

Declassified E.O. 12356 Section 3.3/NND No.

785015

ACC

10000/101/264

Declassified E.O. 12356 Section 3.3/NND No.

785015

10000/101/264

ADMINISTRATION  
NOV. 1943

785015

1440

SR-7.19-300  
CONFIDENTIAL  
- 29  
Copy No. \_\_\_\_\_

FOREIGN ECONOMIC ADMINISTRATION  
Supply and Resources Division

A-6-34

OLIVE OIL SUPPLY SITUATION IN MAJOR PRODUCING COUNTRIES

**CONFIDENTIAL**

November 11, 1945

5249

Summary

1. Approximately 97 percent of the average annual production of olive oil, which amounts to nearly two billion pounds, is produced in Spain, Italy, Greece, French North Africa, and the Syria and Lebanon areas.
2. The most important producers of olive oil are also large consumers, the average consumption amounting to about three-fourths of the average production. Normally, exports are made possible by importations of cheaper oils, particularly peanut oil.
3. The seven principal areas producing olive oil would apparently have a surplus of 296,345,000 pounds in 1944, but the actual amount may be only 119,977,000 pounds if Spain maintains an estimated reserve of 176,368,000 pounds.

Table of Contents

	<u>Page</u>
I. INTRODUCTORY STATEMENT	1
II. SPAIN	2
III. ITALY	3
IV. GREECE	4
V. FRENCH NORTH AFRICA	5
VI. PORTUGAL	6
VII. TURKEY	7
VIII. SYRIA AND LEBANON	8
IX. ESTIMATE OF SUPPLIES FROM 1943-44 CROP	9
X. TABLE	

Olive Oil: Commercial Production, Imports,  
Exports and Consumption

I. INTRODUCTORY STATEMENT

Olive production for oil is confined primarily to the Mediterranean region principally in Spain, Italy, Greece, French North Africa, Portugal, Turkey, and the Syria and Lebanon areas. These seven areas have been producing approximately 87 percent of the world's total average annual output of olive oil, which amounts to nearly two billion pounds.<sup>V</sup>

The season for harvesting olives in the Mediterranean region begins in the latter part of October and extends through January; an exception exists in the case of Spain where the harvesting season extends from November 1 to July 15, due to different climatic conditions in producing areas. As soon as the olives are picked they are taken to local mills where the oil is expressed.

A significant fact with regard to olive oil is that the principal producing countries are also the largest consumers. The average consumption in these countries amounts to about three-fourths of the average production. Quantities of olive oil are normally available for export because other vegetable oils, principally peanut oil, are imported and mixed with olive oil to furnish cheaper oil for the lower-income groups.

<sup>V</sup> See Table V, attached.

- 2 -

## II. SPAIN

Spain is the world's greater producer of olives. The pre-Civil war crop ranged from 727,510,000 pounds to 1,069,231,000 pounds of oil equivalent. The 1942-43 crop, which was harvested during the period from November 1, 1942 to May 15, 1943, has been estimated at 351,150,000 pounds of oil. This yield, plus a carry-over of 110,250,000 pounds, minus consumption and exports during the harvest period, resulted in a net figure of 554,219,000 pounds as of June 1, 1943.

It is thought that the 1943-44 harvest may pick as high as 581,540,000 pounds of oil. Annual consumption under the current rationing program approximates 561,000,000 pounds. If the next crop should amount to this much, it is possible that 44,020,000 pounds would be available for export. The remaining 176,560,000 pounds would be carried as a reserve against a possible failure of the 1944-45 crop.

III. ITALY

During the period 1934-39, Italy produced an average of 490,960,000 pounds of olive oil. The production during this period ranged from 346,717,000 pounds in 1936-37 to 600,379,000 pounds in 1937-38. Production in the 1941-42 season was estimated at 418,150,000 pounds.

Information is not available regarding the probable output of olive oil in Italy during the 1940-41 season. It will be some time before the effects of the war on olive oil production can be estimated. A comparison of production and consumption figures during the period 1934-39, shows that Italy had an average annual deficit of 27,012,000 pounds of olive oil. The deficiency was made up by an average of 12 percent over exports. Furthermore, olive oil represented about 60 percent of the total consumption of all vegetable oils, leaving 40 percent to be supplied by other vegetable oils, most of which were imported.

Olive production is concentrated in the southern part of Italy, including Sicily. About 70 percent of the total production is south of an east-west line running through Naples; 80 percent south of a similar line running through Rome, and 90 percent south of a line approximately the Po River. The first area (south of Naples) would include about 25 percent of the present population of Italy; the second area (south of Rome) would include 40 percent, and the entire area south of the Po River would include 65 percent.



IV. GREECE

During the period 1934-39, Greece had an average annual production of olive oil amounting to 248,961,000 pounds, and for the period 1935-39 the average annual consumption of 225,933,000 pounds. Annual exports during the period 1934-39 averaged 32,132,000. In 1940 exports approximated 56,899,000 pounds, about half of which went to the United States. No imports were reported for the period 1934-39. Information is not available on the outlook for the 1940-41 crop.

- 5 -

## V. MEDITERRANEAN AREA

French North Africa, composed of French Morocco, Algeria, and Tunisia, had an average total export surplus of olive oil amounting to 115,000,000 pounds prior to the war. A considerable part of this export surplus was made available through the importation of 99,207,000 pounds of peanut oil and soybean oil. If imports were not available under war conditions, there would be an apparent average surplus of 15,861,000 pounds of olive oil. Although the actual battle damage to olive groves in the area is reported to have been negligible, it appears that a lower yield will be obtained from the 1943-44 crop and it is more than likely that there will not be a surplus for export. Because of war conditions the olive groves were neglected earlier in the year; this may have an effect on the yield of olives.

There will also be considerable difficulty in obtaining needed repair parts for the mills, and consequently less oil will be expressed. Furthermore, it is not expected that imports of peanut oil will be available as in previous years.

## VI. PORTUGAL.

The average annual production of olive oil in Portugal during the period 1934-39 was 122,247,000 pounds. There has been considerable variation in total production in recent years: in 1939-41 the production was 128,493,478 pounds of oil, declining to 75,894,343 pounds in 1941-42, and rising to 161,883,778 pounds in 1942-43.<sup>3/</sup>

Local consumption which formerly averaged 101,411,600 pounds annually has increased to a rate of 141,976,240 pounds. Scarcity of animal fats has resulted in an increased use of olive oil for cooking. Olive oil is also in more demand for use in the ceramic and other industries. Stocks on hand at the end of June 1943 were estimated at 1,014,116 pounds. It has been estimated that a large proportion of the 127,118,650 pounds required for consumption during the period July to October 1943 will need to be supplemented by peanut oil.

The total yield for the 1943-44 crop, as estimated during the latter part of June 1943, is indicated at about 150,336,000 pounds, of which approximately 141,094,000 pounds would be required for local consumption. Later forecasts may indicate a somewhat different total production for this crop, as the harvest does not begin until November 1943.

<sup>3/</sup> Report No. 13, American Legation, Lisbon, Portugal, June 24, 1943.

- 7 -

## VII. TURKEY

During the period 1934-39, Turkey produced an average of 45,923,000 pounds of olive oil. The reported total production in 1942-43 was 69,423,000 pounds. Exports during the period 1934-39 averaged 10,136,000 pounds, while imports averaged only 33,000 pounds. In 1940, exports amounted to 31,847,651 pounds, out of a total production of 35,677,100 pounds, about two-thirds of which went to Italy.<sup>4/</sup> Information is not available concerning the outlook for the 1943-44 crop, but if crop conditions in adjacent areas can be taken as an indication, then the next crop in Turkey may equal or exceed the 1942-43 crop. The volume available for export in the near future would be dependent in part on the availability of substitute oils. Another important factor would be the extent to which the Cielus Agreement of 1938, and other arrangements with the Axis are carried out with reference to olive oil.<sup>5/</sup>

<sup>4/</sup> From BI-256, 2nd "Purchase of Vegetable Oils and Oilseeds in Turkey."

<sup>5/</sup> Confidential report from American Legation, Beirut, Lebanon, April 20, 1940.

5243

VIII. SYRIA AND LEBANON

Olive oil production in Syria and Lebanon during the period 1934-39 averaged 29,048,000 pounds. The highest yield during that period, in 1937-38, was 37,061,000 pounds. The production for 1942-43 is estimated at 58,438,000 pounds. Indications are that the 1943-44 crop may equal or exceed the production from last year's crop. This conclusion is based on the expectation that an adjacent area, Palestine, is expected to have an equally good crop.

**D. ESTIMATE OF SUPPLIES FROM 1943-44 CROP**

The following table summarizes estimates of supplies of olive oil which apparently should be available from the 1943-44 crop, for the seven principal areas previously discussed:

(in 000 pounds)

Country	Estimated Production 1943-44	Estimated Consumption 1944	Estimated Supplies 1944
Spain	881,840 <sup>W</sup>	551,380 <sup>W</sup>	280,460 <sup>W</sup>
Italy	184,384 <sup>E</sup>	184,384 <sup>E</sup>	---
French North Africa	140,441 <sup>W</sup>	140,441 <sup>W</sup>	---
Portugal	180,936 <sup>E</sup>	141,094 <sup>E</sup>	19,842 <sup>E</sup>
Turkey	59,445 <sup>W</sup>	59,374 <sup>W</sup>	10,071
Syria and Lebanon	58,348	10,465 <sup>W</sup>	48,345
	<u>1,423,484</u>	<u>1,197,139</u>	<u>296,345</u>

- W/ Estimated Document No. 45332; surplus indicated includes 176,340,000 pounds to be held as a reserve.
- W/ Includes only a liberated area south of an east-west line running through Naples, and including Sicily.
- W/ Based on 40 percent of the total average production of Italy.
- W/ Assumed that all of production will be consumed locally.
- W/ Average production assumed.
- W/ Assumed that total production will be consumed locally.
- W/ Economic substitutes are not likely to be available.
- W/ Estimates from Report No. 10, American Legation, Lisbon, Portugal, June 24, 1943.
- W/ Assumed that 1943-44 crop will equal previous year's crop.
- W/ Assumed consumption will equal average of period 1934-39.
- W/ Assumed that consumption will equal average of period 1934-39.

According to the estimates presented in the above table, these seven areas which normally produce 27 percent of the world's total output of olive oil would have a surplus of 296,345,000 pounds in 1944. However, if Spain should hold 176,340,000 pounds as a reserve against a possible failure of the 1943-44 crop, the estimated surplus would be only 119,977,000 pounds. Also, the consumption of olive oil in Turkey, and in Syria and Lebanon might be somewhat higher than the average of other vegetable oils should not be available.

52:2

1096

Declassified E.O. 12356 Section 3.3/NND No.

785015

5241

TABLE I  
OLIVE OIL: COMMERCIAL PRODUCTION, IMPORTS, EXPORTS, AND CONSUMPTION  
(1,000 lbs.)

	Production						Imports						Av 1938-42		
	Average 1934-39	High Year	Quantity	Low Year	Quantity	Most recent Year	Quantity	Average 1934-39	High Year	Quantity	Low Year	Quantity		Most recent Year	Quantity
<b>Producing</b>															
Spain	812,626	1935-36	869,768	1934-35	699,263	1942-43	551,150	0	1938	92,777	1939	24,074	1942	71,126	
Italy	469,960	1937-38	600,179	1936-37	369,717	1941-42	419,159	58,113		0		0	1941	11,962	
Greece	349,761	1937-38	413,296	1936-37	179,908	1941-42	170,594	0						0	
North Africa -Subtotal	140,641							0							
Tunisia	92,597	1935-36	132,276	1936-37	33,079	1942-43	66,128	0	1936	1,399		0	1939	4,897	
Algeria	26,684	1937-38	35,286	1936-37	14,449	1941-42	44,092	1,605	1934	2,822	1935	507	1939	1,299	
French Morocco	21,164	1934-35	23,733	1937-38	17,677	1941-42	40,084	1,852	1932	4,740	1938	603	1938	603	
Portugal	125,227	1937-38	215,419	1934-35	47,605	1942-43	160,037	10,556	1935	19,070	1937	1,962	1938	126	
Turkey	46,323	1937-38	72,972	1936-39	29,865	1942-43	69,643	35	1936	176		0	1939	13	
Syria and Lebanon	29,000	1937-38	37,081	1935-36	21,627	1942-43	50,470	196	1944	353	1935	42	1937	215	
France	23,699	1936-39	17,637	1935-38	5,650	1940-41	16,397	68,010	1935	61,945	1937	51,566	1939	51,978	
Palestine	13,968	1937-38	20,833	1936-35	2,932	1942-43	25,044	1,458	1935	4,564	1937	375	1941	107	
Yugoslavia	9,862	1937-38	15,073	1935-37	4,897	1940-41	7,216						1940	977	
Albania	4,718	1937-39	5,312	1934-35	3,768	1942-43	8,018						n. a.		
Italy	4,705	1937-38	9,810		0	1940-41	5,512						1938	1,780	
Cyprus	3,554	1937-38	5,886	1936-39	2,279	1938-39	2,279								
Tripoli	2,459	1936-38	2,815	1934-35	2,205	1936-38	2,666								
Italian Aegean Islands	2,436	1936-37	3,886	1936-35	2,193	1936-37	3,886								
United States	2,223	1938-39	2,645	1931-35	2,205	1940-39	2,666	98,153	1935	126,317	1937	75,399	1937	75,399	
Trans-Jordan	1,283	1937-39	2,020	1936-39	661	1938-39	2,020								
Chile	353	1938-39	411		0	1938-39	411	2,799	1938	5,115	1936	1,146	1943	35	
Egypt	280		320		0	1940-41	320	6,585	1935	8,003	1937	3,758	1937	3,758	
Argentina	93	1937-38	132	1935-36	66	1940-41	123	27,899	1934	51,099	1937	26,910	1941	277	
<b>Non-Producing</b>															
Great Britain & N. Ireland	0		0		0		0	22,068	1936	25,397	1937	16,640	1937	16,640	
Switzerland	0		0		0		0	13,933	1937	13,933	1938	10,869	1938	10,869	
Cuba	0		0		0		0	10,903	1935	10,903	1936	14,348	1941	33	
Brazil	0		0		0		0	2,786	1938	13,382	1937	6,570	1938	12,882	
Germany	0		0		0		0	8,955	1939	11,267	1936	5,977	1937	11,067	
Uruguay	0		0		0		0	7,000	1935	9,608	1937	4,862	1940	4,865	
Norway	0		0		0		0	6,166	1935-38	7,297	1934	4,916	1935-38	7,297	
Spanish Morocco	0		0		0		0	n. a.	6,411	1934	12,736	1935	7,628	1939	1,438
Canada	0		0		0		0	5,471	1935	6,790	1937	2,888	1937	2,888	
Australia	0		0		0		0	3,143	1938	3,593	1934	2,513	1938	3,593	
Mexico	0		0		0		0	2,319	1935	3,375	1936	2,279	1941	90	

Source: Unless other specified data are from "Olive Oil and Olive Products", published by International Institute of Agriculture, FAO, except "Most recent" data which are from other sources.  
 2-year average: 1935 and 1938.  
 3-year average: 1937 through 1939.  
 Report No. 13, American Institute, Lisbon, Portugal, June 24, 1947.



TABLE 1

OLIVE OIL: COMMERCIAL PRODUCTION, EXPORTS, IMPORTS, AND CONSUMPTION (1,000 lbs.)

Prepared by:  
Supply and Resources Division  
Office of Economic Warfare  
November 5, 1943

SI-7.19-300

Quantity	Year	Quantity	Imports				Year	Quantity	Exports				Year	Quantity	Consumption
			Average 1934-38	High Year	Low Year	Average 1934-38			High Year	Low Year	Average 1934-38	High Year			
263	1942-43	551,150	0			1942	71	126,100	1935	136,020	1936	115,524	1942	29,277	551,058
717	1941-42	410,159	50,113	1938	92,773	1936	24,074	1941	11,560	47,231	1938	66,639	1936	30,754	410,072
900	1940-41	170,592	0		0			n.a.	32,152	1938	50,221	1937	19,709	170,592	
099	1939-40	76,130	736	1936	1,309	0		1939	4	85,265	1934	118,630	1937	41,424	76,130
240	1938-39	44,094	1,605	1934	2,822	1935	507	1938	1,206	22,369	1935	47,860	1934	11,079	44,094
637	1937-38	60,084	1,862	1934	4,740	1938	543	1938	1,073	7,654	1931	21,076	1934	0	60,084
645	1936-37	10,256	10,256	1936	10,070	1937	1,962	1938	126	7,603	1938	20,216	1935	5,796	10,256
360	1935-36	99,445	11	1936	176	0		1939	13	10,106	1934	17,130	1936	1,631	99,445
67	1934-35	96,038	16	1934	33	1935	0	1937	215	14,303	1938	19,665	1934	1,675	96,038
690	1933-34	16,150	68,810	1936	12,945	1937	51,566	1939	51,775	18,799	1938	45,327	1936	207	16,150
232	1932-33	20,564	1,958	1935	6,564	1937	775	1941	107	1,777	1937	3,153	1934	995	20,564
399	1931-32	7,210						1940	777						7,210
260	1930-31	8,018						n.a.							8,018
0	1929-30	3,317						1938	1,720						3,317
577	1928-29	2,579													2,579
205	1927-28	2,666													2,666
103	1926-27	3,086													3,086
805	1925-26	2,645	98,153	1935	124,317	1937	75,809	1937	75,809	0					2,645
661	1924-25	2,722													2,722
0	1923-24	441	2,390	1938	5,115	1936	1,146	1941	405	0					441
0	1922-23	220	6,365	1935	8,003	1937	3,706	1937	3,726	0					220
0	1921-22	423	20,969	1934	51,099	1937	26,918	1941	487	44					423
0		0	22,168	1936	25,807	1937	16,020	1937	16,020	238					0
0		0	17,833	1937	17,108	1938	10,069	1938	10,069	18					0
0		0	10,809	1935	19,408	1936	14,198	1941	11	0					0
0		0	9,996	1938	13,307	1937	6,330	1936	12,302	0					0
0		0	8,955	1937	11,067	1934	5,997	1937	11,067	9					0
0		0	7,390	1935	9,670	1937	4,862	1940	4,085	0					0
0		0	6,246	1935-38	7,297	1934	4,936	1935-38	7,297	0					0
0		0	6,411	1934	12,236	1935	7,608	1937	3,408	40					0
0		0	4,471	1935	6,980	1937	2,801	1937	2,801	0					0
0		0	3,113	1938	3,591	1934	2,513	1938	3,591	0					0
0		0	2,919	1935	3,373	1936	2,579	1941	800	0					0

149. Published by International Institute of Agriculture, 1940, except "most recent" data which are from Bureau of Foreign and Domestic Commerce

1099

Declassified E.O. 12356 Section 3.3/NND No. 785015

091.3 Foreign economic administration  
Supply and demand

11001

5