



Olive growing in Iran

This month we will be focusing the newsletter on olive cultivation in Iran, a country that is a Member of the International Olive Council since January 2004 and which will be hosting the 47th meeting of the IOC Advisory Committee on Olive Oil and Table Olives and a regional seminar on quality, marketing and biodiversity, both scheduled to take place in Tehran on 16 and 17 May 2016.



Figure 1 – Map of Iran – Source: UN

Iran shares many geographical features and historical roots with the Mediterranean countries, which are home to the major known cultivars of olive. Lying on the edges of the Eastern Mediterranean, it is the cradle of ancient civilisations and the possible birthplace of the olive tree. Much uncertainty surrounds the early history of olive growing in Iran although the olive tree is mentioned in ancient Iranian religious hymns dating back two thousand years ago.

The bulk of Iran's varietal heritage is to be found in the valley of Sefi-Rud, Tarom and Manjil, some 60–70 km away from the shores of the Caspian Sea. Olive cultivars are distributed across the provinces of Gilan, Zanjan and Golestan in the North and Khozestan and Fars in the South. Some parts of Gilan (Loshan, Manjil, Rodbar, Aliabad, Jodaky, Vakhman, Bahramabad, Kalashtar, Koshk, Rostamabad, and Ganjeh) are the most important olive producing areas in the country. Most of the olives grown in Iran belong to 10 traditional cultivars: Mari, Zard, Rowghani, Gelooleh, Shengeh, Khormazeitoun, Khara, Dakal, Dezful and Fishomi.

The predominant climate is continental with cold winters and hot dry summers. On the plateau, the climate is arid and rainfall is less than 250 mm per year. Tehran, at the foot of the southern slopes of the Elburz Mountains, receives only 230 mm of precipitation whereas the coastline of the Caspian Sea receives more than 1 000 mm. The land is often cultivated on both mountainous terrain and elevations between 100 and 150 m above sea level.

Nowadays, around 36 000 agricultural holdings in Iran grow over 88 000 ha of olive orchards, 70 pc of which are farmed for table olives and 30 pc for olive oil. Ninety-one per cent of the total area under olives is irrigated while the rest is rainfed. In recent times, olive crop area has decreased on two occasions due to adverse weather conditions, the first time in 2011 when it fell from 104 000 to 100 000 ha and the second in 2014 when it dropped from 105 000 ha to 82 000 ha. The plans for the next two years are for orchards to expand to more than 100 000 ha by 2018. Olive growing is an important source of employment in Iran, generating 9 000 000 workdays in the 2014/15 season. Of these, 30 000 were in the olive oil and table olive industries.

Iran's processing sector has been modernised in recent years, as can be seen from the statistics which speak for themselves. According to the figures available, in 2011 there were 49 olive oil mills, of which 31 were modern two- or three-phase facilities. Nowadays, there are 74 mills, 73 of which are modern plants; only one operates with presses or superpresses. The number of table olive processing plants has also increased, going up from 30 in 2011 to 200 at present.

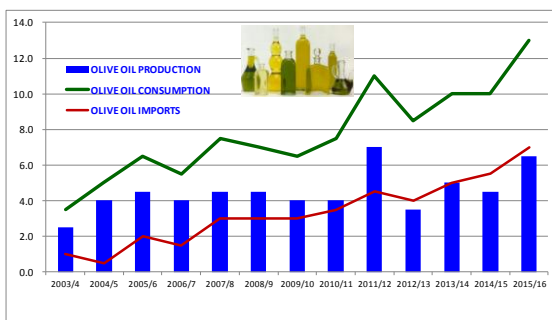


Chart I: Olive oil in IRAN (2003/04-2015/16) (1000 t)

Table olive production has increased more than olive oil output during the reporting period (Chart II), rising by 64 500 t from 12 000 t in 2003/04 to 76 500 t in 2015/16. Consumption keeps in step with output since all the table olives produced go for local consumption.

Although it oscillates from one crop year to the next, olive oil production in Iran expanded by 160 pc during the period reported in Chart I, rising from 2 500 t in 2003/04 to 6 500 t in 2015/16. Over the last six seasons, production has averaged 5 000 t per year while consumption has been double that figure (10 000 t). The difference is met through imports, largely from Turkey, Syria, Spain and Italy.

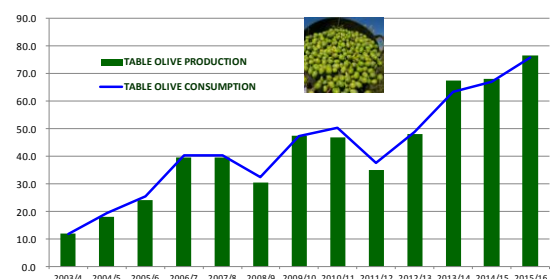


Chart II: Table olives in IRAN (2003/04-2015/16) (1 000 t)



ESTIMATION OF OLIVE OIL CARBON BALANCE

The International Olive Council has developed a tool for estimating the carbon balance of olive oil. This tool is one of the outcomes of the work carried out with the much appreciated assistance of an expert group created by the IOC in 2012.

In recent years, consumers have started to demand more and more environmental information about what they consume, especially food. Various regulatory frameworks have been developed with the shared goal of quantifying environmental impacts, particularly greenhouse gas emissions using the carbon footprint as an indicator.

Published scientific studies document the positive environmental effects of olive growing – in terms of biodiversity, soil improvement, as a barrier against desertification, etc – and show how certain agricultural practices increase the capacity to fix atmospheric CO₂ in the soil and plants.

The regulatory frameworks developed so far for quantifying and reporting greenhouse gas emissions are based on a life cycle assessment approach. In these frameworks, the potential effect of CO₂ capture and storage by olive orchards is reported separately from global emissions. Hence, there is no single specific indicator to report the real positive effect of olive growing as an ecosystem that captures CO₂ from the atmosphere and stores it on a long-term basis in plants and the soil.

For this reason, the IOC wishes to share the first version of this carbon balance application with any interested stakeholders in the olive oil industry. It can be viewed at <http://carbonbalance.internationaloliveoil.org/es>.

WORLD TRADE IN OLIVE OIL AND TABLE OLIVES

1. TRADE IN OLIVE OIL AT THE START OF 2015/16

Imports of olive oils and olive pomace oils in the first five months of the 2015/16 crop year (October 2015–February 2016) grew by 22 pc in China and 2 pc in Canada but remained unchanged at season-before levels in the United States. The other markets recorded decreases of 41 pc in Brazil, 30 pc in Russia, 16 pc in Australia and 13 pc in Canada.

The October 2015–January 2016 figures for the EU¹ reveal a decrease of 14 pc in intra-EU acquisitions and of 4 pc in extra-EU exports versus the same period of 2014/15.

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

No	Importing country	October 14	October 15	November 14	November 15	December 14	December 15	January 15	January 16	February 15	February 16
1	Australia	3125.1	1717.8	2391.8	1818.9	1652.1	1265.9	1856.8	2065.8	1607.8	2109.3
2	Brazil	9584.6	5529.5	7269.9	4853.6	6249.3	2689.6	6367.2	4394.6	5517.4	3169.2
3	Canada	3985.0	3092.5	3257.6	2875.6	3070.4	3193.2	2343.1	3015.8	3009.0	3834.0
4	China	2410.8	3106.7	3651.5	3219.6	3530.5	6015.2	2850.1	3067.6	1471.1	1501.0
5	Japan	4776.0	4492.0	4735.0	3791.0	3965.4	3097.0	4531.0	3402.0	3474.0	3916.0
6	Russia	4259.5	1785.8	3192.4	2084.0	2653.1	1940.6	1513.0	1390.1	1216.5	1765.0
7	USA	23332.0	28580.0	28449.8	20324.3	18755.6	23627.0	24296.3	26922.3	27443.4	22368.4
8	Extra-EU/27	6722.0	17568.3	6801.8	8433.7	14707.0	10600.9	18871.7	8787.2	22619.4	nd
	Intra-EU/27	89729.0	65823.0	98016.0	81263.5	122803.0	112768.4	102347.8	96100.5	107246.2	nd
	Total	147924.0	131695.6	157765.8	128664.2	177386.3	165197.8	164977.0	149145.9	173604.8	

¹EU data for February 2016 were not available at the time of writing



2. TRADE IN TABLE OLIVES AT THE START OF 2015/16

In the first five months of the 2015/16 season (October 2015–February 2016), table olive imports fell in all the markets reported, specifically by 18 pc in Russia, 15 pc in Brazil and 1 pc each in Australia, Canada and the United States.

EU² trade data for the first four months of the new crop year (October 2015–January 2016) report a 12 pc period-on-period increase in intra-EU acquisitions, contrasting with a 7 pc decrease in extra-EU imports.

Table Olive Imports (t)

No	Importing country	October 14	October 15	November 14	November 15	December 14	December 15	January 15	January 15	February 15	February 16
1	Australia	1547.0	1156.0	1234.0	1469.0	1580.0	1682.0	1408.0	1355.0	1064.0	1116.0
2	Brazil	12930.3	7793.4	10285.5	9311.3	8685.1	8834.9	8007.7	6034.8	6715.2	7737.9
3	Canada	2413.0	2636.0	2469.0	3090.0	2810.0	3003.0	2144.0	1494.0	2390.0	1843.0
4	Russia	11076.5	6730.3	8719.1	7214.5	7288.0	5490.0	3413.8	3968.0	2313.8	3547.0
5	USA	10367.0	12738.0	10164.0	11635.0	12219.0	11997.0	11629.0	8133.0	10732.0	11348.0
6	Extra-EU/27	8283.2	6386.7	7032.3	7133.3	8053.5	7836.3	7666.5	7633.0	6899.9	nd
	Intra-EU/27	27945.4	30114.0	23889.4	31646.4	27859.4	30882.0	22021.7	21201.0	23698.1	nd
	Total	74562.4	67554.4	63793.3	71499.5	68495.0	69725.2	56290.7	49818.8	53813.0	

II. PRODUCER PRICES

Graph 1 tracks the weekly movements in the prices paid to producers for extra virgin olive oil in the three top EU producing countries plus Tunisia while Graph 3 shows the weekly changes in the producer prices for refined olive oil in the three main EU producers. Monthly price movements for the same two grades of oil are given in Graphs 2 and 4.

Extra virgin olive oil: After peaking at €4.23/kg in the third week of August 2015, producer prices in Spain fell sharply. In recent weeks, they have levelled off and were lying at **€3.16/kg** in the **last week of April 2016**. This is 7 pc lower than a year earlier and 25 pc below the maximum (€4.23/kg) but 61 pc higher than the low recorded in the third week of May 2014 (€1.96/kg) (Graph 1).

Italy: In November 2014, producer prices in Italy hit an all-time high of €6.79/kg. In the last few weeks they have steadied. At the end of April 2016 they were standing at €3.55/kg, down by 40 pc on the level of a year earlier. Graph 2 shows how the monthly prices of extra virgin olive oil have behaved in recent crop years.

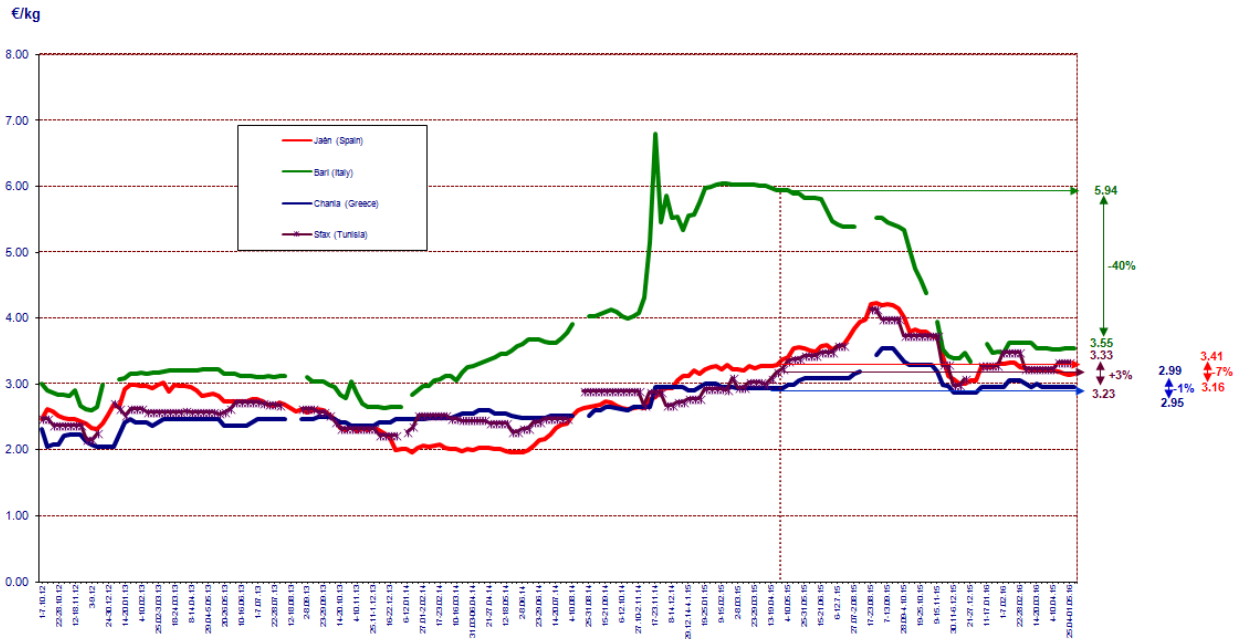
Greece: In the last weeks of August and first week of September 2015, prices rose to period highs (€3.54/kg). In recent weeks they too have been stable, reaching **€2.95/kg** at the close of April 2016. This represents a 1 pc decrease on the same period a season before.

Tunisia: Producer prices peaked in the last weeks of August 2015 (€4.13/kg). They have steadied in the last three weeks to reach **€3.33/kg** by the end of April 2016, showing period-on-period growth of more than 3 pc.

²EU data for February 2016 were not available at the time of writing

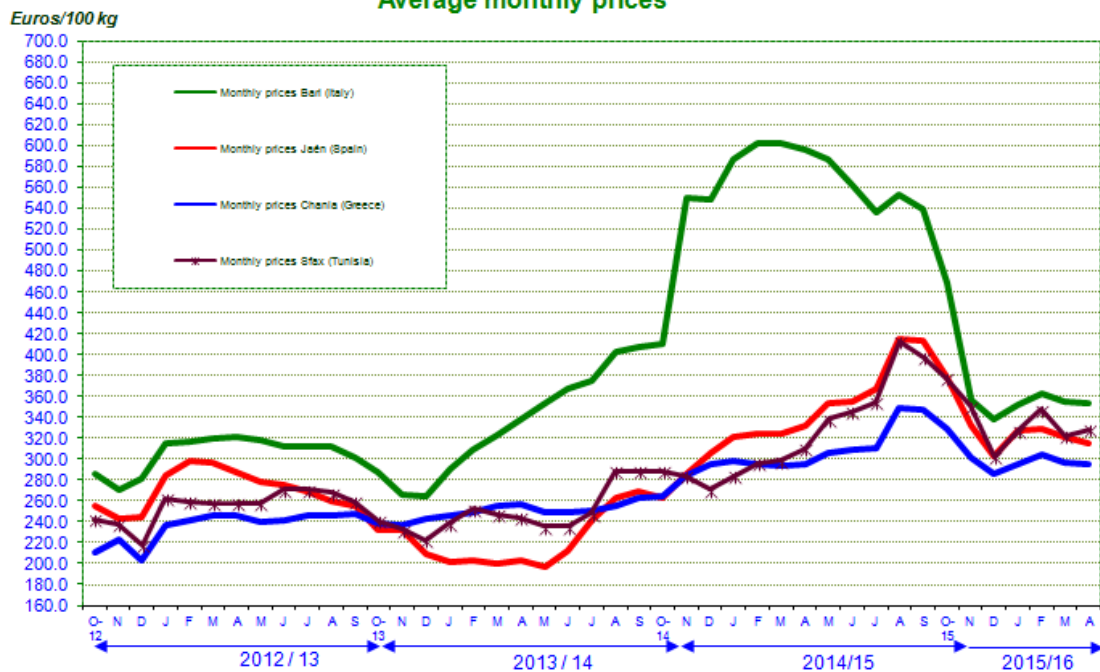


2012/13, 2013/14, 2014/15 & 2015/16 CROP YEARS EXTRA VIRGIN OLIVE OILS
Weekly producer price movements Bari, Chania, Jaen and Sfax markets



Graph 1

MOVEMENTS IN PRODUCER PRICES
EXTRA VIRGIN OLIVE OIL
Average monthly prices

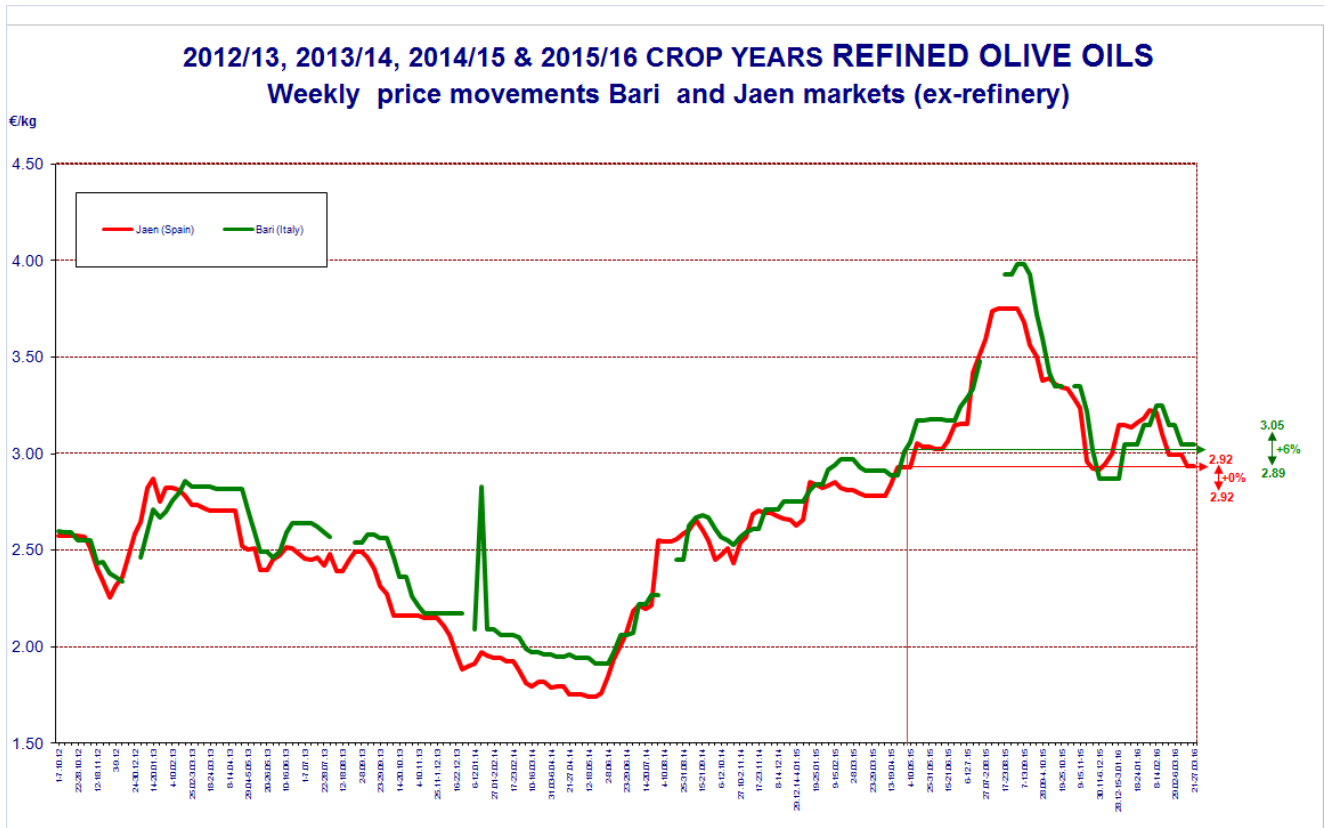


Graph 2

- Refined olive oil:** After peaking in August 2015, producer prices for refined olive oil followed in the footsteps of extra virgin prices. In **Spain** they fell sharply but started to rally in the third week of January 2016. They have fallen again lately and stood at **€2.92/kg** at the end of April 2016, i.e. the same level as in the same period of the preceding crop year. The trend in **Italy** has been similar, with prices lying at **€3.05/kg** at the end of April 2016, up by 6 pc higher on the same period of the season before. No price data are available for this product category in Greece.

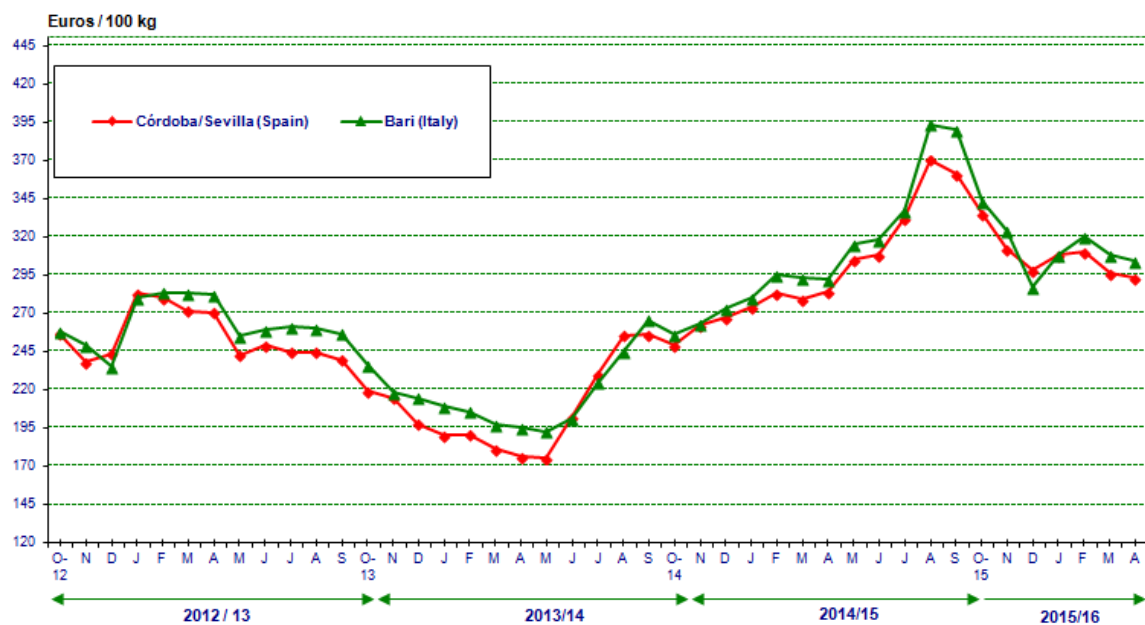


At the end of April 2016, the price of refined olive oil (€2.92/kg) and extra virgin olive oil (€3.16/kg) differed by €0.24/kg in Spain and €0.50/kg in Italy (Graph 3).



Graph 3

MOVEMENTS IN PRODUCER PRICES
REFINED OLIVE OIL
Average monthly prices



Graph 4



STAY TUNED

Keep track of what's going on in the industry: <http://www.scoop.it/t/olive-news>

Find out what's happening at the IOC: <http://www.linkedin.com/company/international-olive-council>

Read our scientific journal *OLIVAE*:
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