



18th extraordinary session and 39th meeting of the IOC and Advisory Committee

The IOC Council of Members met in Buenos Aires for their 18th extraordinary session at the kind invitation of the Argentine authorities. In his welcome address, Secretary of State for Agriculture, Livestock and Fisheries Lorenzo Basso highlighted the fact that Argentina is the only IOC Member in Latin America and that this was the first time that a Council session was held in that part of the world. “Through the Ministry of Foreign Affairs, the Government of Argentina has made intense efforts to draw other Latin American countries to the Council such as Brazil, Chile, Peru and Uruguay”, said Basso. “The participation of these countries as observers strengthens the idea of a strategic alliance between nations and enables integral coordination of action as a bloc transcending the borders of MERCOSUR”. The Secretary of State described the IOC as “an organisation with a track record of 50 years” which “must be a spearhead and trendsetter in the world of olive growing”. (see the full Spanish-language original of his speech at <http://www.internationaloliveoil.org/documents/viewfile/6466-discurso-secretario-general-de-agricultura-ganaderia-y-pesca-de-argentina/1>).

Buenos Aires was also the backdrop for the 39th meeting of the IOC Advisory Committee on Olive Oil and Table Olives. At committee discussions the IOC Deputy Director reported on the performance of the world olive oil and table olive market. According to provisional figures, olive oil production in the 2011/12 season reached a record level of 3 361 500 t, driven by bumper crops in some IOC Members such as the European Union (2 428 500 t, of which Spain’s share stands out at over 1 600 000 t; Italy 450 000 t; Greece 295 000 t; Portugal 74 000 t), Morocco (120 000 t), Syria (198 000 t), Tunisia (180 000 t) and Turkey (191 000 t). World consumption is provisionally assessed at 3 147 000 t. Leading the consumption league is the 27-Member EU with 1 936 000 t, followed by the United States (275 000 t), Turkey (150 000 t), Syria (135 500 t), Morocco (90 000 t), Brazil (62 000 t), Algeria (57 000 t), Australia (41 500 t), Canada (40 000 t) and China (30 000 t) and others. International trade figures provisionally put world exports at 779 500 t. Here again the EU/27 lies in first place, followed by Tunisia (140 000 t), Morocco (40 000 t), Syria (25 000 t), Turkey (20 000 t), Chile (11 500 t) and Argentina (10 500 t). For the time being, imports are below exports and lie at 680 500 t. The United States is the import leader (271 000 t). Next in line are the EU/27 (81 000 t), Brazil (62 000 t), Canada (40 000 t), Japan (37 000 t), Australia (30 000 t), Russia (25 000 t) and other countries with smaller import volumes.

Turning to the table olive market, the provisional figures put world output at 2 555 000 t in 2011/12. Member States of the EU account for 701 000 t of this tonnage (headed by Spain with over 500 000 t). Other top producers are Egypt (500 000 t), Turkey (400 000 t), Argentina (200 000 t), Syria (172 000 t), Algeria (133 000 t), Morocco (100 000 t) and Peru (87 000 t), followed by a number of smaller producers accounting for the remainder of the aggregate tonnage. World consumption comes out at a provisional volume of 2 461 500 t. The leading consumers are the EU/27 (629 000 t), followed by Turkey (350 000 t), Egypt (300 000 t), the United States (240 000 t), Algeria (139 000 t), Syria (132 000 t), Brazil (87 000 t), Russia (75 000 t) and Peru (50 000 t). Exports and imports are provisionally assessed at 683 500 t and 605 000 t, respectively. (see more at <http://www.internationaloliveoil.org/documents/viewfile/6465-pp-presentation-39th-meeting-of-the-advisory-committee/1>).

During the Advisory Committee meeting, two Argentine representatives – *Frankie Gobbee* and *Alfredo Gusman* – gave an overview of the history of olive cultivation and market trends in Argentina. Amongst other things, they said that the key to the potential development of local olive oil consumption is through campaigns to educate Argentine consumers about the attributes and uses of olive oil. They also highlighted Argentina’s high processing capacity, made possible by the establishment of processing plants equipped with cutting-edge technology over the past 15 years. Ninety percent of the olive oil produced is extra virgin grade. Because many olive orchards are still young, the processing sector is 30% over capacity in many olive growing regions of the country (go to <http://www.internationaloliveoil.org/documents/viewfile/6464-argentina-born-to-be-extra-virgin/1> to see the full presentation).

The Turkish representative on the committee, Mustapha Tan, gave a presentation on national promotional action and initiatives in Turkey to promote local consumption. Interestingly, olive oil consumption in Turkey rose by 19% between 2009/10 and 2010/11 and is expected to climb a further 15% in 2011/12. Domestic consumption is going up by the year and is currently 2 kg/capita. Some three million olive trees are planted every year in Turkey with the support of the public and private sector (see more at <http://www.internationaloliveoil.org/documents/viewfile/6463-actions-de-promotion-de-l-rsquo-huile-d-rsquo-olive-et-des-olives-de-table-menees-en-turquie/1>).



Speakers from two observers – Chile and Uruguay – gave presentations on olive cultivation in their home countries. Arturo Leiva Dimter, the President of the Chilean association *ChileOliva* explained that olives are grown on 22 000 ha under superintensive mechanised cultivation. Chile produces 18 000 t of olive oil, 97% of which is extra virgin, and consumes 8 000 t. Daniel Davidovics, the President of the Uruguayan association *Asolur* told the audience that Uruguay has 10 000 ha of olives. Lying at 500 t, production is still very much in its early stages. Crop acreage is forecast to be 15 000 ha by 2020 and the outlook is for exports to reach 10 000 t. Uruguay officially applied to become an IOC Member during the session.

WORLD MARKET FOR OLIVE OIL AND TABLE OLIVES

1. OLIVE OIL: 2011/12

Among the eight countries listed below, imports of olive oil and olive pomace oil increased in the first seven months of 2011/12 (October–April) in China (+24%), Russia (+10%), Japan (+10%), Brazil (+6%) and the United States (+2%). Conversely, they went down in the cases of Canada (-13%) and Australia (-1%). At the time of writing, the April figures for the European Union were not yet available, but when compared with the data for the first six months of 2010/11, the October 2011–March 2012 figures show a decrease in extra-EU/27 imports (-12%), which comes as no surprise given the volume of EU production this season, as well as in intra-EU/27 imports (-3%).

Olive oil imports (including olive-pomace oils) (t)															
No	Importing country	October 10	October 11	November 10	November 11	December 10	December 11	January 11	January 12	February 11	February 12	March 11	March 12	April 11	April 12
1	Australia	2492.8	2571.2	3522.0	3027.0	3505.0	1580.0	1887.0	3060.0	1723.0	2289.0	2523.0	3491.0	2679.0	2082.0
2	Brazil	6852.5	5247.0	6461.1	8866.7	6002.8	6004.8	5280.8	6414.7	6343.5	6453.8	5559.1	5615.9	4200.5	4583.7
3	Canada	3511.0	2903.0	3520.0	4080.0	3704.0	2980.0	4402.0	2471.0	3210.0	2263.0	4469.0	4939.0	3738.0	3453.0
4	China	1073.1	2364.0	2657.5	2901.2	4439.8	5638.7	4125.6	3897.1	1233.4	2063.1	2332.7	2524.6	1714.6	2472.9
5	Japan	2911.0	3085.0	2651.0	3064.0	3181.0	3392.0	3254.0	3597.0	2785.0	3519.0	3206.0	2670.0	3087.0	3897.0
6	Russia	2354.0	2511.0	2151.0	3486.0	2749.0	2854.0	1703.0	1805.0	1972.0	1973.2	2423.9	2895.7	2584.6	1992.2
7	USA	25040.5	20939.5	20490.0	29832.0	27938.0	23574.0	19730.0	27739.0	26376.0	17383.0	31727.0	33277.0	21961.0	24527.0
8	Extra-EU/27	4869.0	6122.0	6586.0	4982.0	9821.0	6250.0	6519.3	5174.4	9943.3	9715.7	8172.0	8034.6	10632.1	nd
	Intra-EU/27	82141.7	86248.0	91566.6	87821.0	107612.0	99466.3	92897.2	87352.9	92365.0	91360.0	92284.6	91017.9	84436.6	nd
	Total	131245.6	131990.7	139605.2	148059.9	168952.6	151739.8	139798.9	141511.1	145951.2	137019.8	152697.3	154466.7	135033.4	

2. TABLE OLIVES: 2011/12

The figures reported in the next table show that table olive imports over the first seven months of the 2011/12 season (October–April) increased solely in Brazil (+26%). All the other countries saw their imports go down: United States (-7%), Russia (-6%), Australia (-2%) and Canada (-1%). At the time of publication, the April data were not available for the EU. Even so, when set against the data for the first six months of 2010/11, the October 2011–March 2012 data point to a decrease in extra-EU/27 imports (-7%) but an increase in intra-EU/27 imports (+2%).

Table Olive Imports (t)															
N°	Importing country	October 10	October 11	November 10	November 11	December 10	December 11	January 11	January 12	February 11	February 12	March 11	March 12	April 11	April 12
1	Australia	934.0	1072.0	1649.0	1734.0	2222.0	1613.0	1347.0	1510.0	1787.0	1515.0	1489.0	1768.0	1221.0	1239.0
2	Brazil	9168.4	9746.1	8854.5	12350.8	8209.1	10340.0	6227.5	7069.0	5001.2	5538.3	5455.6	7868.7	5144.3	7641.4
3	Canada	2346.0	2953.7	2401.4	2577.0	2023.9	2024.3	2165.0	1743.0	2029.0	2018.0	2610.0	2269.0	2180.0	2071.0
4	Russia	6955.0	7707.0	9345.0	9949.0	9763.0	7889.0	4867.9	3001.9	4778.9	5430.6	5521.4	5501.0	5463.9	nd
5	USA	10327.0	10492.0	12400.0	10928.0	13064.0	9927.0	10736.0	10015.0	9654.0	8512.0	11384.0	11674.0	12228.0	12373.0
6	Extra-EU/27	9375.1	9143.8	10030.9	8542.8	8674.8	8239.6	7412.0	8224.3	8843.7	8302.9	12280.3	10286.7	10433.9	nd
	Intra-EU/27	27096.4	25305.2	27003.6	27040.0	24003.5	22965.3	21276.9	33919.0	24855.8	21056.2	26687.5	24163.2	26961.0	nd
	Total	66201.9	66419.8	71684.4	73121.6	67960.3	62998.2	54032.3	65482.2	56949.6	52373.0	65427.8	63530.6	63672.1	

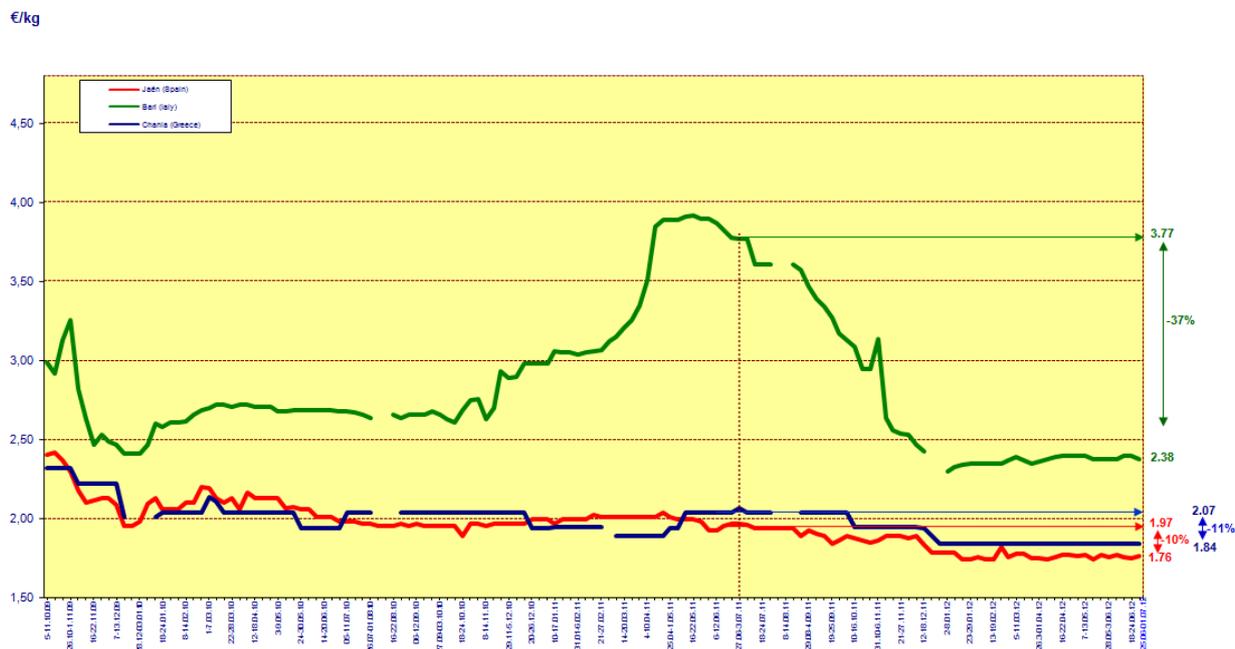
CHANGES IN PRODUCER PRICES

Graphs 1 and 3 track the weekly movements in the prices paid to producers 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 oil are given in Graphs 2, 4 and 5.

- Extra virgin olive oil: Compared with the same period the year before, prices have dropped by 10% in Spain (€1.76/kg), 11% in Greece (€1.84/kg) and 37% in Italy (€2.38/kg) (see Graph 1). In recent months, prices have remained virtually steady in all three countries but still remain at their lowest since October 2009.

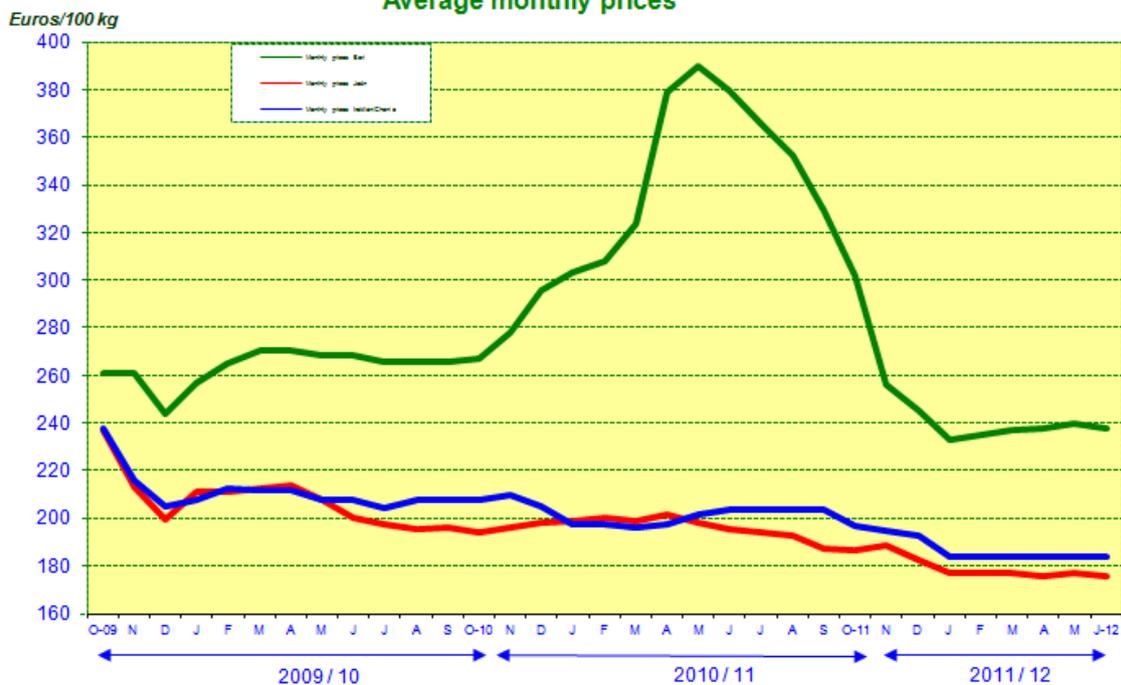


2009/10, 2010/11 & 2011/12 CROP YEARS EXTRA VIRGIN OLIVE OILS
Weekly producer price movements Bari, Chania and Jaen markets



Graph 1

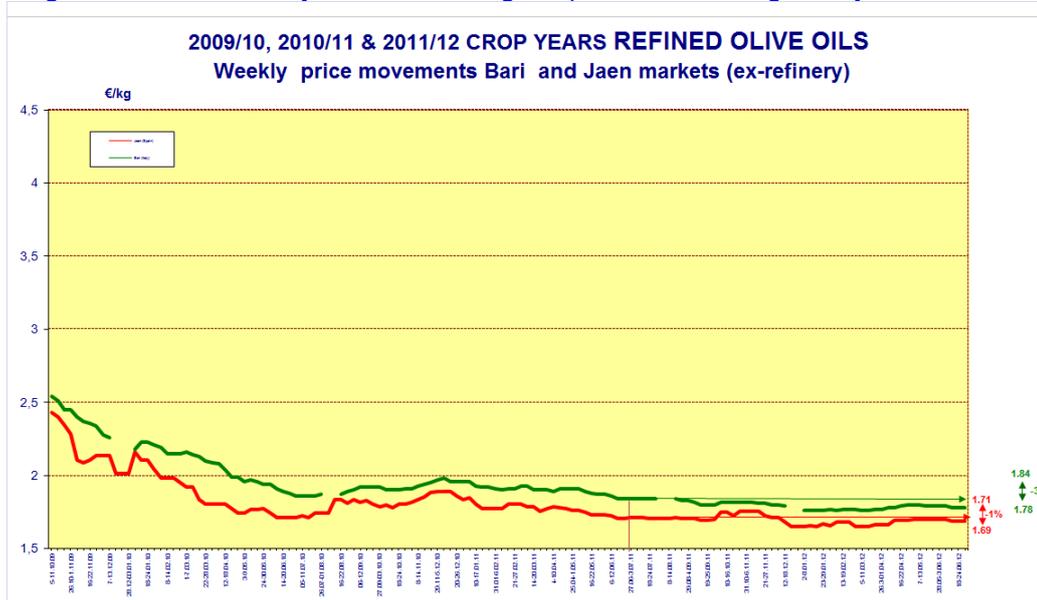
MOVEMENTS IN PRODUCER PRICES
EXTRA VIRGIN OLIVE OIL
Average monthly prices



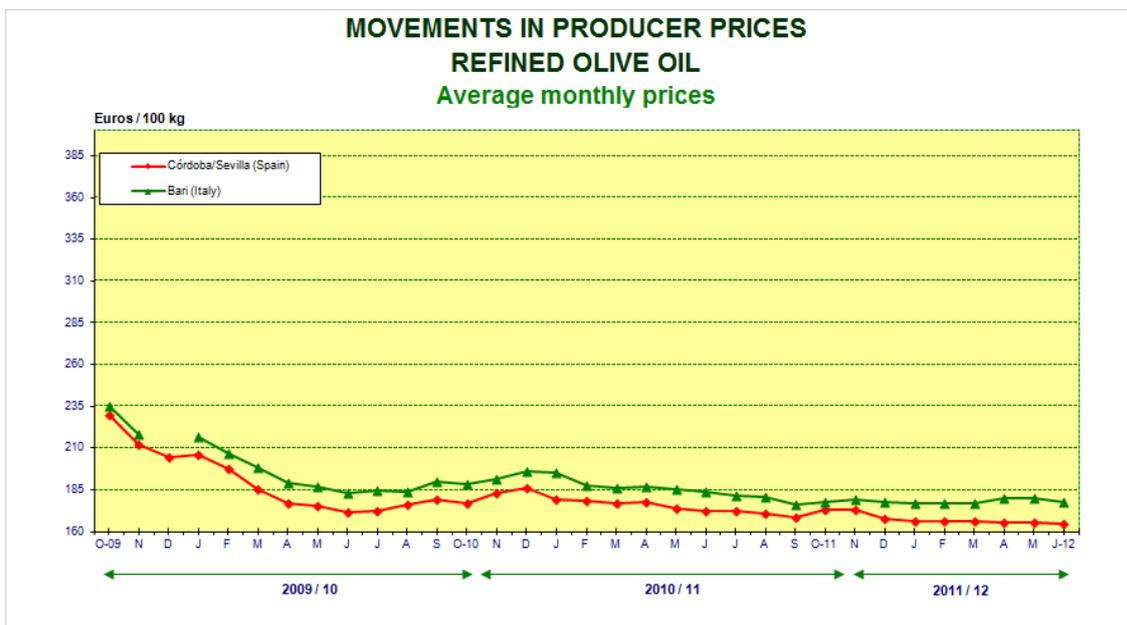
Graph 2



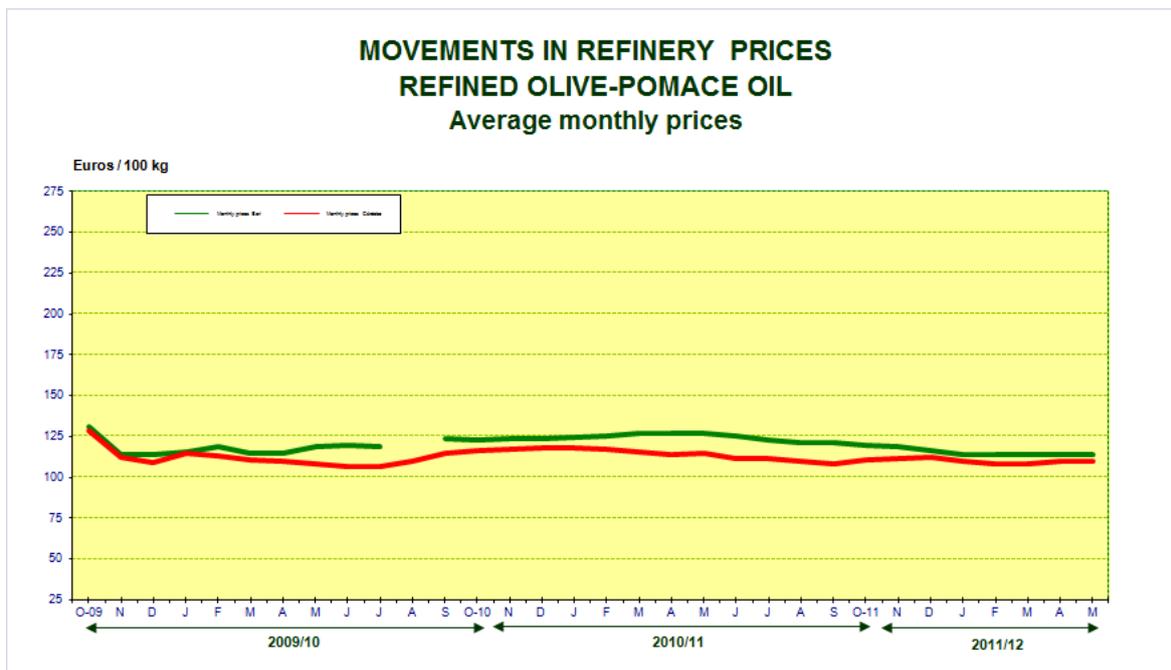
- Refined olive oil: Over the last 12 months, refined olive oil prices have dropped by 1% (€1.69/kg) in Spain and 3% (€1.78/kg) in Italy (Graph 3). These prices are at their lowest levels of the last three crop years. No price data are available for Greece. The gap between the price of refined olive oil and extra virgin olive oil is currently around €0.07/kg in Spain and €0.60/kg in Italy.



Graph 3



Graph 4



Graph 5