

# **Trade Economics of Olives and Olive Oil: Data and Issues**

**Sacramento Valley Olive Day**

**Orland, July 6, 2018**

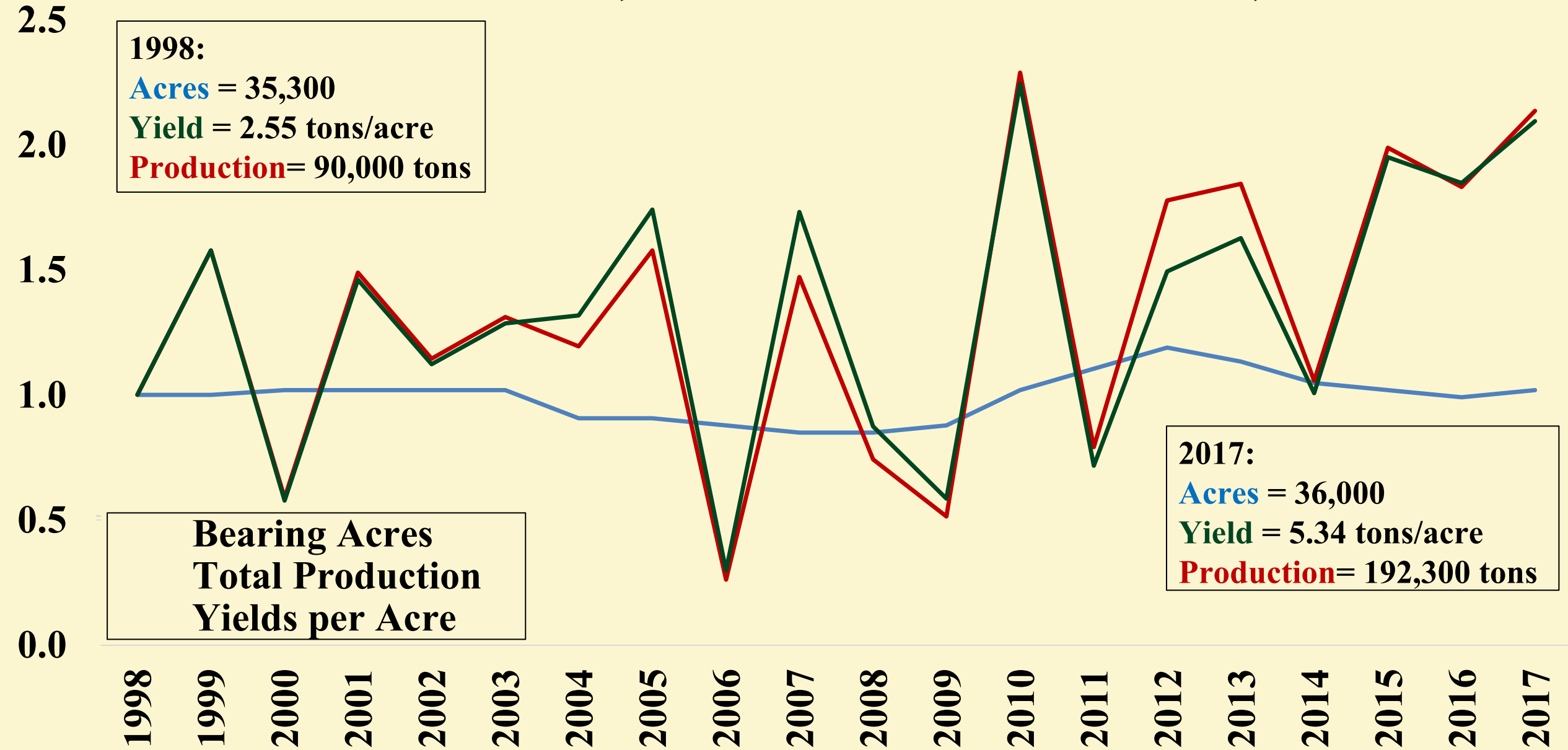
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# Motivation, Orientation, and Overview

- **International agricultural trade is in the headlines these days and concerns abound...what does trade turmoil mean for farms?**
- **Economics underlie almost every decision in agriculture and international trade affects both costs and returns**
- **Import access to the US affects farm input costs, and competition in domestic markets. Access for US exports affects output demand and prices for most California farm products.**
- **We know more open markets have been broadly good for economic growth and incomes over the past 70 years, but governments are often motivated to limit market access and impose import taxes**
- **Olives are different from most California commodities in that exports are minimal, while import competition is robust**

# Index of US Olive Acres, Yield and Total Production, 1998-2017



1998:

Acres = 35,300

Yield = 2.55 tons/acre

Production = 90,000 tons

Bearing Acres

Total Production

Yields per Acre

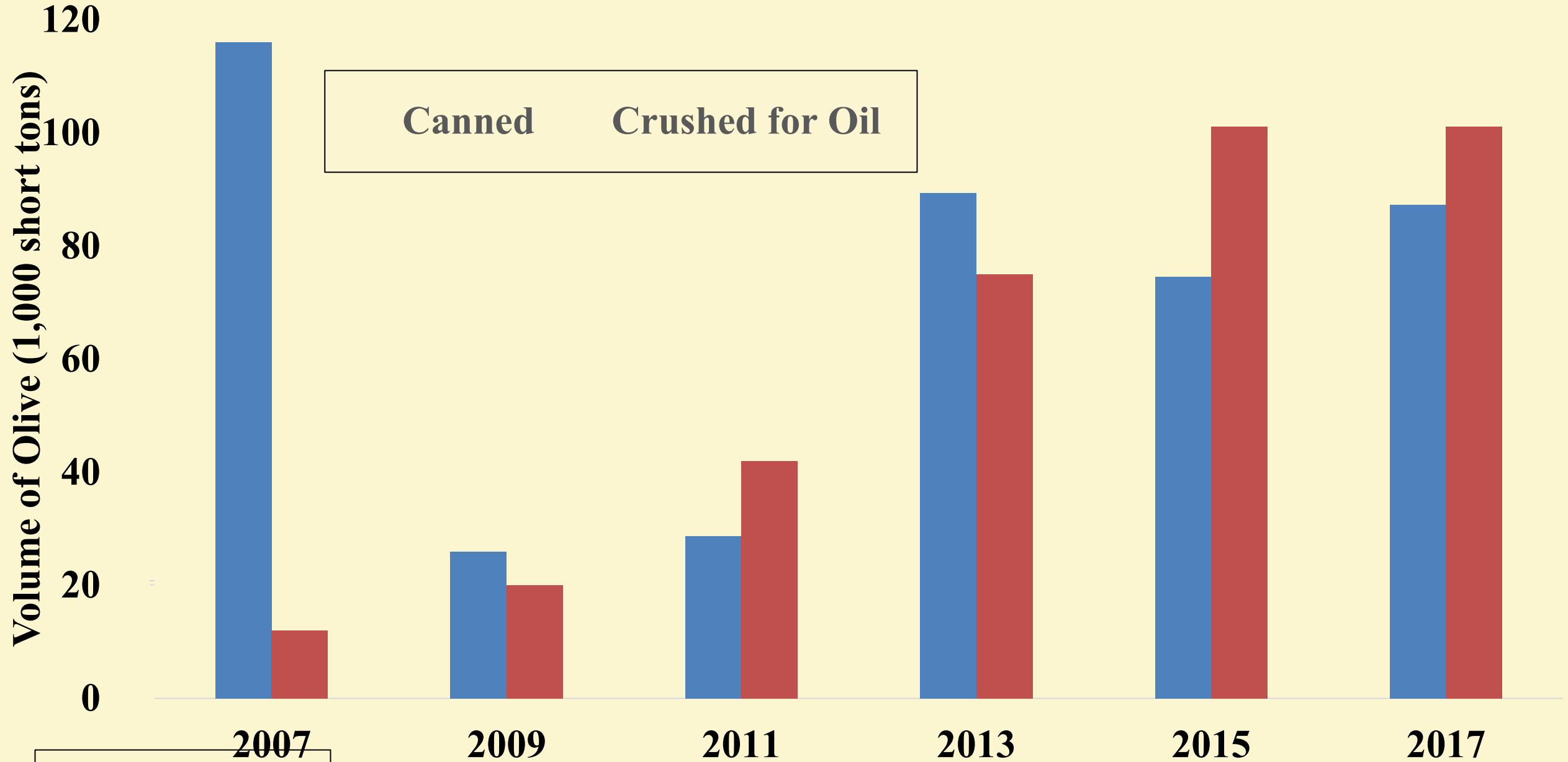
2017:

Acres = 36,000

Yield = 5.34 tons/acre

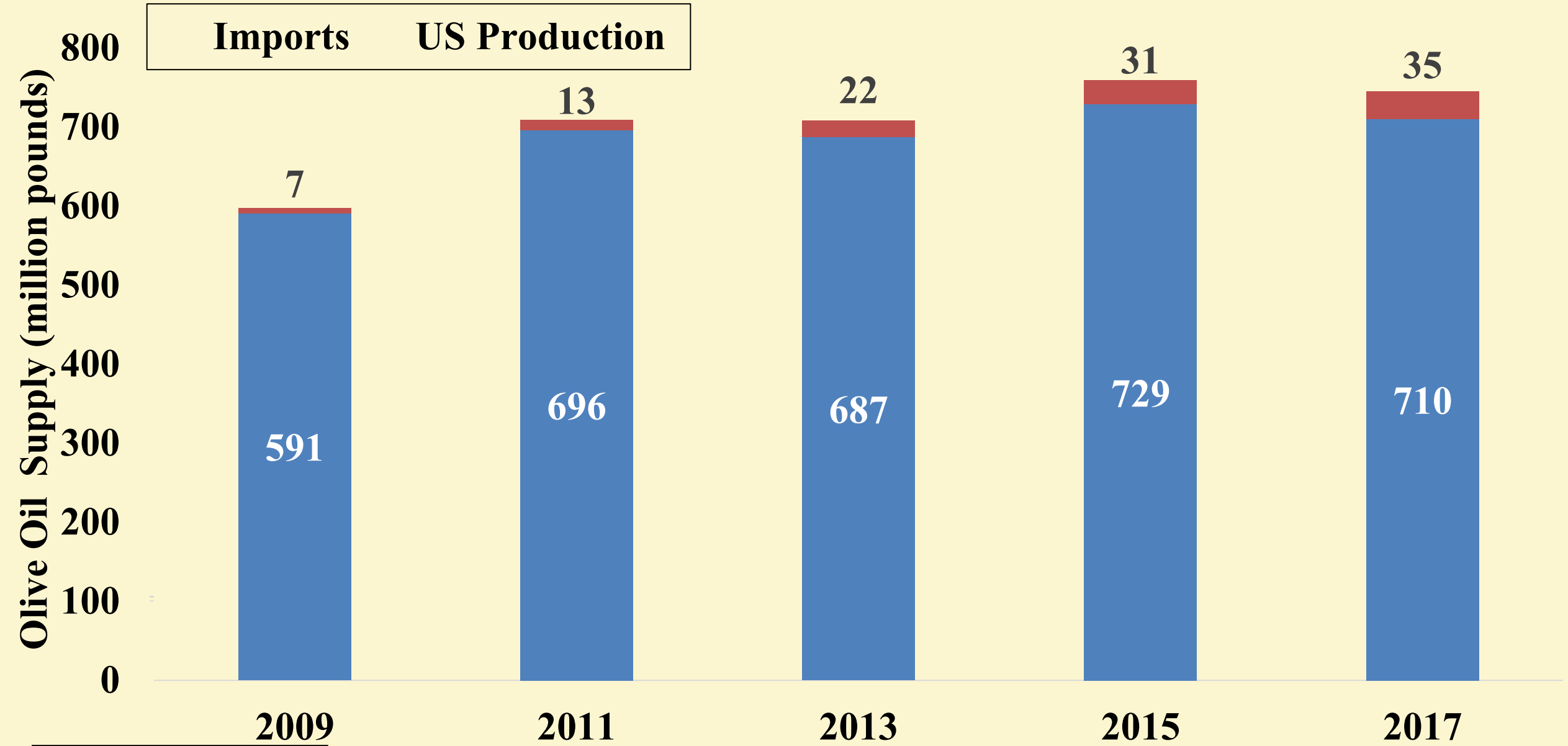
Production = 192,300 tons

# Utilization of US Produced Olives, 2007-2017



Source: USDA ERS

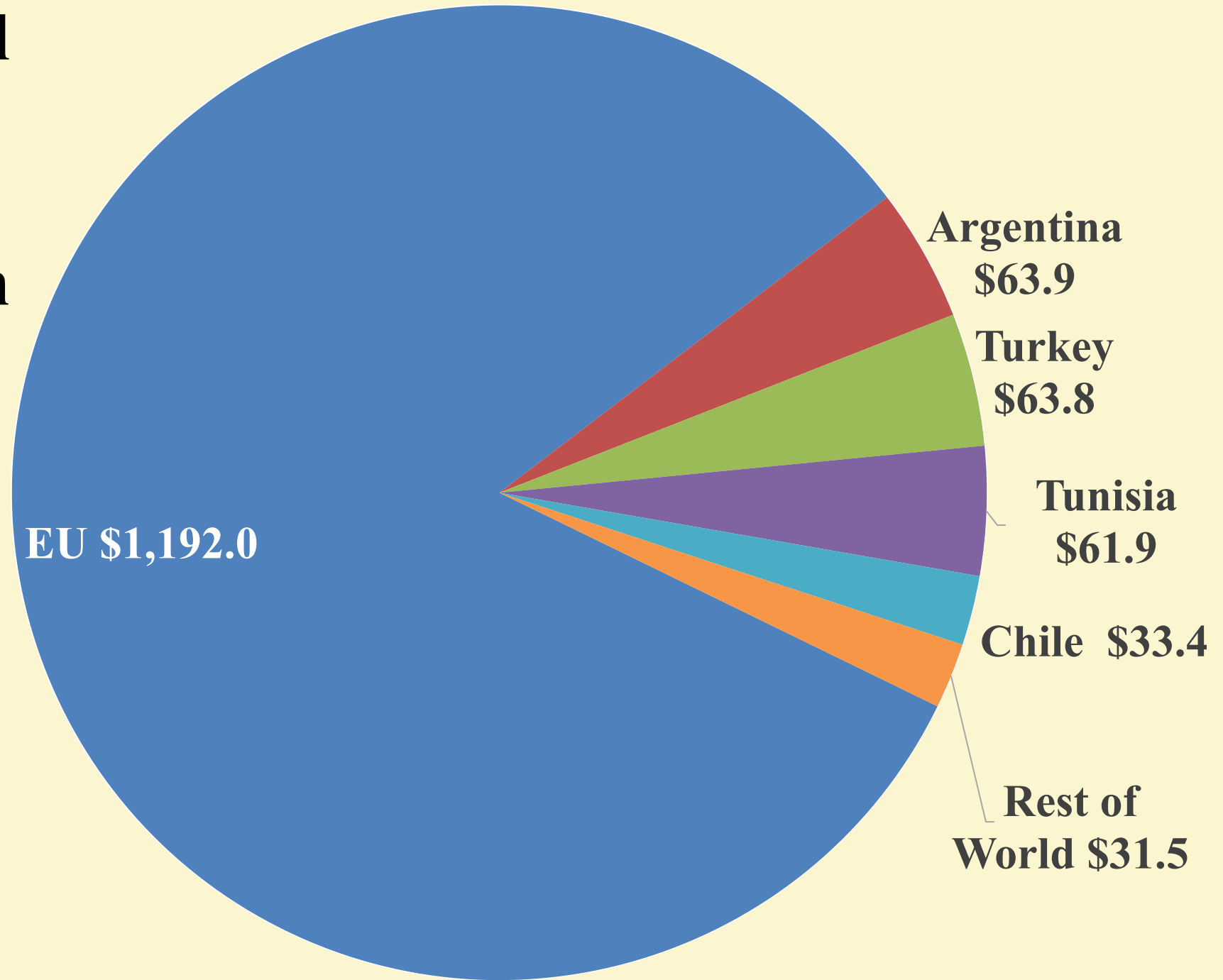
# Source of Available Supply of Olive Oil Marketed in US



Source: USDA ERS

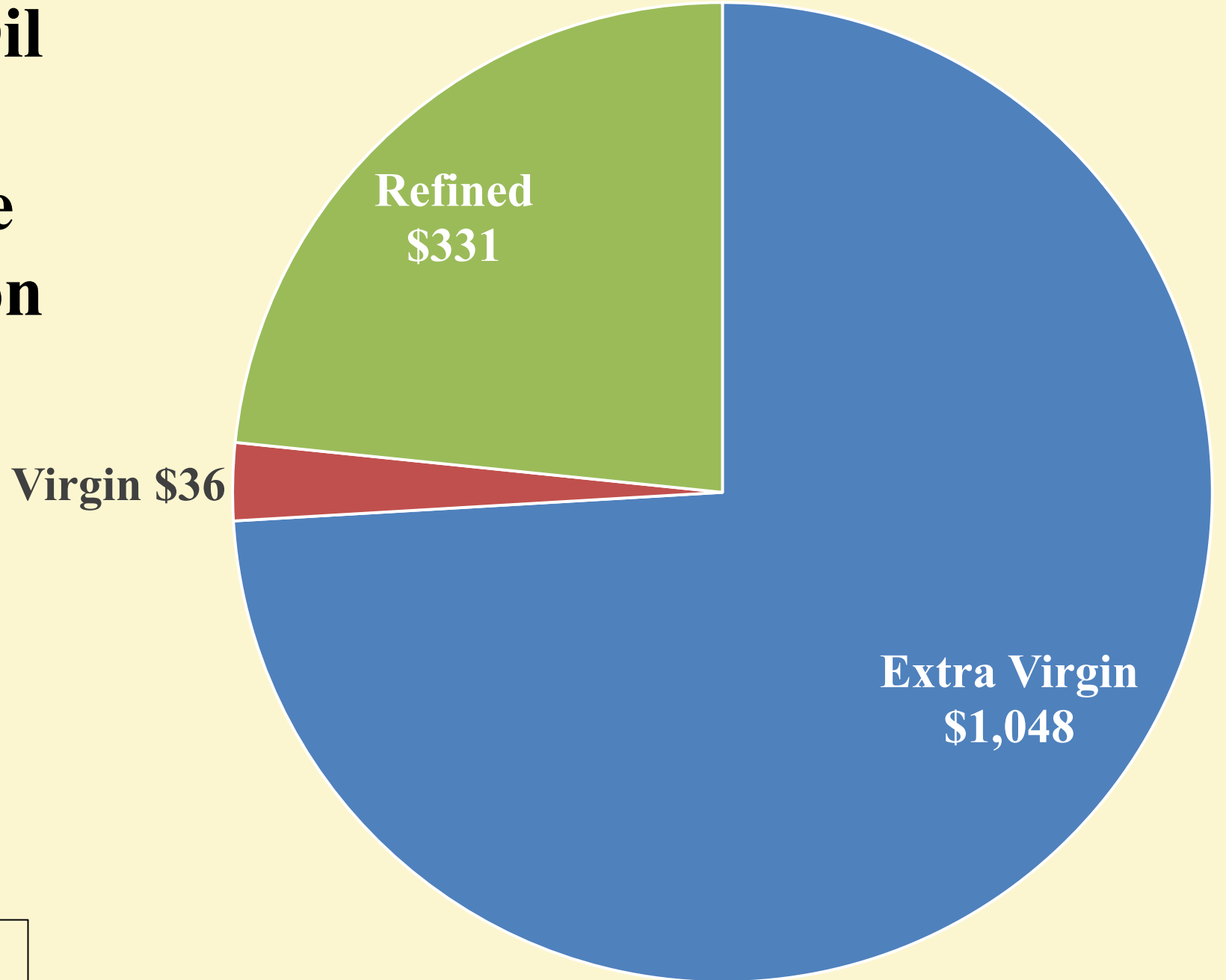
# 2017 US Olive Oil Imports by Source

Total \$1.44 billion  
(\$millions)



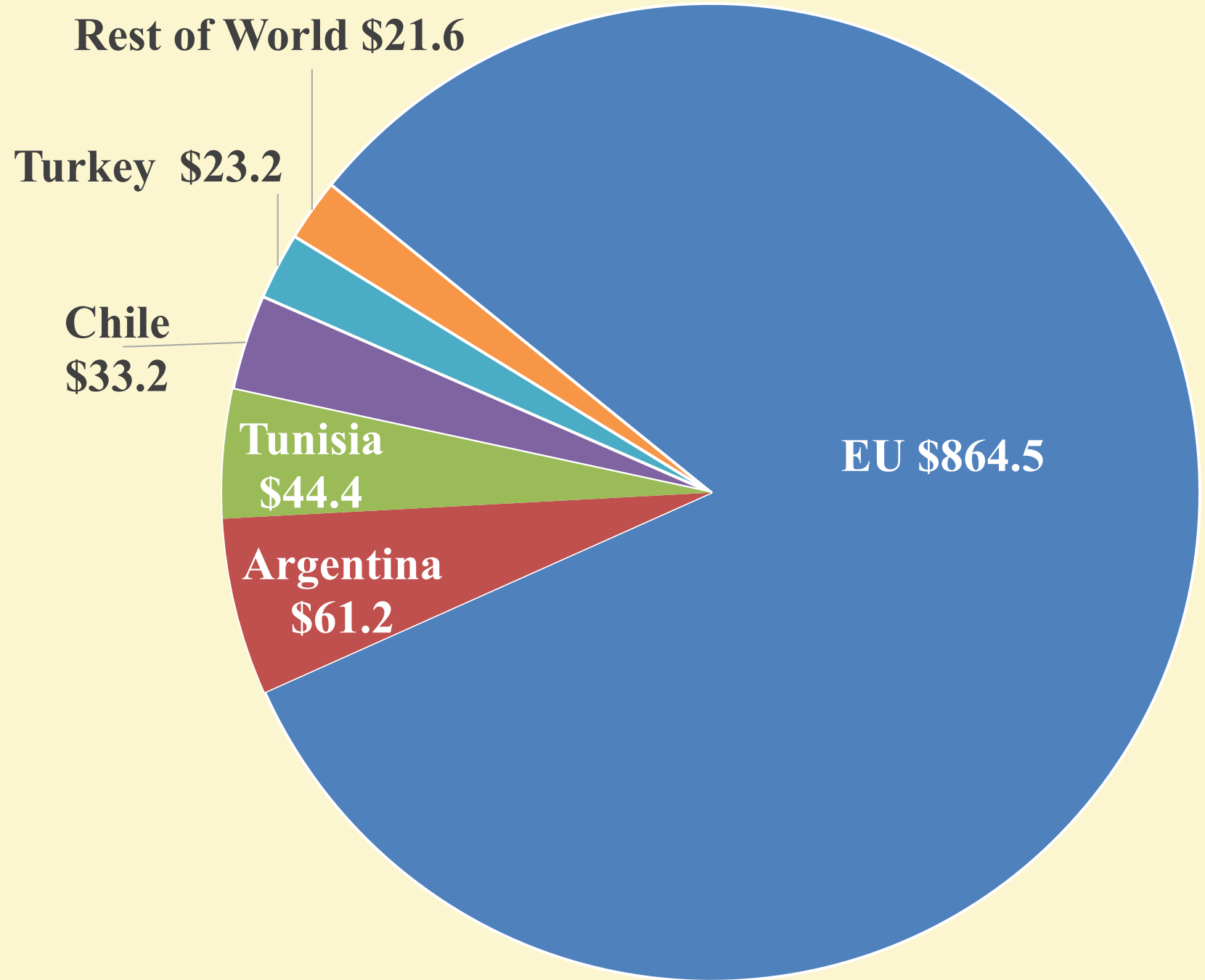
Source: US Dept of Commerce

**2017 US Olive Oil  
Imports by  
Olive Oil Grade  
Total \$1.44 billion  
(\$millions)**



Source: US Dept of Commerce

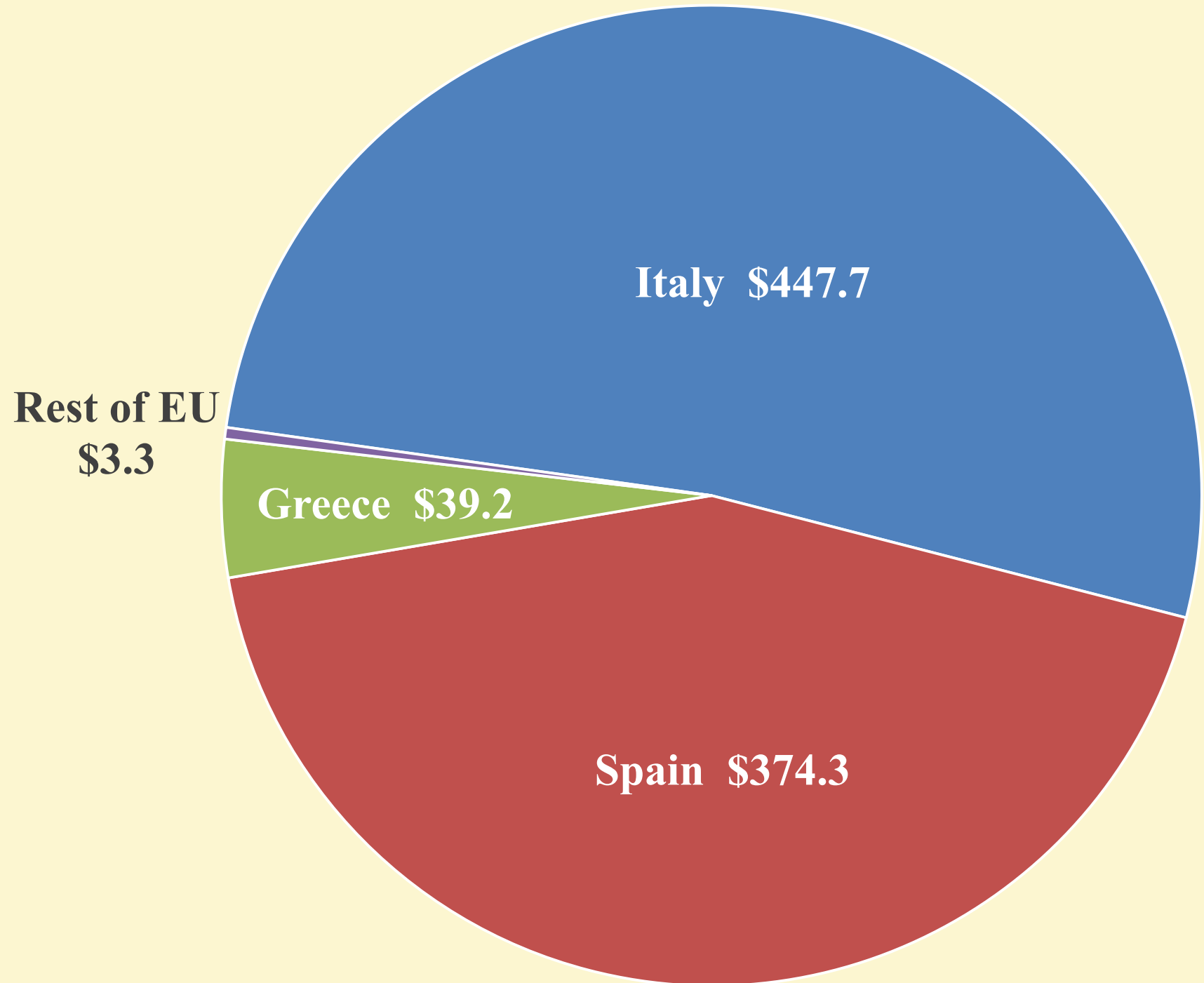
**2017 US Extra  
Virgin Olive Oil  
Imports by Source  
Total \$1.05 billion  
(\$ million)**



Source: US Dept of Commerce

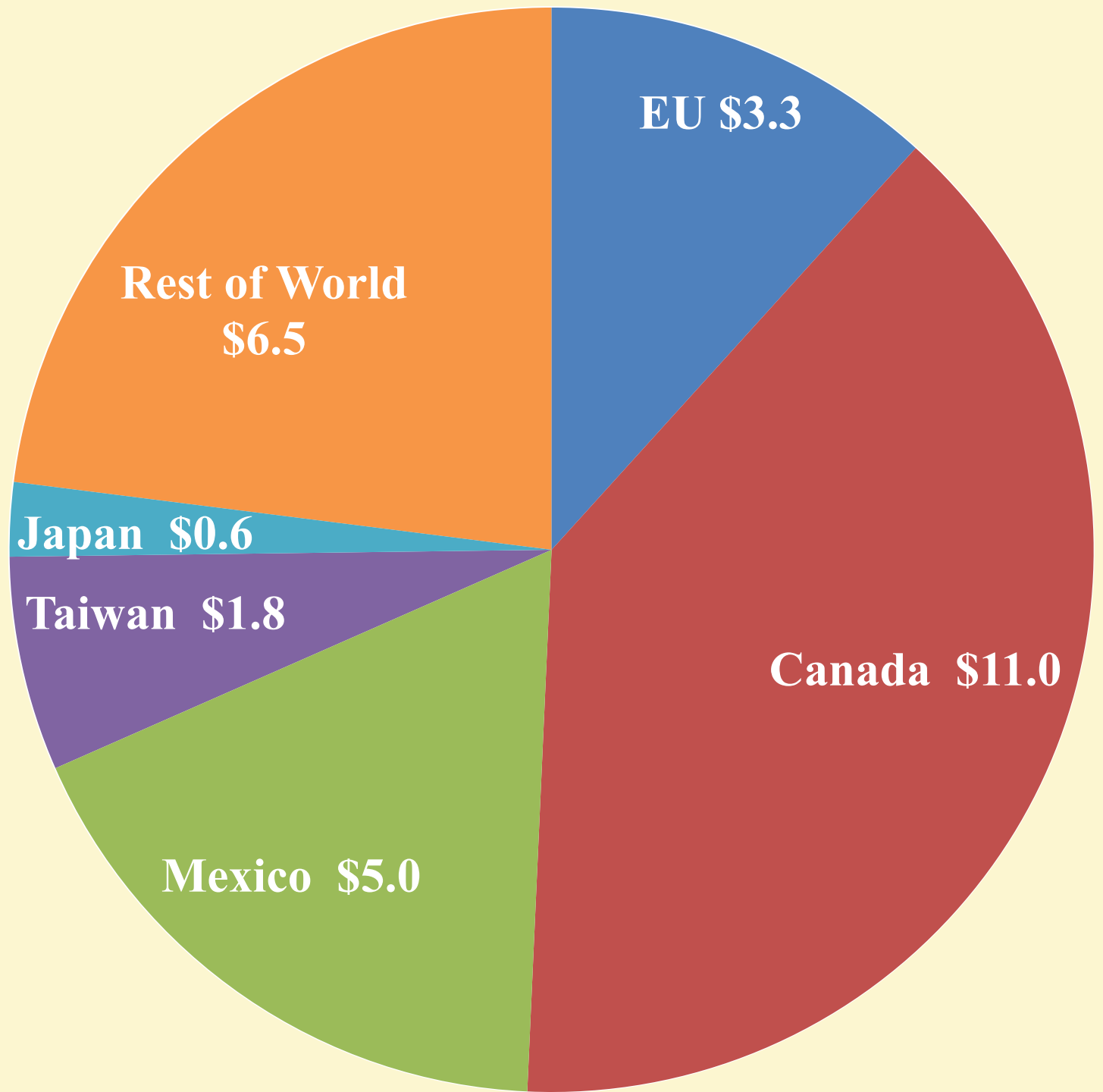


**2017 US  
Extra Virgin Olive  
Oil Imports From  
EU by Country  
Total \$864.5 million  
(\$ million)**



Source: US Dept of Commerce

**2017 US  
Olive Oil Exports  
by Destination  
Country  
Total \$28.2 million  
(\$ million)**

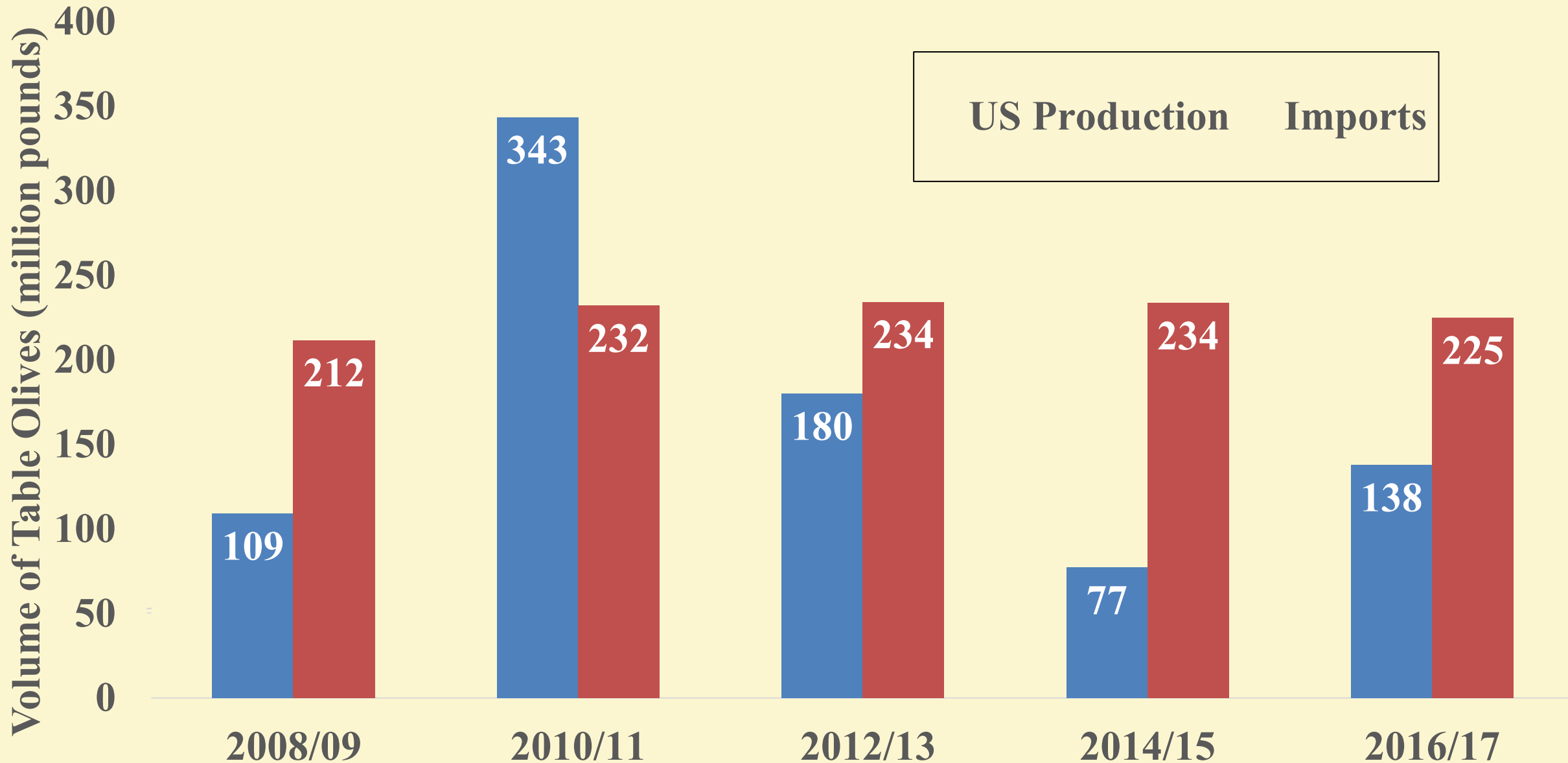


Source: US Dept of Commerce

# **Farm trade news has mostly about lost exports**

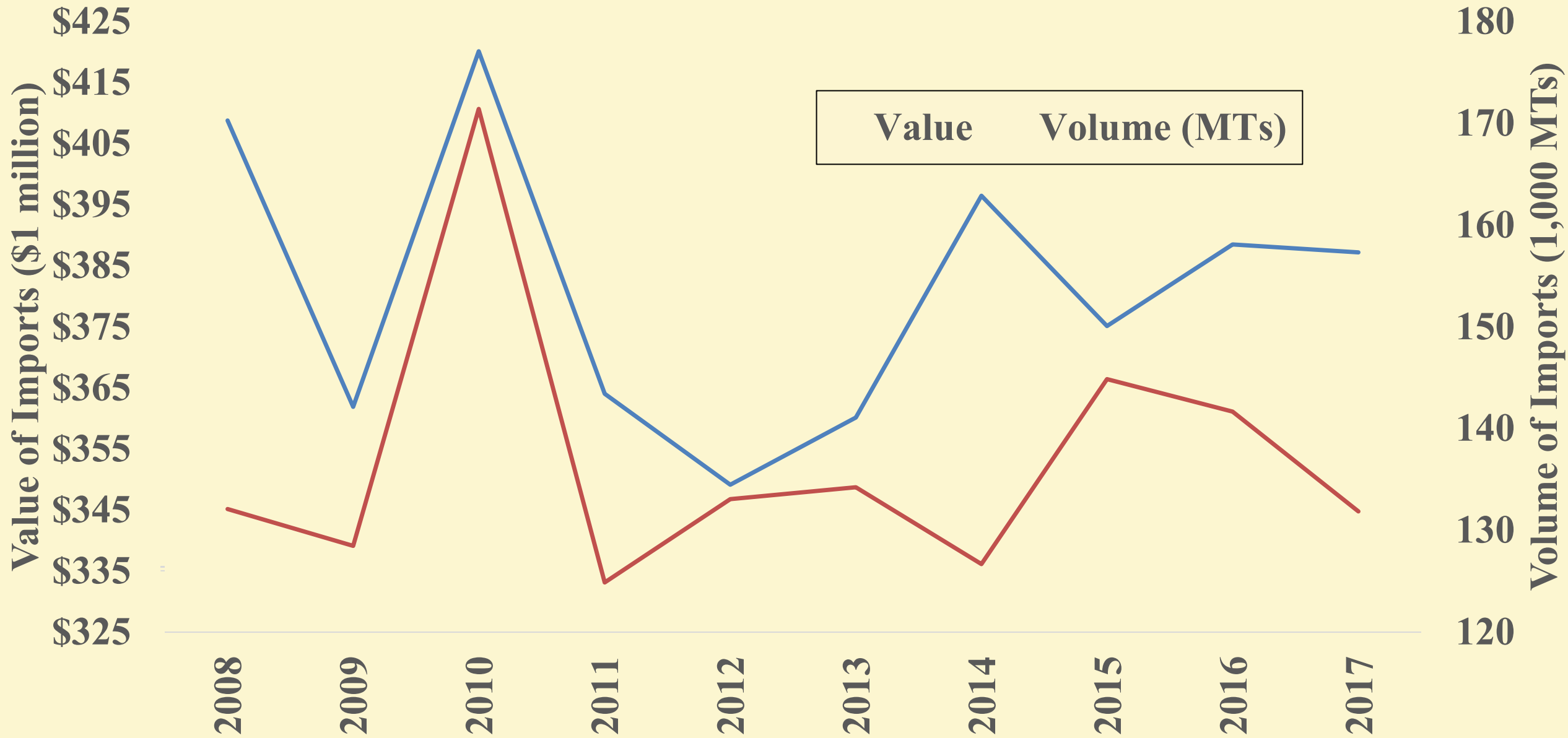
- **Almost all the news about farm trade this year has been about the treat of trade policy turmoil has been causing for exports**
- **This makes sense because most major US commodities are export dependent and the countries targeted for new US trade barriers are the largest import markets**
- **Commodities are dairy products, beef, pork, tree nuts, wine, fresh vegetables as well corn and soybeans are highly vulnerable**
- **The threats and actions change every few days and sometimes solutions seem close, but as of this week, new US tariffs are in place and retaliation has begun**
- **There may be some good result envisioned but for agriculture the costs are already real.**

# Source of Available Supply of Table Olives Marketed in US



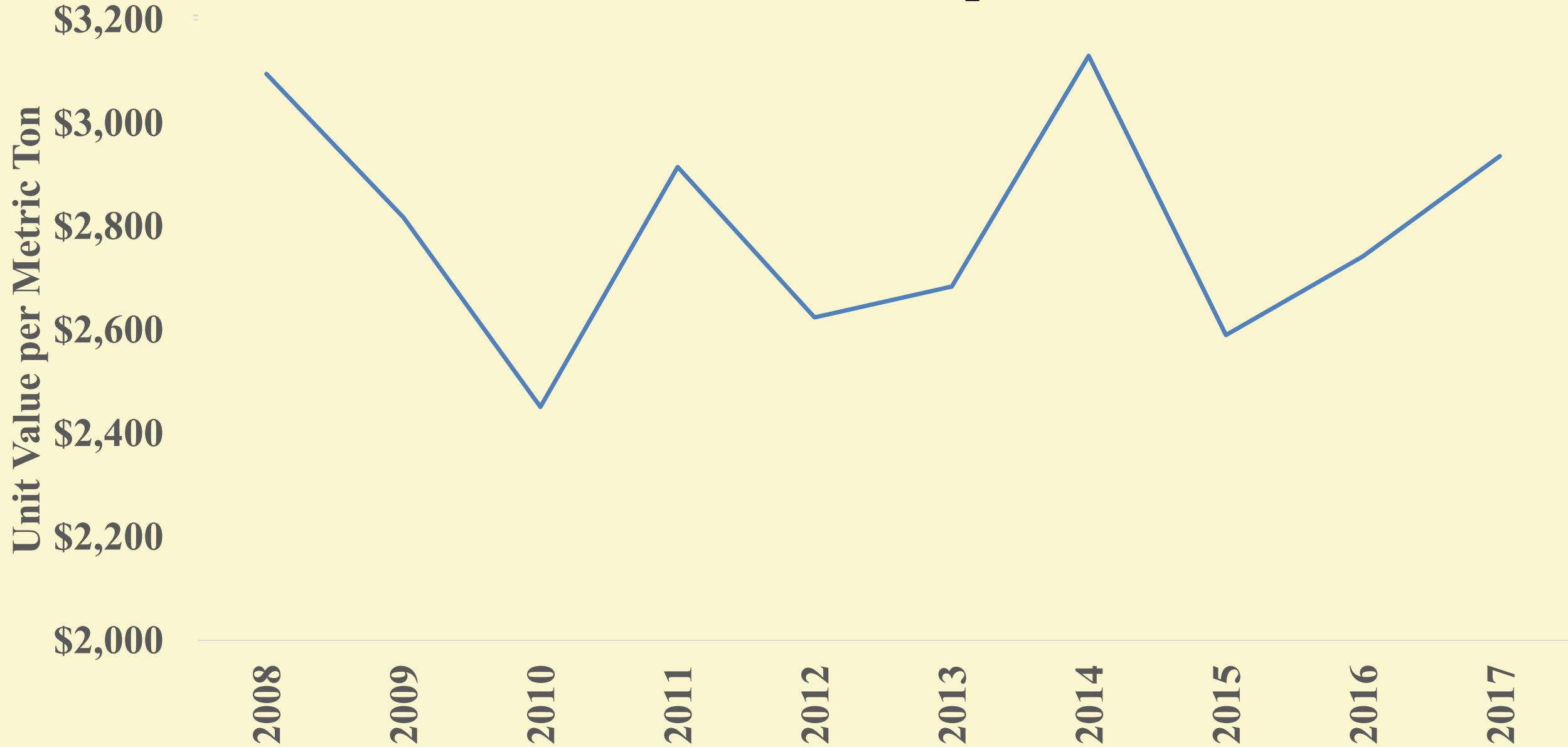
Source: USDA ERS

# US Table Olive Import Value and Volume, 2008-2017



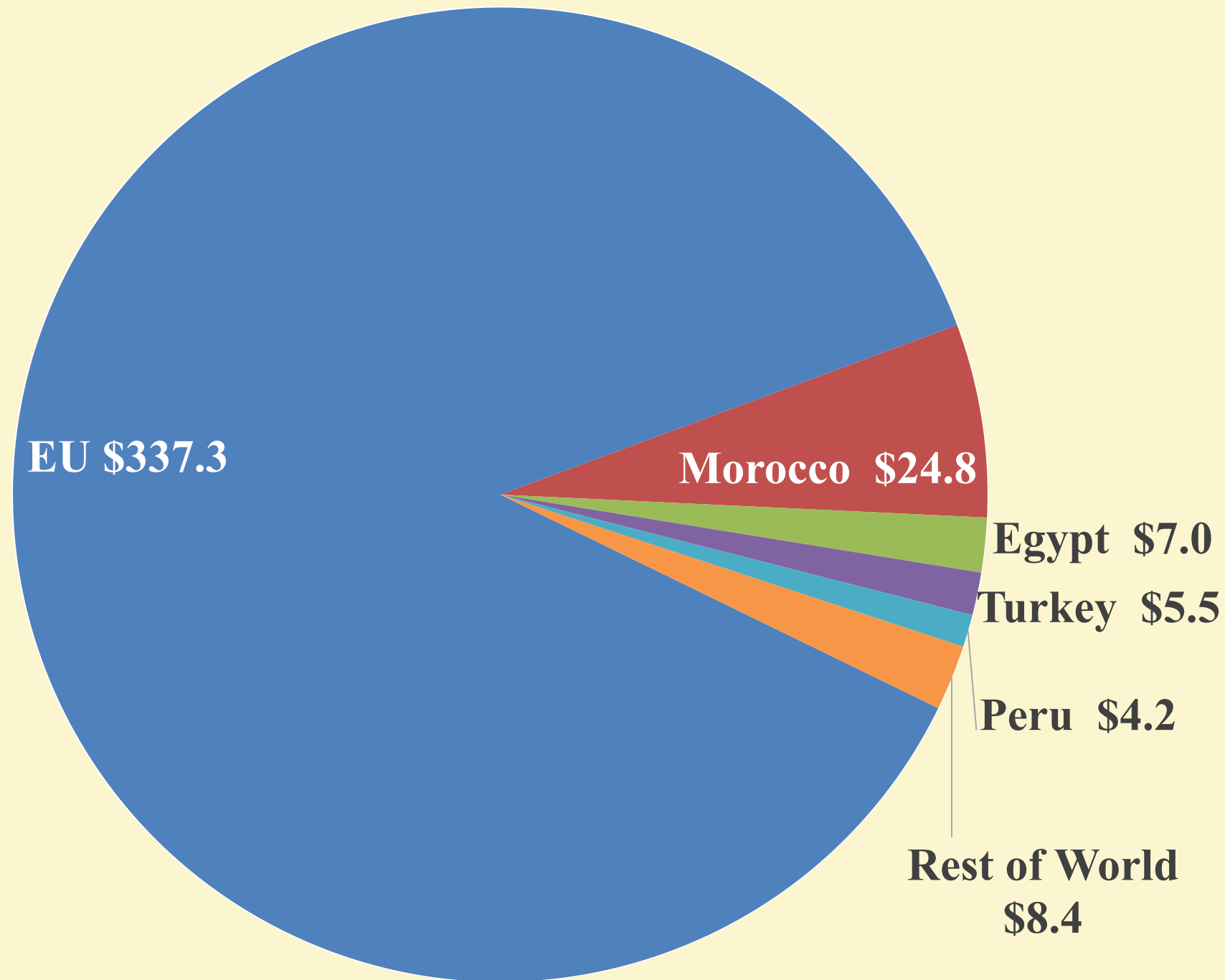
Source: US Dept of Commerce

# Unit Value of US Table Olive Imports, 2008-2017



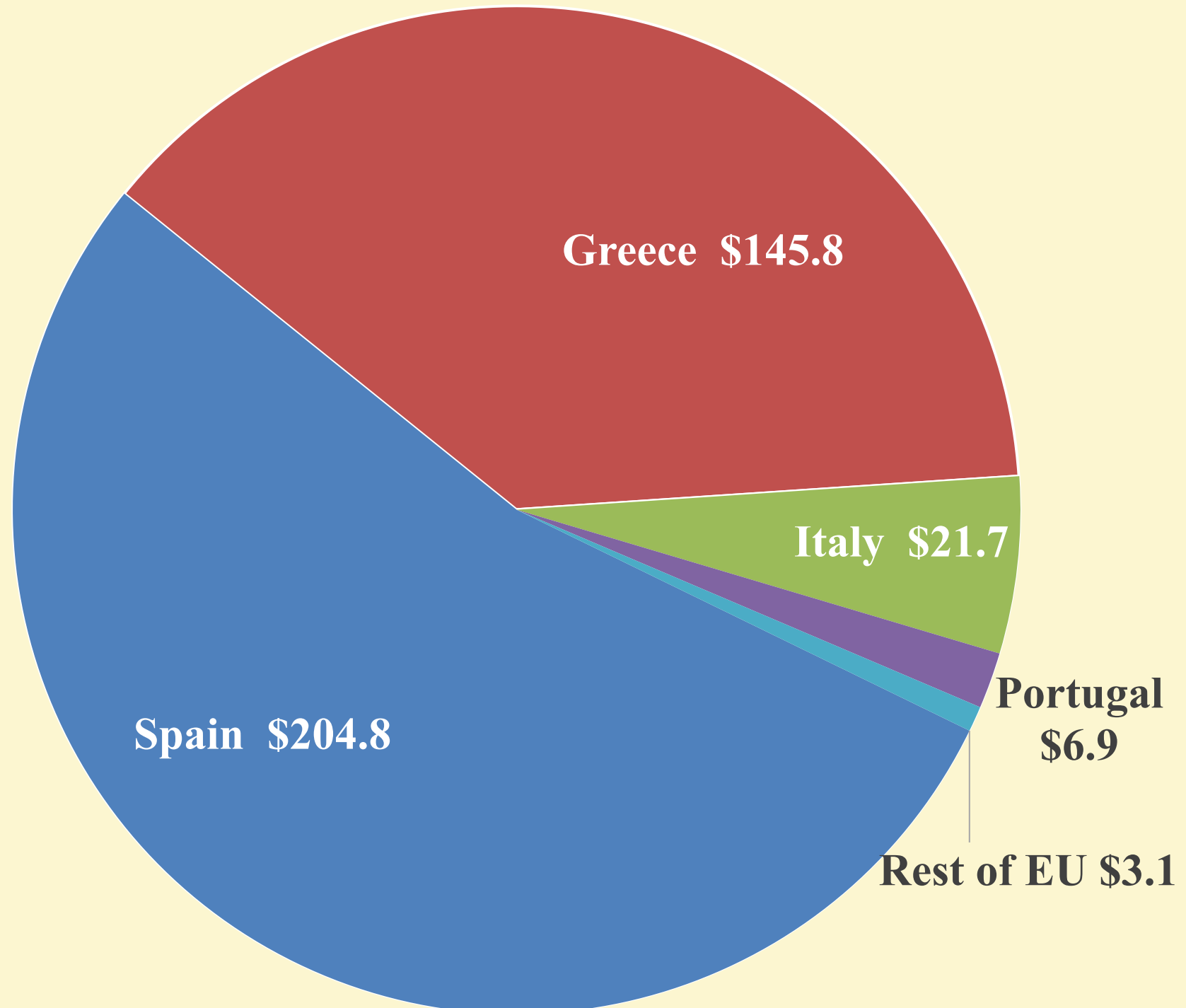
Source: US Dept of Commerce

**2017 US  
Table Olive Imports  
by Source  
Total \$387 million  
(\$ million)**



Source: US Dept of Commerce

**2017 US  
Table Olive Imports  
From EU by Country  
Total \$382.2 million  
(\$ million)**



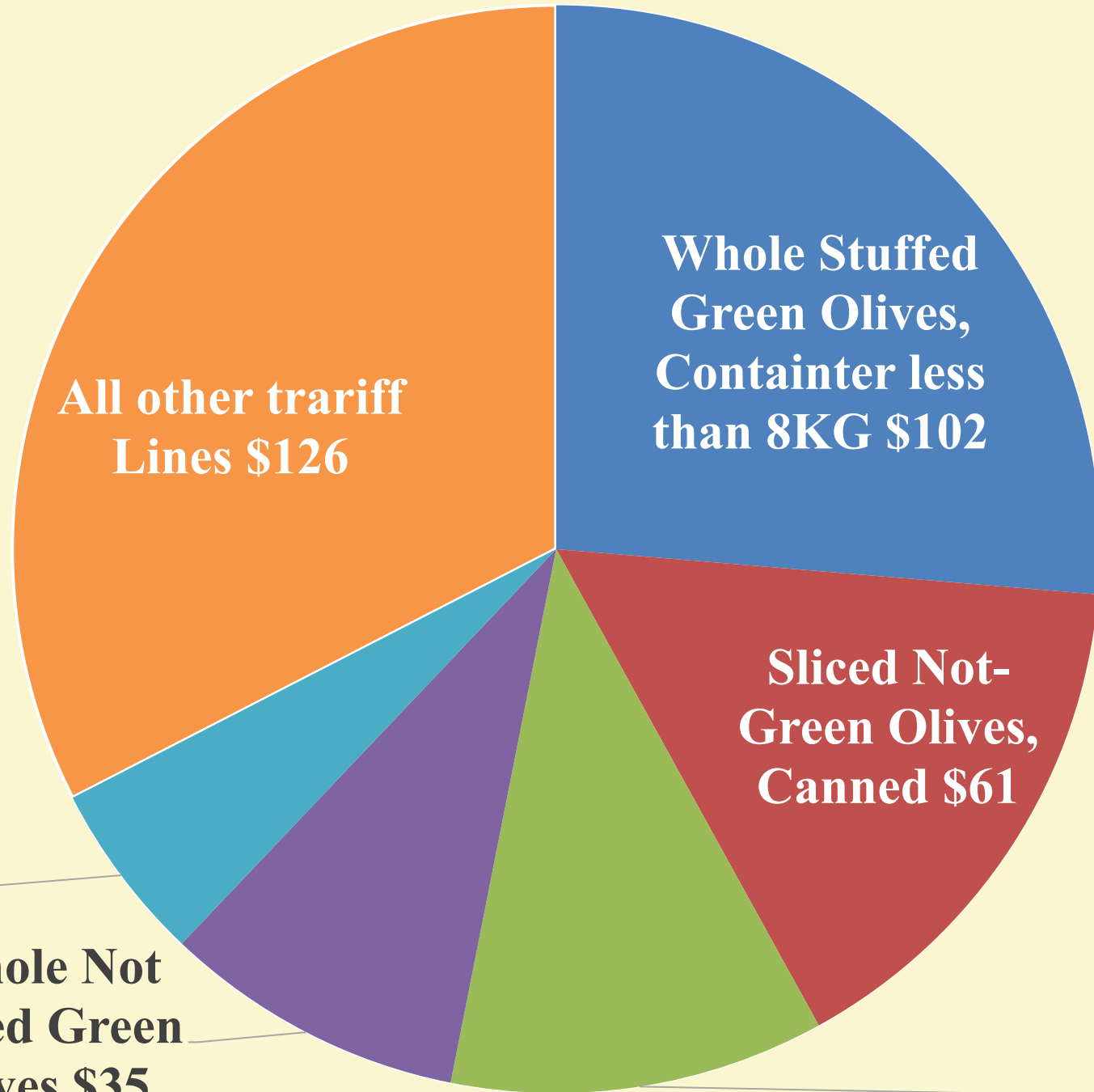
Source: US Dept of Commerce



**2017 U.S. Table  
Olive Imports by  
Product Tariff Line  
Description  
Total \$387 million  
(\$million)**

**Broken or  
sliced salad  
style Green  
Olives,  
Container less  
than 8KG \$21**

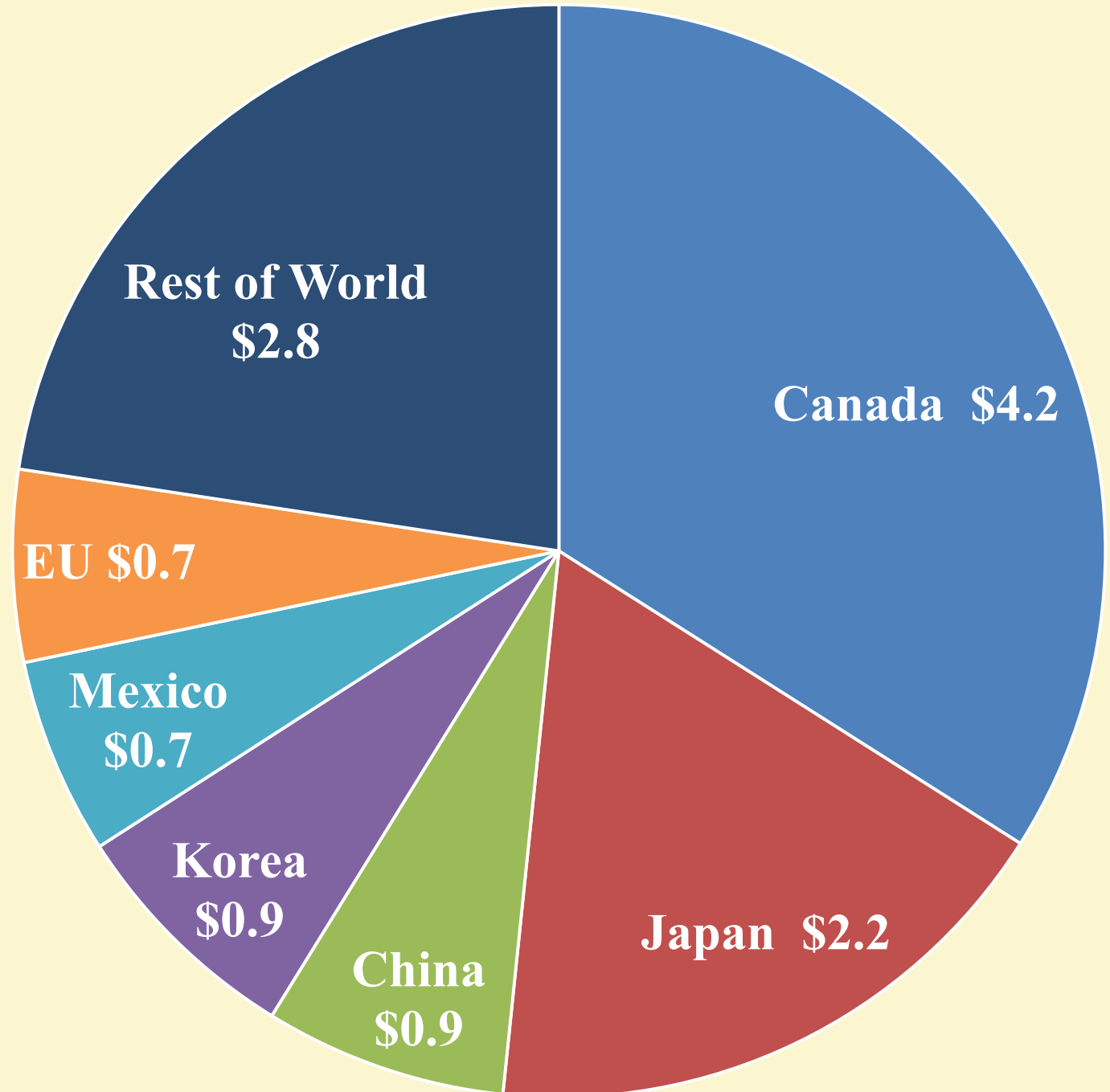
**Whole Not  
Pitted Green  
Olives \$35**



**Whole  
Pitted Not-  
Green  
Olives, Not  
Canned \$43**

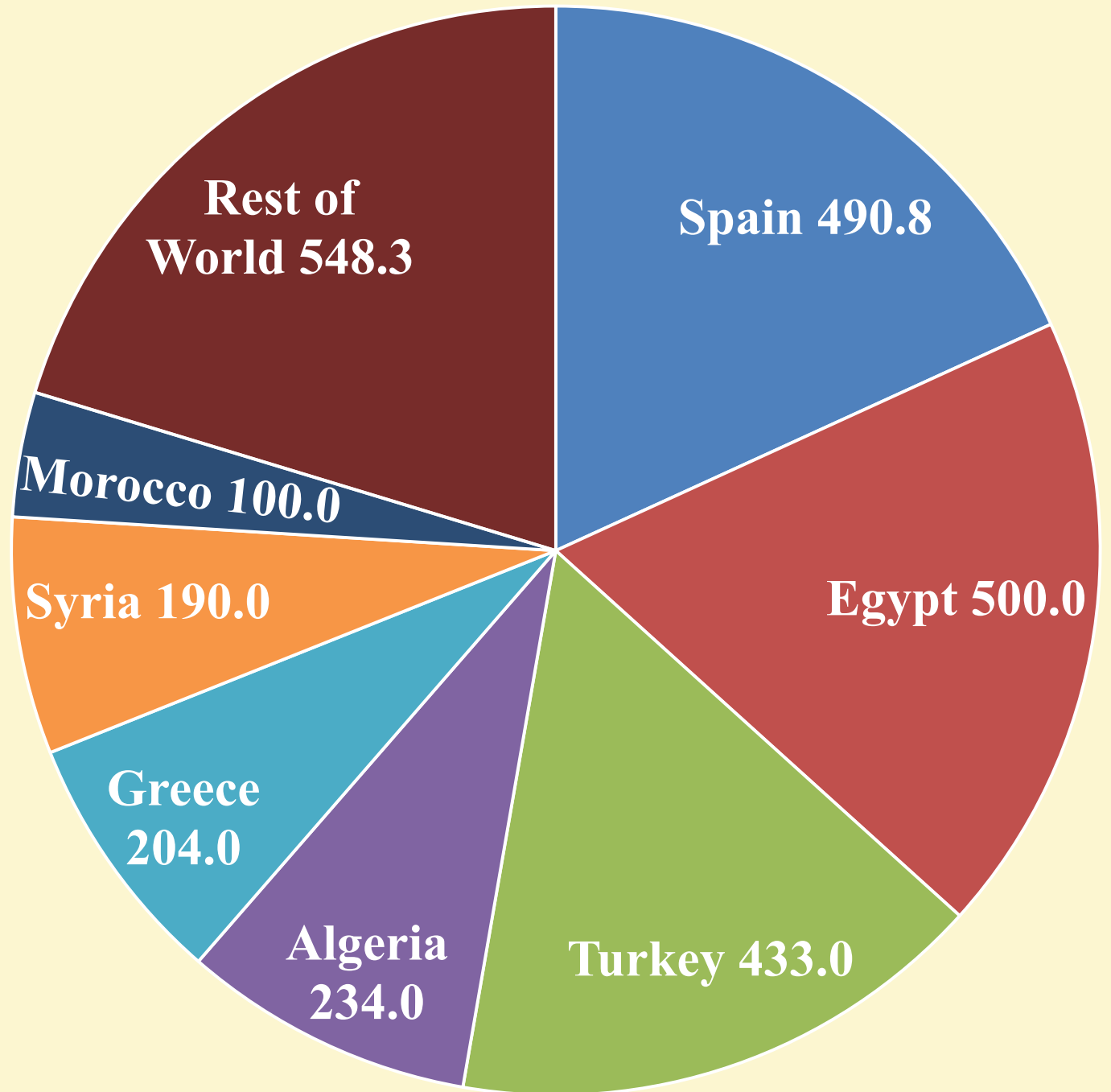
Source: US Dept  
of Commerce

**2017 US Table  
Olive Exports by  
Destination  
Total \$12.4 million  
(\$ million)**



Source: US Dept of Commerce

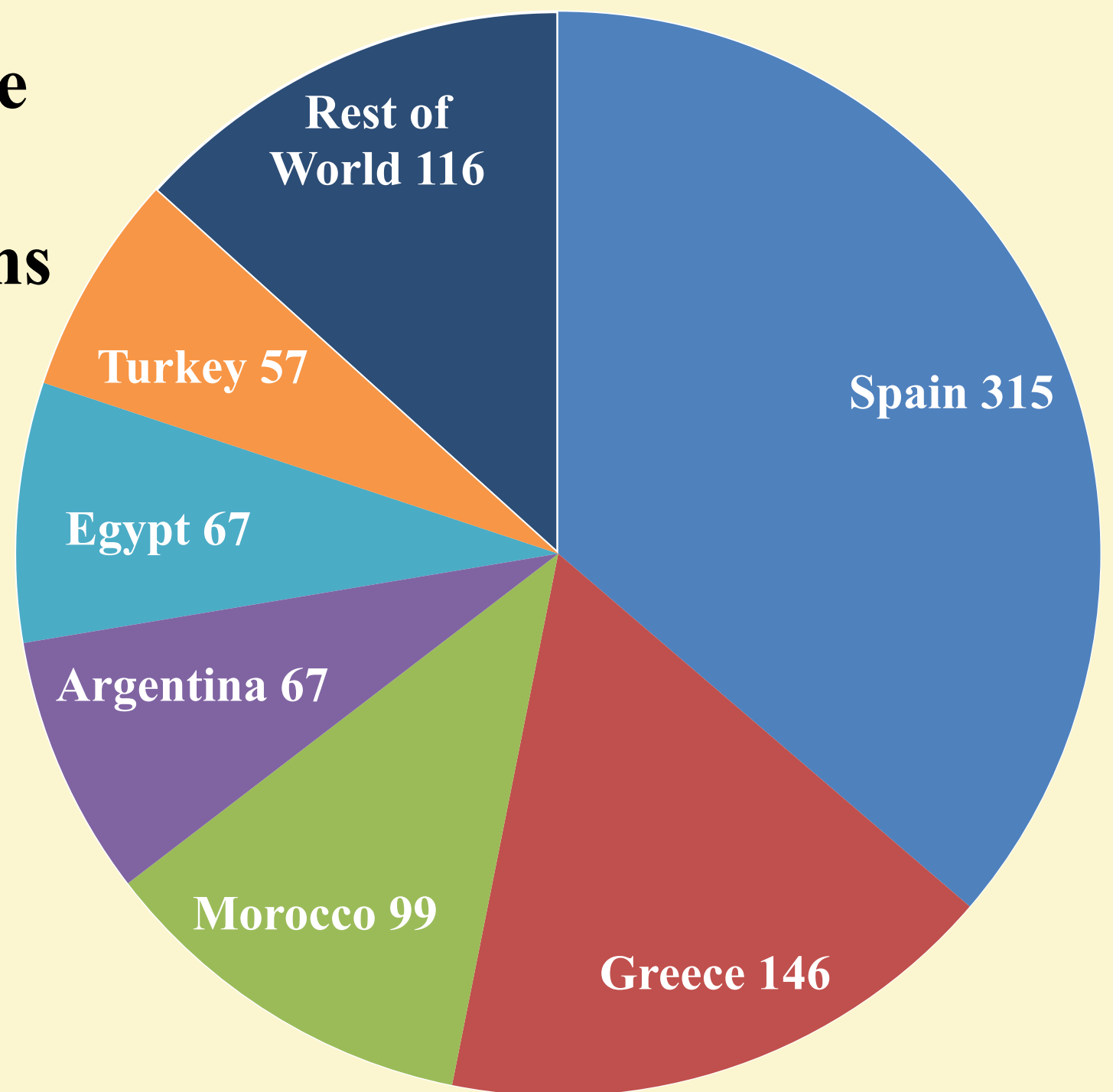
**2016/17 Global  
Table Olive  
Production by  
Source**  
**Total 2.7 million  
metric tons  
(1,000 MTs)**



Source: International Olive Council

# 2016 Global Table Olive Exports by Source

Total 868.4 thousand tons  
(1,000 tons)



Source: GTA Database

**Thank you**  
**[aic.ucdavis.edu](http://aic.ucdavis.edu)**

