

OIL CROPS AND SUPPLY CHAIN IN ASIA LA FILIÈRE OLÉAGINEUSE EN ASIE

Olive oil: an overview of the Japanese market

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Abstract – The article presents an overview of olive oil consumption in Japan, Asia's largest per capita consumer and at present 14th in the world. Since the early 1990s, total purchases have increased from 4943 t in the 1992/93 campaign to 61 903 t in 2014/15, a more than 12-fold increase over the space of 22 years. Olive oil, in particular extra virgin olive oil, is appreciated by Japanese people primarily for its beneficial effects on health, as well as for its agreeable taste and for its cultural and historical associations. Other key factors to be considered are economic and cultural. Japan is one of the world's largest economies; disposable incomes are high and these are reflected in household consumption behavior. Culturally, the country is increasingly open to the outside world, discovering and adopting practices from elsewhere, notably the West. This openness, allied to the country's relative affluence, is demonstrated in the consumption of olive oil, a pillar of the Mediterranean Diet.

Keywords: Japan / olive oil / virgin olive oil / market / consumption

Résumé – **Huile d'olive : une analyse du marché japonais.** Cet article propose un aperçu de la consommation d'huile d'olive au Japon, pays d'Asie où la consommation par habitant s'avère la plus forte et qui se hisse sur ce point au 14^e rang mondial. Depuis le début des années 1990, les importations sont ainsi passées de 4 943 t durant la campagne 1992/93 à 61 903 t en 2014/15, soit une augmentation d'un facteur 12 en l'espace de 22 ans. L'huile d'olive, et en particulier l'huile d'olive extra vierge, est appréciée par les Japonais principalement en raison de ses effets bénéfiques sur la santé, ainsi que pour son goût agréable et les associations culturelles et historiques qu'elle véhicule. Les autres facteurs clés à considérer s'avèrent économiques et culturels. Le Japon est l'une des plus grandes économies du monde ; les revenus disponibles y sont élevés et ceux-ci se reflètent dans le comportement de consommation des ménages. Culturellement, le pays se montre de plus en plus ouvert sur le monde extérieur, avec la découverte et l'adoption de pratiques venues d'ailleurs, notamment de l'Ouest. Cette ouverture, alliée à la richesse relative du pays, se retrouve dans la hausse de la consommation japonaise d'huile d'olive, considérée comme un pilier de la diète méditerranéenne.

Mots clés : Japon / huile d'olive / huile d'olive vierge / consommation

1 Introduction

Japan has the highest per capita olive oil consumption in Asia.

A pleasurable taste, positive effects on the health and sophisticated cultural associations are just some of the characteristics related with the Mediterranean Diet, of which olive oil is an essential constituent. The Japanese people are well aware of them and this explains the consistent year-on-year growth in olive oil consumption since the 1980s.

Economic and cultural factors are important. Japan is one of the world's largest economies; disposable incomes are high

and these are reflected in household consumption behavior. Culturally, the country is increasingly open to the outside world, discovering and adopting practices from elsewhere, notably the West.

Japan started to consume olive oil on a significant scale at the beginning of the 1980s; it was not until the 1990s however, probably encouraged by a promotional campaign launched in 1991 by the International Olive Oil Council, and by efforts of the producers and distributors, that the substantial annual increases began.

Instances of pioneering local cultivation of olive oil do exist, especially in the island of Shodoshima where the climate is very similar to that of the Mediterranean. Production

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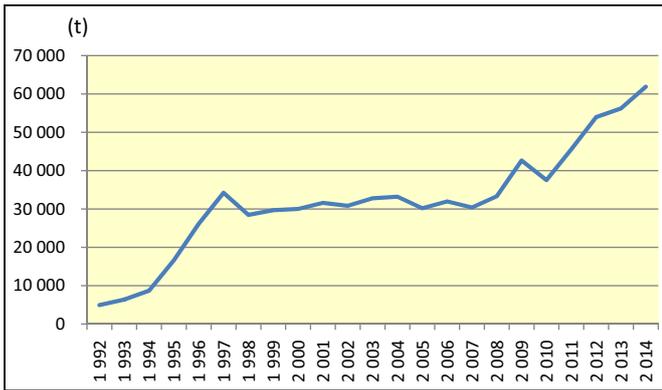


Fig. 1. Olive oil consumption in Japan: 1992–2015 (Source: International Olive Oil Council).

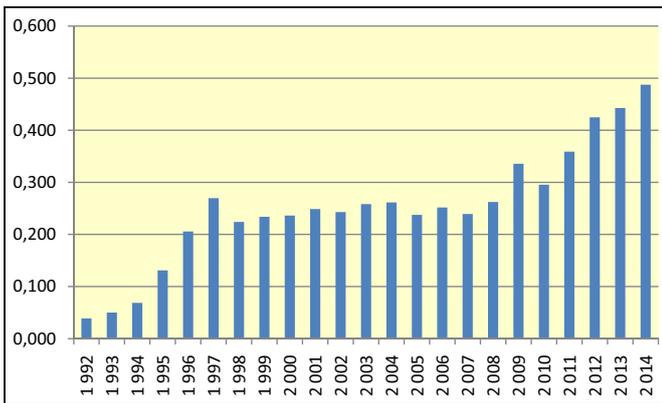


Fig. 2. Per capita olive oil consumption in Japan: 1992–2015 (Source: International Olive Oil Council).

is however very small; for present purposes, it can be considered that all olive oil consumed in Japan is imported.

2 Olive oil consumption: historical evolution

In the crop year 1992/93, olive oil imports in Japan amounted to 4943 t. At the end of the crop year 2014/2015 amounted to 61 903 t, an increase of 1252% in 22 years. Figure 1 summarizes this evolution.

A total population of 127 000 000 people implies a growth in per capita consumption from 0.039 liters (approximately two tablespoons) in 1992 to 0.487 liters in 2015.

3 Imports of olive oil in Japan: situation and evolution

Spain, Italy are the principal sources of Japan’s olive oil, accounting between them for almost 95%.

Table 1 and Figure 3 summarize the current situation in this regard.

Non-European Union sources account for 4% of the total.

Figure 4 shows the development of imports from Spain, Italy, Turkey and Greece from 1992 until the 2014/2015 crop year.

Table 1. Olive oil imports to Japan: source countries

Country	2014/15	
	t	%
Spain	33 584	54.2
Italy	25 066	40.5
Turkey	1 884	3.04
Greece	794	1.28
Portugal	128	0.21
Chile	104	0.17
Tunisia	83	0.13
Australia	75	0.12
United States	50	0.08
France	45	0.07
United Kingdom	12	0.02
Israel	9	0.01
Argentina	8	0.01
Netherlands	6	0.01
Others	56	0.09
TOTAL	61 903	100
EU	59 635	96
Extra-EU	2268	4

(Source: International Olive Oil Council).

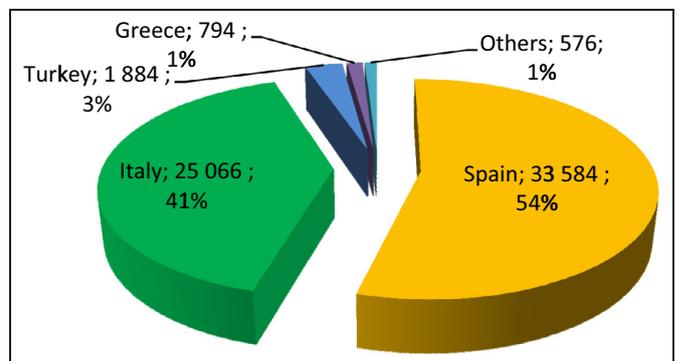


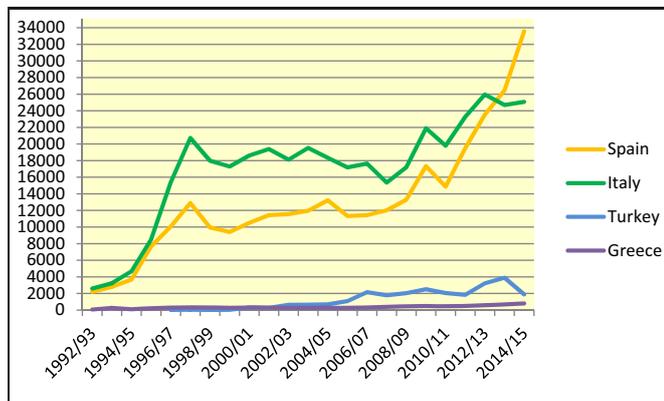
Fig. 3. Olive oil imports to Japan: principal source countries (Source: International Olive Oil Council).

Italy and Spain have historically been the main import countries. Two years ago, the quantity of oil imported from Spain surpassed, for the first time, the quantity imported from Italy; this has continued. In 2014/2015, Japan imported 33 584 t (54% of the total) from Spain, vs. 25 066 t imported from Italy (40% of the total). This can be attributed to many factors, inter alia: Spain’s higher production in comparison to that of Italy; Spain’s attention and investment in producing a high quality product; and the promotional campaign undertaken by the *Interprofesional del aceite de Oliva* (<https://www.aceitesdeolivadeespana.com/>- www.oliveoilsfromspain.org), an institution supported by the Spanish government to promote the development of the Spanish olive oil market. Further details on exports from Spain and Italy are given below.

SPAIN – At the end of the 2013/14 crop year, Spain had exported 1 231 817 t to the world market (including intra-EU deliveries). Exports to non-EU countries totaled 336 115 t, of which 36% went to the United States, rendering this country Spain’s main export destination. Ranked by volume, Japan was next followed by China, Australia, Brazil, South Korea,

Table 2. Olive oil imports by Japan, detailed by countries period 2008/2009-2014/2015 (Source: International Olive Oil Council).

Country	2008./09		2009./10		2010/11		2011/12		2012/13		2013/14		2014/15	
	t	%	t	%	t	%	t	%	t	%	t	%	t	%
Spain	13 291	39.91	17 328	40.65	14 873	39.65	19 502	42.82	23 526	43.69	26 455	47.12	33 584	54.32
Italy	17 196	51.64	21 897	51.37	19 788	52.75	23 267	51.09	25 959	48.21	24 691	43.98	25 066	40.55
Greece	445	1.34	492	1.15	449	1.20	505	1.11	599	1.11	670	1.19	794	1.28
France	62	0.18	50	0.12	53	0.14	57	0.13	51	0.09	66	0.12	45	0.07
Portugal	30	0.09	30	0.07	42	0.11	0	0.00	26	0.05	27	0.05	128	0.21
United Kingdom	7	0.02	18	0.04	7	0.02	12	0.03	11	0.02	8	0.01	12	0.02
Germany	0	0.00	0	0.00	1	0.00		0.00	1	0.00	1	0.00	0	0.00
Netherlands		0.00		0.00	8	0.02	32	0.07	4	0.01	2	0.00	6	0.01
Argentina	48	0.14	102	0.24	87	0.23	111	0.24	105	0.20	103	0.18	8	0.01
Chile	4	0.01	13	0.03	28	0.08	61	0.13	180	0.33	71	0.13	104	0.17
Australia	28	0.08	33	0.08	33	0.09	63	0.14	63	0.12	60	0.11	75	0.12
United States	10	0.03	31	0.07	15	0.04	29	0.06	31	0.06	32	0.06	50	0.08
Israel	50	0.15	10	0.02	45	0.12	20	0.04	35	0.06	34	0.06	9	0.01
Turkey	2041	6.13	2506	5.88	2049	5.46	1841	4.04	3219	5.98	3893	6.93	1884	3.05
Others	89	0.27	115	0.27	32	0.08	38	0.08	38	0.07	27	0.05	56	0.09
TOTAL	33 302	100.00	42 625	100.00	37 509	100.00	45 539	100.00	53 847	100.00	56 140	100.00	61 821	100.00
EC	31 031	93.18	39 816	93.41	35 220	93.90	43 376	95.25	50 176	93.18	51 919	92.48	59 635	96.46
Extra-EC	2 271	6.82	2 810	6.59	2 289	6.10	2 163	4.75	3 671	6.82	4 221	7.52	2 185	3.54

**Fig. 4.** Evolution of olive oil imports (1992–2015) in Japan: main source countries (Source: International Olive Oil Council – IOC, 2015).

Russia, Mexico, United Emirates and India in that order (IOC, 2015).

Deliveries of Spanish olive oil and olive pomace oil inside the EU amounted to 895 702 t, showing an increase of 78% compared to 2012/13. According to the volume ranking, Italy was the biggest EU buyer, taking 59% of all Spanish deliveries (531 430 t, up by 143% of the previous season), followed by Portugal (129 920 t), France (92 458 t), United Kingdom (54 749 t), Sweden (24 212 t), Netherlands (12 723 t), Germany (10 896 t), Belgium (9 831 t) and Greece (9 793 t).

Virgin oil accounted for 73% of Spanish sales, olive oil 19% and pomace oil 8% (151 000 t).

ITALY – In 2013/14, Italy exported a total of 416 892 t, an increase of 6% on 2012/13. Almost 40% of these exports stayed inside the EU where the main destinations, listed by

volume in descending order, were Germany (28% of the total), France, Greece, United Kingdom, Spain, Belgium, Poland, Austria, Netherlands and Denmark.

Italian exports to non-EU countries accounted for 61% of its total exports and recorded a season-on-season increase of 9%. The top destinations were the United States (47% of the total), followed by Canada, Japan, Australia, China, Switzerland, Russia, Taiwan, South Korea and Brazil.

Italy's imports of olive oil from outside the EU (29 126 t) were 64% lower than in the previous crop year and came mostly (74%) from Tunisia. Other suppliers were Turkey, Australia, Morocco and Chile.

Intra-EU purchases of olive oil by Italy totaled 591 257 t, up by 46% on the previous season. Almost all (99%) of this tonnage came from three countries: Spain (90%), Greece (6%) and Portugal (3%).

In 2013/14, the breakdown of Italian sales by category shows that 71% was virgin olive oil, 18% olive oil and 9% olive pomace oil.

4 Consumption: the different categories of olive oil

The olive oil market comprises different categories of products. Table 3 defines the different categories of olive oils according to the European Council Regulation, which is adopted worldwide. Statistically the categories are simplified as Virgin Olive Oil, Olive Oil and Pomace Olive Oil.

Between 2008/2009 and 2014/2015 imports of olive oil to Japan increased by 86%, from 33 307 t to 61 877 t. For 2014/2015, the share accounted for by virgin olive oil (practically all of which extra virgin) was 71%, olive oil 25% and pomace olive oil 5%. Figure 5 shows the evolution by category from 2008/2009 to 2014/2015.

Table 3. Definition and designation of olive oil categories (Source: Council Regulation (EC) N. 1513/2001).

<p>1. VIRGIN OLIVE OILS Oils obtained from the fruit of the olive tree solely by mechanical or other physical means under conditions that do not lead to alteration in the oil, which have not undergone any treatment other than washing, decantation, centrifugation or filtration, to the exclusion of oils obtained using solvents or using adjuvants having a chemical or biochemical action, or by re-esterification process and any mixture with oils of other kinds. Virgin olive oils are exclusively classified and described as follows:</p> <p>(a) Extra virgin olive oil Virgin olive oil having a maximum free acidity, in terms of oleic acid, of 0,8 g per 100 g, the other characteristics of which comply with those laid down for this category.</p> <p>(b) Virgin olive oil Virgin olive oil having a maximum free acidity, in terms of oleic acid, of 2 g per 100 g, the other characteristics of which comply with those laid down for this category.</p> <p>(c) Lampante olive oil Virgin olive oil having a free acidity, in terms of oleic acid, of more than 2 g per 100 g, and/or the other characteristics of which comply with those laid down for this category.</p>
<p>2. REFINED OLIVE OIL Olive oil obtained by refining virgin olive oil, having a free acidity content expressed as oleic acid, of not more than 0,3 g per 100 g, and the other characteristics of which comply with those laid down for this category.</p>
<p>3. OLIVE OIL — COMPOSED OF REFINED OLIVE OILS AND VIRGIN OLIVE OILS Olive oil obtained by blending refined olive oil and virgin olive oil other than lampante oil, having a free acidity content expressed as oleic acid, of not more than 1 g per 100 g, and the other characteristics of which comply with those laid down for this category.</p>
<p>4. CRUDE OLIVE-POMACE OIL Oil obtained from olive pomace by treatment with solvents or by physical means or oil corresponding to lampante olive oil, except for certain specified characteristics, excluding oil obtained by means of re-esterification and mixtures with other types of oils, and the other characteristics of which comply with those laid down for this category.</p>
<p>5. REFINED OLIVE-POMACE OIL Oil obtained by refining crude olive-pomace oil, having a free acidity content expressed as oleic acid, of not more than 0.3 g per 100 g, and the other characteristics of which comply with those laid down for this category.</p>
<p>6. OLIVE-POMACE OIL Oil obtained by blending refined olive-pomace oil and virgin olive oil other than lampante oil, having a free acidity content expressed as oleic acid, of not more than 1 g per 100 g, and the other characteristics of which comply with those laid down for this category.'</p>

5 Conclusions

Japan, a country with almost no olive production, is the world's 14th biggest consumer of olive oil. Accelerating import growth heralds a positive outlook for exporters. Moreover, since the Japanese market, supported by a growing awareness of health matters, displays an increasing appreciation of the quality differences between the various classes of olive oil, imports can be expected to continue their concentration towards higher quality products.

In view of the health-properties of extra-virgin olive oil, the product is likely to become a regular element in the diet of certain segments of the population: the particular nature of the Japanese consumer, driven by the quest for novelty, increasingly open to foreign cultures and new modes of living, is one that encourages its consumption.

Information campaigns such as those undertaken by local institutions, by distributors, by producers, by the International Olive Oil Council, by Spain's Interprofesional del Aceite de Oliva or by other producing countries have contributed signif-

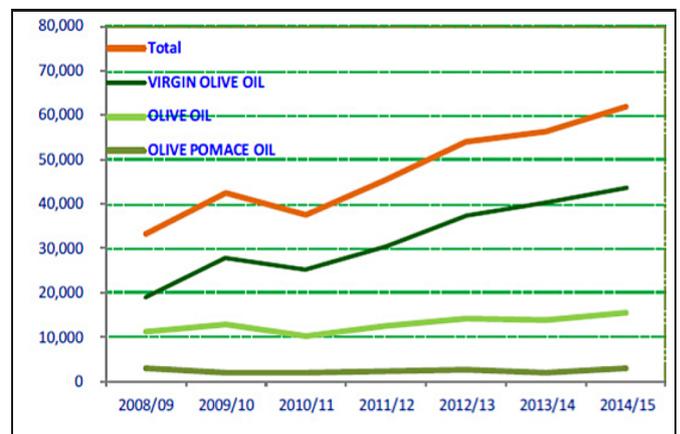


Fig. 5. Imports of olive oil by Japan, by category: period 2008/2009–2014/2015 (Source: International Olive Oil Council – IOC, 2015).

icantly to increasing public awareness of extra virgin olive oil in Japan.

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