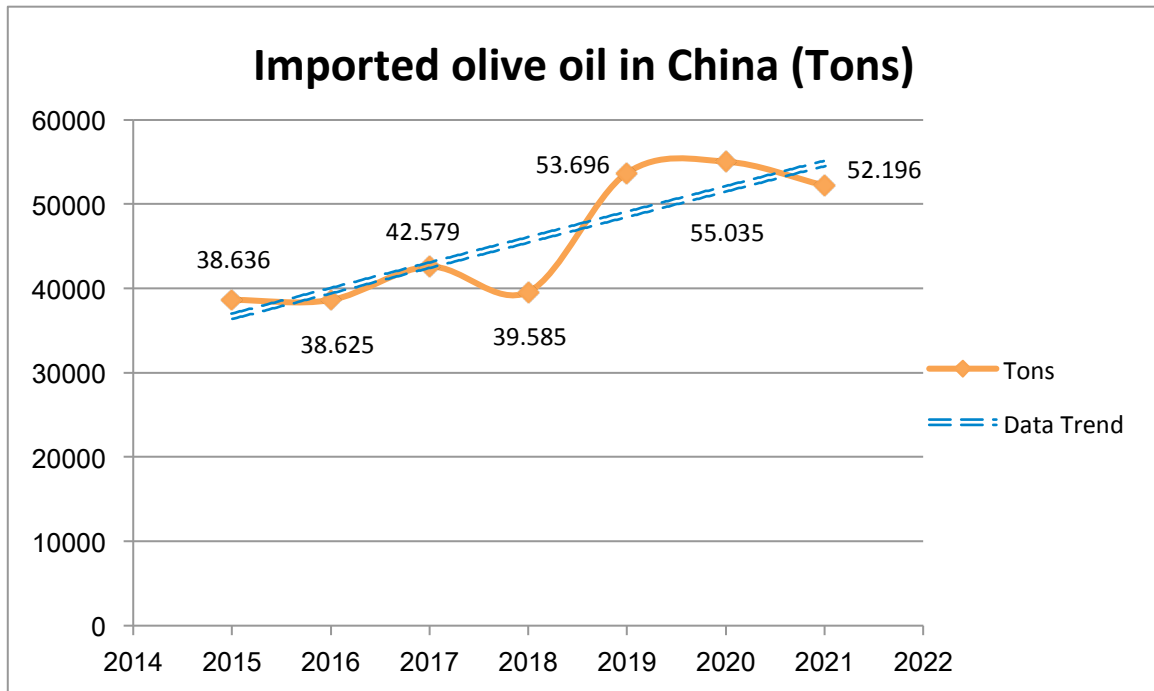


China's Import Trend and Big Market for Olive Oil

Import Trend



According to the data of Chinese Customs, China imported 52,196 tons of olive oil in 2021 and the above graph shows the import trend is always up in the past 5 years, the pandemic of COVID-19 slightly influenced the consumption of olive oil and it is manageable, and the import of olive oil has remained over 50,000 tons since 2019, however, in terms of market scale the opportunity is immense.

China's Market Scale

China officially issued the 8.1% of GDP in 2021 and the official statistic survey of population shows that China has 1.41178 billion persons, and China has already been the aged society along with the fertility rates that have declined, so China decided to carry out the two-child policy which will make the peak of Chinese population reach 1.6 billion in the 10 years. Now Omicron COVID-19 is flooding the world, but each day less than 100 cases are infected in China and China has just held 24th Olympic Winter Games successfully, all of these proved that Chinese government is trying the best to control the pandemic to be for people safe and develop Chinese economy, so we believe the import of olive oil will rise up in quantity after the end of the pandemic. It is anticipated that China's GDP will surpass that of USA in about 2030 by the IMF and the average GDP per person will be about 30,000 USD which will be the half part of USA. According to the IOC's statistic data in 2021, as the 1st import county of olive oil in the world, USA has imported 357,000 tons of olive oils and as the 6th import country China imported 1/6 that of US. To refer to the above, it is the forecast that China will import 180,000 tons of olive oils in 2030 or so, which will be the half part of USA, so Chinese market will be huge for those export countries of olive oil.

China's related statistics, in 2020 China has consumed 40.71 million tons of edible oil and each person consumed 29.1kg edible oil in the average, which included 0.042kg olive oil, so it is so little. If more and more people realize the advantage of olive oil and the awareness of olive oil is promoted widely in China, the average consumption of olive oil will reach 0.1kg and the consumption of olive oil will be 145000 tons. Totally, the massive base of Chinese population will

bring the unlimited imagination to the consumption of olive oil.

However, it is obvious about the lower average price of imported olive oil from the following data table sourced by Chinese Customs, which means that the quality of most of imported olive oil is not good, and especially the proportion of virgin olive oil in the total amount is the gradual decline (65.32% in 2021).

Unit Price of imported olive oil in China						
Commodity code	Commodity (USD/KG)	2021	2020	2019	2018	2017
15091000	Virgin olive oil	4.24	3.49	3.84	4.97	5.24
15099000	Olive oil	3.14	2.23	2.52	3.51	4.62
15100000	Olive pomace oil	2.29	2.06	2.43	3.66	4.05
Import Date of olive oil in China						
Commodity code	Commodity (ton)	2021	2020	2019	2018	2017
15091000	Virgin olive oil	34,094	35,477	37,565	28,241	32,606
15099000	Olive oil	12,527	14,367	12,852	7,846	4,545
15100000	Olive pomace oil	5,575	5,191	3,280	3,498	5,429
Sub-total		52,196	55,035	53,696	39,585	42,579
% (VOO/Sub-total)		65.32%	64.46%	69.96%	71.34%	76.58%

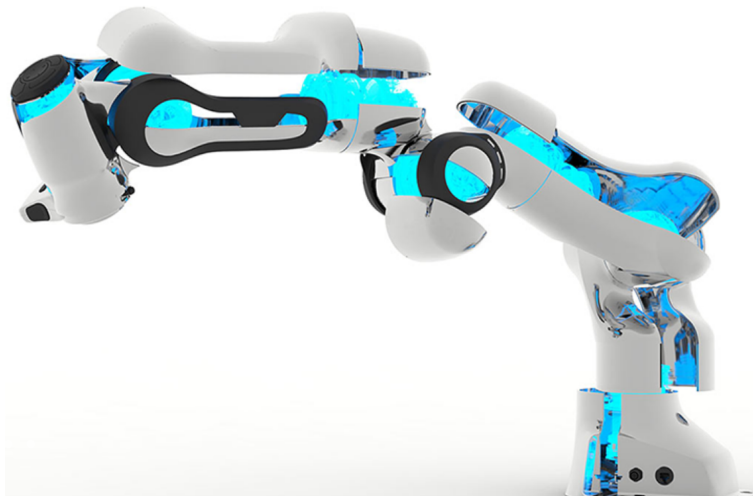
The market survey shows that the retail prices of those imported olive oil are about 12.5 USD or 11 Euro per liter or more lower. After those goods labeled with extra virgin olive oil tasted by olive oil tasters, and most of them are not qualified with the IOC sensory criteria. What caused this situation? The first is that the businessmen desire for the profit maximizing, and the second is that the sensory criteria is not enforced in China, which makes the quality of imported olive oil merely meet the chemical standard. IOC also discovered this issue, so IOC has held some events relating to olive oil sensory evaluation and olive oil tasting for professionals in olive industry, olive oil trade and so on. Beijing Regalland with university of Bologna and related organizations have organized the training course of olive oil tasters in order to train more olive oil tasters in China and to make Chinese consumers correctly select and consume the real extra virgin olive oil.

China's Olive Industry

China is developing olive industry actively, and some regions have the similar geographical environment like the Mediterranean climate for olive growing. Until 2020, the national olive planting area is about 1.55 million mu (about 103,333 hectare), which includes 0.65 million mu in Gansu province, 0.48 million mu in Sichuan province, 0.22 million mu in Yunnan province, 0.15 million mu in Chongqing, 45000 mu in Hubei province and 8000 mu in Zhejiang province. Now China has 51 lines of olive oil processing and the yield of Chinese olive oil is about 7000-8000 tons. In the aspect of quality, some Chinese producers have won some prizes (Gold, Silver and Bronze) in some international olive oil competitions like IOC Mario Solinas Quality Award, EVOOLEUM, Oil China, New York IOOC, Olive Japan, TERRAOLIVO, Athena IOOC, Los Angeles IOOC, EVO IOOC and so on. Chinese producers also produce table olives, olive sauce, tea of olive leaves, olive cosmetics, olive bonsai trees, olive handicrafts, extracts of olives or olive oil like hydroxytyrosol, oleuropein and etc.



Hand harvesting and the limitation on planting scale cause the higher cost of olive oil that is about 20-30 USD per liter. At the background of olive oils' serious homogenization and similar grades, Chinese producers need to compete with other Chinese producers and also those importers who import the very cheap olive oil, so currently it is very difficult for their business. Like Italy, most of Chinese adaptable regions for olive planting are not suitable for mechanized harvesting, so Chinese producers are looking forward to the robots help them breeding, cultivating, nursing and harvesting in order to reduce the cost of olive oil by seeking automation, scale and intensification. The day is coming soon in China.



Selling Olive Oil through Live Commerce

For the pandemic, most of olive oils are sale online in some popular E-Commerce platforms like Alibaba, Taobao, Tmall, JD, Pingduoduo, Wechat and so on. The new and unique scene in China, Live commerce is very popular nowadays and is the most typical feature of live stream economy, like Taobo Live, Douyin Live, Kuaishou Live and Wechat Live, Live commerce is also at the oil mill, at the field of olive harvesting, at the room of olive oil tasting and so on. 5G application in China makes live commerce easy and economical. The immense basis of Chinese population makes it possible in the method of live commerce.



Some producers and importers sell their olive oils both online and offline stores interactively to strengthen the experience and stickiness of consumers. Some producers and importers cooperate with some western restaurants like Italian restaurants to display and taste their olive oils on the table as well as sell their olive oils, which is a great choice to sell and promote olive oil. Chinese consumers usually go shopping at supermarkets for fresh food and olive oil, while having the financial strength, so some importers and producers sell and promote their olive oils at supermarkets.



