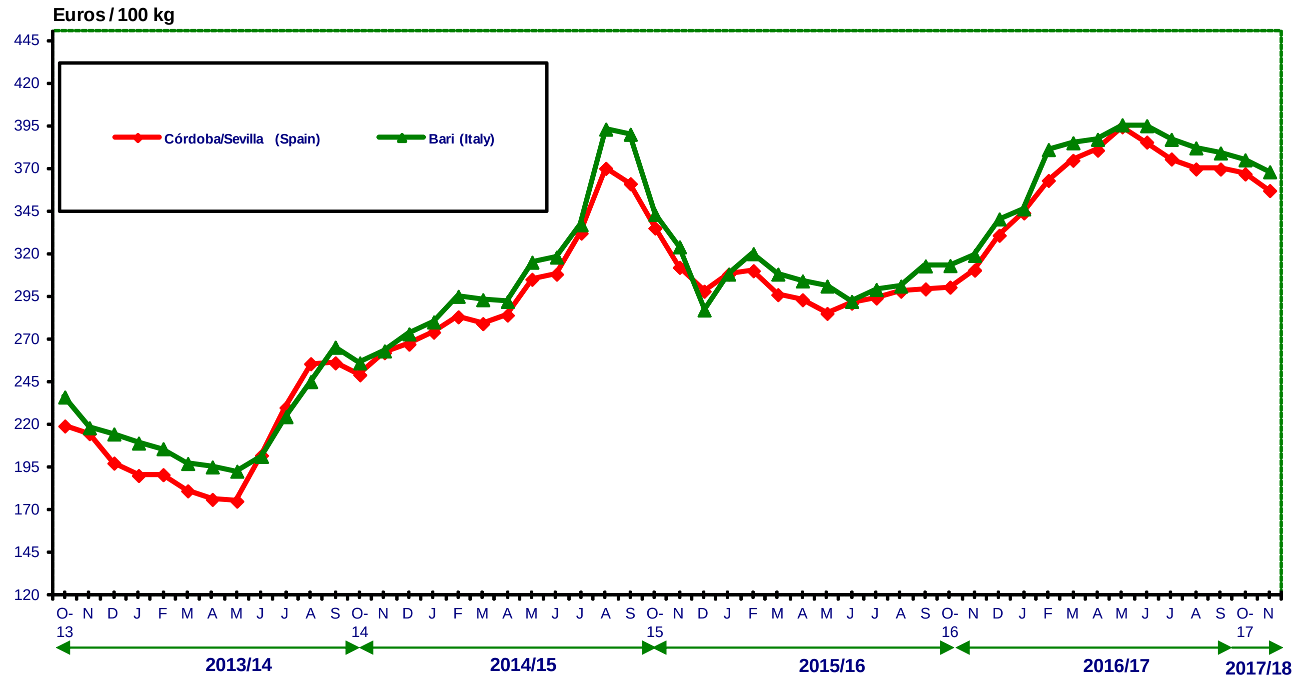
At the end of October 2017, the price difference in Spain between refined olive oil (€3.53/kg) and extra virgin oil (€3.59/kg) was of €0.06/kg. In Italy, the price difference between the two categories was greater than in Spain at €0.57/kg (Graph 3).

2014/15, 2015/16, 2016/17 & 2017/18 CROP YEARS REFINED OLIVE OILS
Weekly price movements Bari and Jaen markets (ex-refinery)



Graph 3

MOVEMENTS IN PRODUCER PRICES
REFINED OLIVE OIL
Average monthly prices



Graph 4

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