

Contents

Chapter 1 About	9
1.1. Table Olives & Olive Oil	10
1.2. Harmonizing Codes (HS Codes) for Table Olives & Olive Oil	16
Chapter 2 International Competitive Landscape	19
2.1. Overview	20
2.2. Main Exporters of Table Olives and Olive Oil to the USA	26
2.3. Key Insights	51
2.4. Overview	52
Chapter 3 US A Market Analysis	53
3.1. Domestic Market Analysis	54
3.2. Retail Landscape and Structure	61
3.3. Key Players	65
3.4. USA Exports to the World	66
Chapter 4 The European Mediterranean – Basin and Greece	67
4.1. Productivity Capacity & Domestic Consumption	68
4.2. Market Supply & Exports	71
4.3. Key Greek Players in the US Market	72
Chapter 5 Consumer Trends	73
5.1. Consumption Trends	74
5.2. Digital Footprint	76
Chapter 6 Export kit	85



AT A GLANCE

The United States of America (USA) is a newly producing country of table olives and olive oil with rising domestic production levels since 2000. However the olive fruit is extremely sensitive to the cold and requires mild climate conditions for its cultivation, a factor which will remain an insurmountable and limiting obstacle to expanding domestic production, in its effort to satisfy rising domestic demand amongst consumers. California is the only state which has a favorable climate suitable for the cultivation of the olive fruit, but with persisting relative high production costs, limited acres of land for cultivation and lack of governmental support, domestic productions accounts for only 0.3% of global production levels and is not expected to rise significantly.

Today the USA remains a net importer (the second largest globally after Italy) for table olives and olive oil from the major producing countries of the Mediterranean basin. Specifically, the US imports 97% of total olive oil consumption mainly from Italy (48% of the importing market in 2014), Spain Greece and other major producing countries such as Tunisia (3rd) and Morocco (5th) and only produces domestically the remaining 3%.

For table olives the leader in the US importing market is Spain, leaving Greece in second place and Italy in fourth position. Morocco and Turkey are also found amongst the top 5 exporting countries for table olives. This balance of prevalence between the major producers is accomplished by market specialization and differentiation which encourages the producers to focus on the export of different types of table olives and olive oil respectively. Spain for example mainly exports highly processed, green olives (either stuffed or sliced), while Morocco exports non-green olives to the US market.

Multiple factors contribute to explaining the rise in consumer demand, amongst which is the increased awareness of its health benefits as a result of research, in combination with the tendency to adopt a healthy lifestyle and eating habits. The recent economic recession and political uncertainty, particularly in 2012 (the year of the US elections) has encouraged US citizens to cook more often in their households and to limit unnecessary expenses. This however could also be a drawback for olive oil consumption, because it is often considered a specialty food or even a delicatessen amongst US citizens and is accompanied by a high price. Finally globalization (the increased tendency to travel and discover other countries and their culture) and migration effects also contribute to this tendency. By examining the online trends is crucial to understand consumer behavior, this conclusion is confirmed.

The export procedure may be extensive and complex, (for example finding an importer, broker or registering with the federal agency of Food & Drug Administration (FDA)) a discouraging factor when examining to enter or expand in the US Food and Beverage market. However the US markets and its sub-markets present unforeseen vast opportunities for expansion and growth always leaving the producer with new possibilities to discover.

1.2. Harmonizing Codes (HS Codes) for Table Olives & Olive Oil

The tables below present the individual HS Codes for table olives and olive oil respectively and their sub-codes as defined by the International Trade Center (ITC) and analyzed in this report.

Major Exporting Countries: Spain, Greece, Morocco, Italy, Turkey	
HS Code	Product Label
2005.70	Olives
2005.70.02	In a saline solution
2005.70.02	Green in color:
2005.70.02	Not pitted:
2005.70.02	Ripe, in containers each holding less than 13 kg, drained weight:
2005.70.02	In an aggregate quantity not to exceed 730 metric tons entered in any calendar year
2005.70.0230	In containers each holding more than 8 kg, drained weight
2005.70.0260	In containers each holding 8 kg or less, drained weight
2005.70.04	Other:
2005.70.0430	In containers each holding more than 8 kg, drained weight
2005.70.0460	In containers each holding 8 kg or less, drained weight
2005.70.0600	Other:
2005.70.0600	In containers each holding more than 8 kg, drained weight, certified by the importer to be used for repacking or sale as green olives:
2005.70.0600	Described in additional U.S. note 4 to this chapter and entered pursuant to its provisions
2005.70.0800	Other
2005.70.1200	Other
2005.70.1600	Pitted or stuffed:
2005.70.1600	Place packed:
2005.70.1600	Stuffed, in containers each holding not more than 1 kg, drained weight:
2005.70.1600	In an aggregate quantity not to exceed 2,700 metric tons in any calendar year
2005.70.1800	Other
2005.70.2300	Other
2005.70.25	Other
2005.70.2510	In containers each holding more than 8 kg, drained weight:
2005.70.2510	Wholepitted
2005.70.2520	Wholestuffed
2005.70.2530	Other, including broken, sliced or salad style
2005.70.2540	In containers each holding 8 kg or less, drained weight:
2005.70.2540	Wholepitted
2005.70.2550	Wholestuffed
2005.70.2560	Other, including broken, sliced or salad style
2005.70.50	Not green in color:
2005.70.50	Canned:
2005.70.50	Notpitted
2005.70.5030	In containers each holding more than 0.3 kg, drained weight
2005.70.5060	In containers each holding 0.3 kg or less, drained weight
2005.70.60	Other
2005.70.6020	Wholepitted:
2005.70.6020	In containers each holding more than 0.3 kg, drained weight
2005.70.6030	In containers each holding 0.3 kg or less, drained weight
2005.70.6050	Sliced
2005.70.6060	Chopped or minced
2005.70.6070	Other, including wedged or broken
2005.70.7000	Other than canned:
2005.70.7000	In airtight containers of glass or metal

Source: International Trade Center (ITC)

HS Code	Product Label	Major Exporting Countries
1509	Olive oil and its fractions, whether or not refined, but not chemically modified	Spain, Greece, Morocco, Italy, Turkey
1509.10	Virgin:	
1509.10.20	Weighing with the immediate container under 18 kg	
1509.10.2015	Certified Organic	
1509.10.2025	Other	
1509.10.40	Other:	
1509.10.4015	Certified Organic	
1509.10.4025	Other	
1509.90	Other:	
1509.90.2000	Weighing with the immediate container under 18 kg	
1509.90.4000	Other	
1510.00	Other oils and their fractions, obtained solely from olives, whether or not refined, but not chemically modified, including blends of these oils and fractions with oils or fractions of heading 1509	
1510.00.2000	Rendered unfit for use as food	
1510.00.4000	Other:	
1510.00.4000	Weighing with the immediate container under 18 kg	
1510.00.6000	Other	
Source: International Trade Center (ITC)		

Major Exporting Countries to the US for the Table Olives and Olive Oil

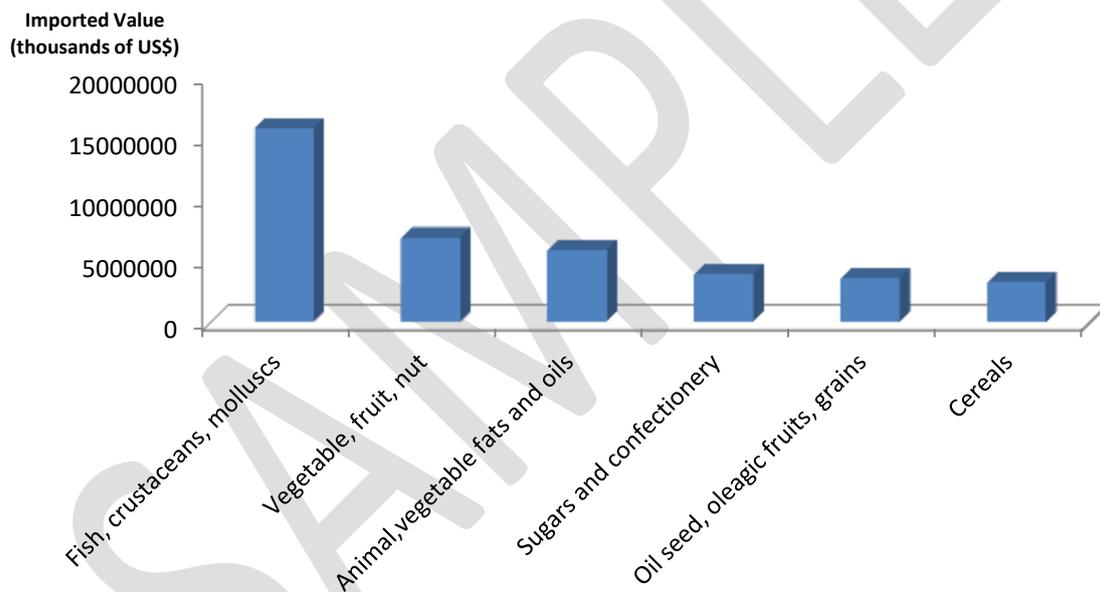


2.1. Overview

Both the olive fruit and olive oil in its processed form have been highly imported products in the US market for the past decades. The figure 1 summarizes some of the most highly imported goods within the food industry (in monetary terms) to the US market from the world and compares the imported values of olive oil and table olives according to data presented by the International Trade Center (ITC) for 2014.

Crustaceans, Molluscs and fish are the most highly imported category of food products to the US with a total imported value triple to the second category in value that of vegetable, fruit and nut. Table olives belong to category 20 labeled as "Vegetable, fruit, nut, etc. food preparations" while olive oil to the category "Animal, vegetable fats, oil, cleavage products etc." with third greater imported value.

Figure 1 | USA World Imports of the Food Sector (2014)

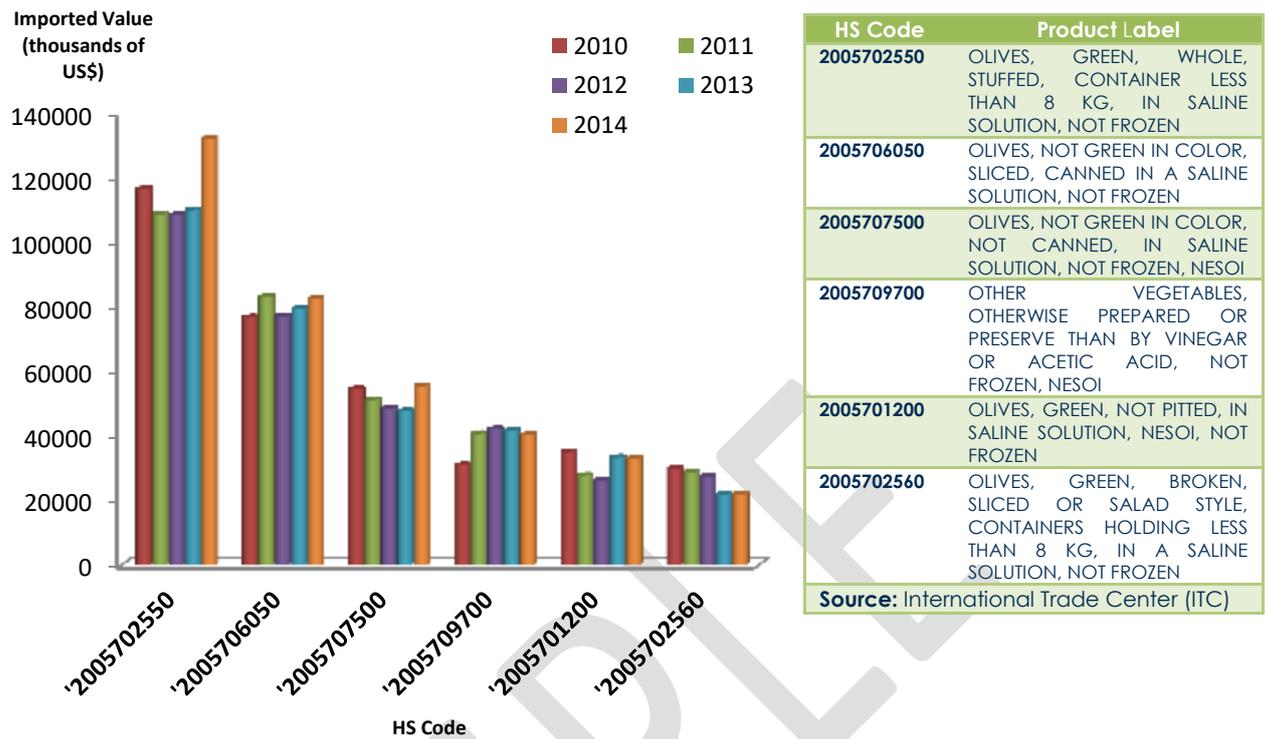


Source: International Trade Center

(ITC)

An overview of the bilateral trends between USA and the rest of the world for table olives and olive oil is presented in Figures 2, 3, 4A and B respectively for the examined period 2010 – 2014.

Figure 2 | Imported Value of Table Olives USA 2010 – 2014



Source: Trade USA- US CENSUS BUREAU – UN COMTRADE

Figure 2, presents the form of the table olive market in its entirety and indicates that there are a number of different types of table olives which are imported into the US domestic market in significant quantities and are popular amongst US consumers.

The whole green and stuffed olives sold in small containers less than 8kg have the highest imported value between 2010 and 2014. Olives not green in color, sliced and canned or not canned are other varieties with high demand in the US market within the same product category.

Overall, there is a clear preference for the different varieties of virgin olive oil compared to that of the non-virgin varieties. The data from the ITC is presented below in Figure 3, according to which virgin olive oil has an imported value of three times higher than that of the non-virgin varieties. This clearly supports the presence of a high quality product which is becoming increasingly recognized for its health benefits.



2.2. Main Exporters of Table Olives and Olive Oil to the USA

The major players of the two importing markets being studied are presented and analyzed below in terms of their monetary value (Tables 1 and 3) measured in thousands of US dollars and volume (Tables 2 and 4) measured in tons for both traded products of the olive tree.

Table Olives

The top-five importing nations for table olives in descending order are presented in Table 1. The table indicates that Spain alone holds just over half of the imported value in 2013, leaving Greece in second place with half the imported value of Spain and approximately one quarter of the total imported value to the US market. The succeeding competitors namely Morocco, Italy and Turkey, have relatively insignificant monetary values, a trend which indicates an **overall preference for European olives over the Middle Eastern varieties**, possibly due to their familiar taste to the US population and a higher quality product. The total imported value to the US between 2010 and 2014 has increased by 5,7%, with Spain capturing 48% of the total importing market of table olives in 2014.

Studying these preferences in relation to the terms of trade between countries is a factor which may facilitate and favor imports for the trade between Europe and the USA the two continents. This position may be significantly enhanced when the negotiations for the Transatlantic Trade and Investment Partnership (TTIP) are completed and the trade agreement is implemented.

Table 1: Imported Value by country to the US					
HS Code: 200570 (Table Olives)					
Unit: thousands US\$					
Exporters	2010	2011	2012	2013	2014
World	430,166	422,653	407,776	432,371	454,507
Spain	223,752	212,149	207,065	221,477	236,446
Greece	94,443	106,646	100,329	110,603	122,545
Morocco	41,650	43,383	38,404	37,427	39,590
Italy	13,296	14,531	16,864	20,730	21,852
Turkey	9,286	10,830	10,878	10,438	10,085

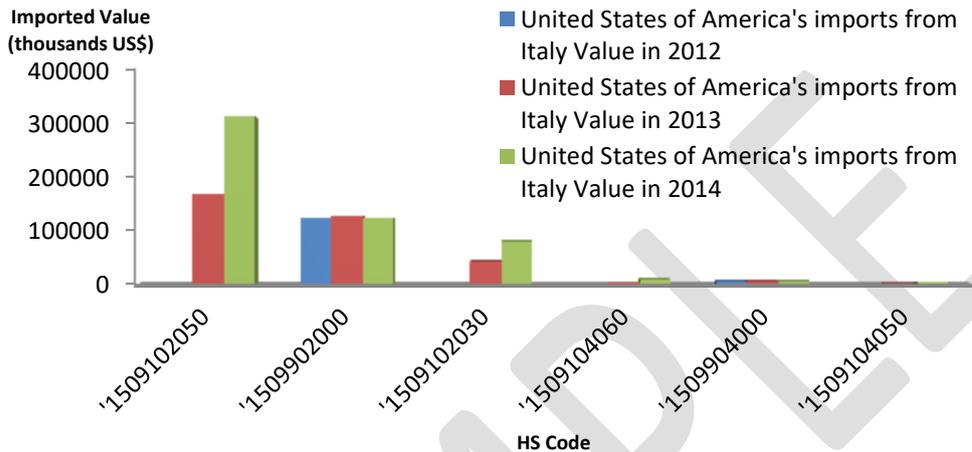
Source: UN COMTRADE & US Census Bureau

Table 2 shows the respective quantities imported to the US market for table olives. The data presented finds the above mentioned countries in identical positions. This categorizes the quality or/and popularity of table olives in the following order: Spain, Greece, Morocco, Italy and Turkey.

Olive Oil

Italy has the highest selling price of olive oil in Europe and the world as a whole and dominates the traditional markets covering more than 2/3 of the US importing market as well as that of the German and the Canadian.

Figure 11 | Bilateral Trade between USA and Italy for Regular and Virgin Olive Oil (HS Code 150910 and 150990)



Source: US Census

According to Figure 11 which presents the bilateral trade pattern between the USA and Italy, non-chemically modified olive oil which is labeled as extra virgin and weighing less than 18kg is the most highly imported olive oil.

Between 2013 and 2014 the monetary value for this specific HS Code has more than doubled. For the organic olive oil and its extracts under the HS Code 1509902000 similar patterns are observed. Olive oil that is not labeled as virgin is the second most popular sub-code in this category and overall has a stable demand and imported value during the period 2012 – 2014.

The remaining HS Codes which are analyzed in the diagram are those which are sold in containers of 18kg or over and their demand is relatively insignificant as their monetary values indicate.

When comparing the imported values from Italy as a percentage of the total imported value from the world, Italy has a stable and significant 40% participation rate for the last three years.

Italy has reduced its overall output during the past 5 years compared with the previous decade of 17% due to the strong presence of the new markets.

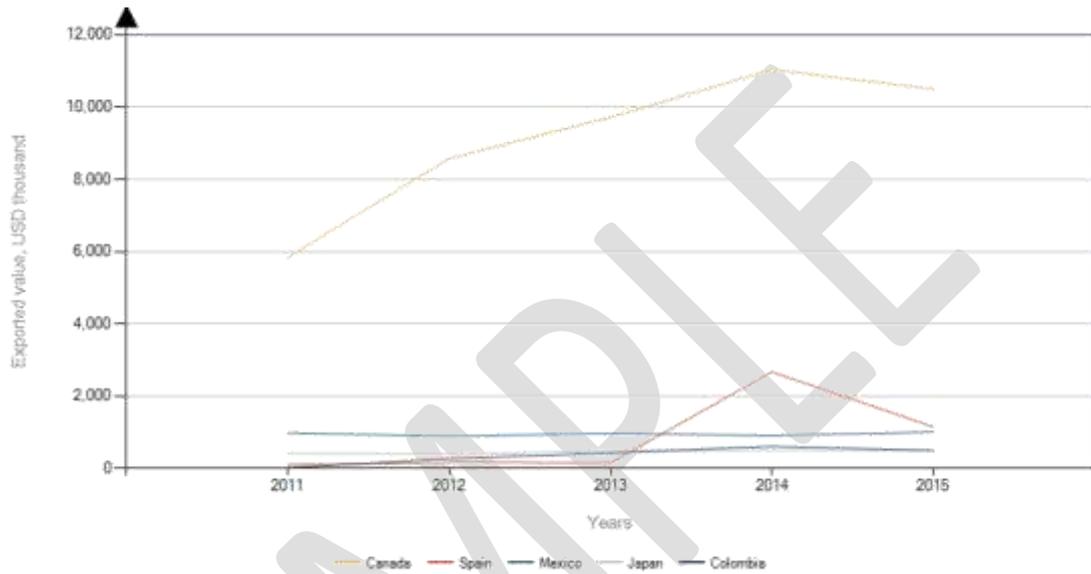
Product Code	Product Label
1509102050	Olive oil and its fractions, labeled as extra virgin, not chemically modified, weighing with the immediate container under 18kg
1509902000	Olive oil and its fractions, refined not chemically modified, weighing with immediate container under 18 kg
1509102030	Certified organic olive oil and its fractions, labeled as extra virgin, not chemically modified, weighing with the immediate container under 18kg
1509104060	Olive oil and its fractions, virgin, not chemically modified, weighing with the immediate container 18 kg or over
1509904000	Olive oil and its fractions, refined not chemically modified, weighing with immediate container 18 kg or over
1509104050	Olive oil and its fractions, labeled as extra virgin, not chemically modified, weighing with the immediate container 18 kg or over

Source: International Trade Center (ITC)

3.4. USA Exports to the World

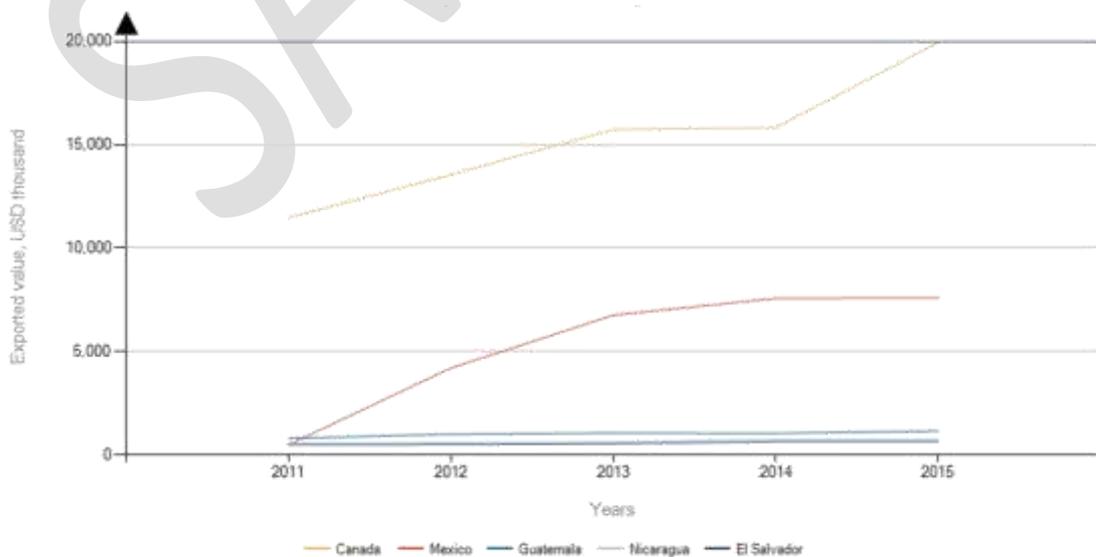
The United States exports a very limited proportion of its overall production to third countries, primarily to Canada and Mexico with which there are no barriers to trade and free trade is enhanced through the **North Atlantic Trade Agreement** (NAFTA.). Neighboring countries in South America also rely on trade with the US for table olives and olive oil at much lower quantities.

Figure 27A | Table Olives (HS Code 200570) Top 5 Importing Countries from the US



Source: International Trade Center (ITC)

Figure 27B | Olive Oil (HS Code 1509) Top 5 Importing Countries from the US



Source: International Trade Center (ITC)

4.1. Productivity Capacity & Domestic Consumption

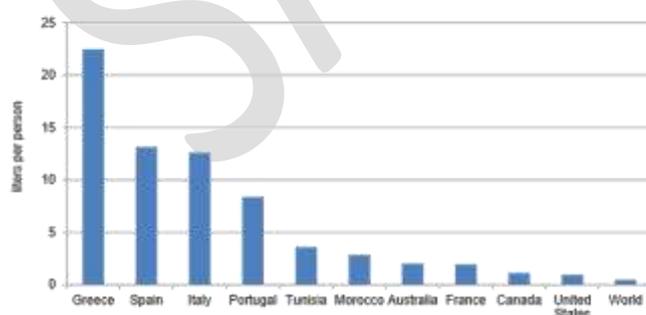
Europe

Europe's Mediterranean countries traditionally remain the world's largest producers and exporters, supplying approximately 97% of the world's olive oil. The Mediterranean climate which has mild winters and long, warm and dry summers allows the olive tree to grow abundantly in this specific area of the world.

According to Eurostat in 2007 there were 1.9 million farms with olive groves only in the EU, a large proportion of them being small sized farms. Some of the areas where the olive plant is primarily grown include Calabria (Italy), Andalusia (Spain which produces more than 80% of the country's production), Crete and the Peloponnese (Greece). Spain produces over 60% of the olive oil produced in the EU and to a great extent this is due to the varied degree of organization which differs amongst EU member states and has the highest organizational level of approximately 70%, while Greece's production is particularly small in farm size and fragmented which lack professional guidance and therefore do not gain from potential economies of scale. There capacities usually do not exceed 170 tons. The olive oil farms are numerous however the majority of the oil that manages to reach the national or international markets is a small number of large companies.

The Italian and Portuguese markets also have significantly low levels of organization which are as low as 5% in Italy. Europe is also the world's largest consumer since the olive crop is an important component of the local diet. The majority of olives are grown and consumed in Spain, Greece, Portugal and Italy, as is the case for olive oil. The figure 27C presents the annual average consumption per capita for selected oil producing countries for the period 2007 – 2012, sourced from the Food and Agriculture Organization (FAO) database.

Figure 27C | Olive Oil Annual Consumption per Capita 2007 – 2012



Source: Consumption data were sourced from IOC, "Table 4: (World) and (EU) Consumption," November 2012; population data were sourced from the Food and Agriculture Organization database.

Amongst all the countries presented above, Greece clearly has the highest consumption rate per capita, making the Greek olive oil market the one with the highest consumption amongst its major European competitors at an average of 16kg annually.

Source: International Olive Council, 2012

The table summarizes the EU olive oil production, consumption and trade patterns for the time period 2000 – 2013.

5.1. Digital Footprint

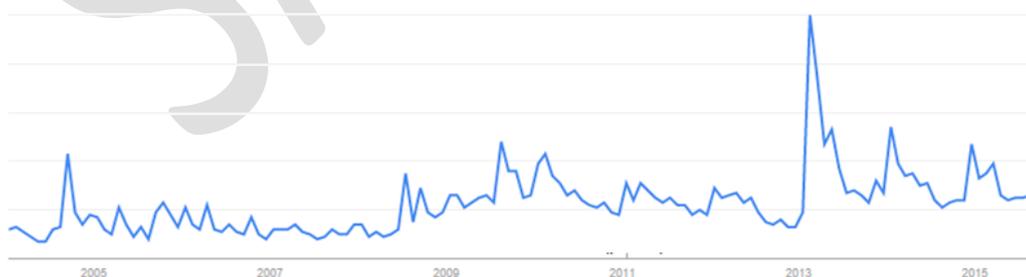
In order to gain a complete understanding of the US market for both imported products of the olive tree, this section uses a Google Trend analysis to capture recent preference patterns of the US consumers during 2014 and preceding years.

Google Trends calculates the number of searches that have been done by dividing the number of queries for the keyword, by the total number of Google search queries. The results of which can be grouped according to region, state, city or across time and the results are updated on a daily basis. There may be some inaccuracies which may occur (mainly including sampling issues and approximations) which have to be taken into consideration when the commentary is done. It is also important to note that the values are relative and not absolute (Reference: <http://whatis.techtarget.com/definition/Google-Trends>).

Key and related words of the product categories of table olives and olive oil are searched using this electronic method amongst the totality of the States or cities, as well as across time. This method is particularly indicative of overall preferences in the US market because it captures the largest major of the US population, which regularly uses the internet as an efficient means to discover products of interest. It is worth having in mind that the minority of US consumers which do not use electronic means to research the market are not represented in the population sample.

The overall trend seems to support the previously mentioned presumption that US consumers are becoming increasingly aware of the health benefits and nutritional values related to the Mediterranean diet and are therefore they trend to research and obtain a higher demand and “willingness to pay” for related products.

Figure 29 | «Mediterranean Diet» Empirically



Source: Google Trends, 2015

Over the totality of the USA, the term Mediterranean diet presents a high point in 2013 but in the following years the term was not so commonly searched. The overall trend has a positive pattern with smaller peaks which again are identified in the middle of the annual cycle.