

# Analysis of Table Olives in the U.S. Market

Quantitative and Qualitative analysis of USA domestic  
and major international supply and trade implications

March 2014

Produced by

*AHEI*  
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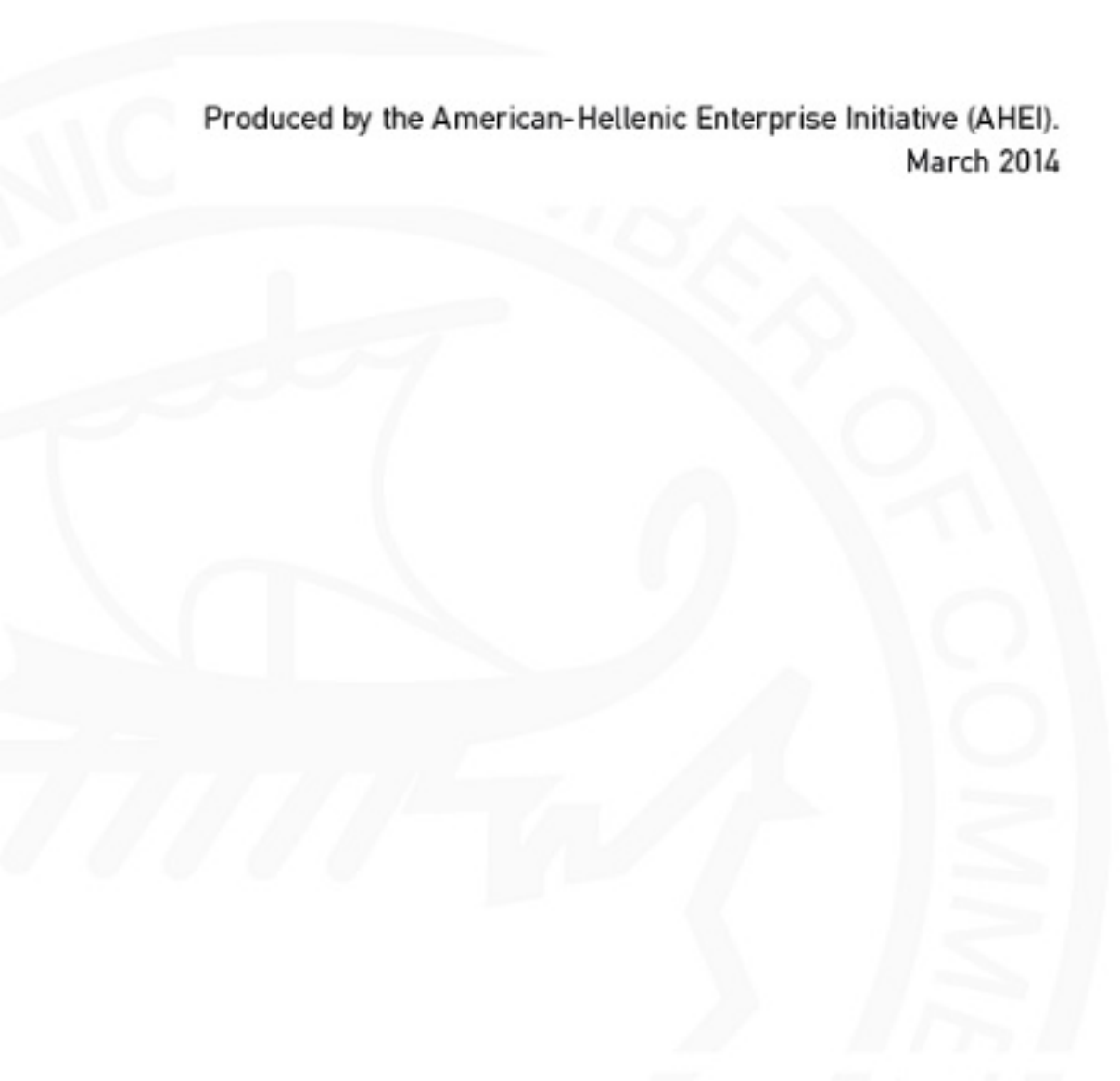
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# Contents

## **1. ABOUT**

- 1.1. Table Olives
- 1.2. Harmonizing Codes
- 1.3. International Competitive Landscape
- 1.4. Key Insights

## **2. USA – MARKET ANALYSIS**

- 2.1. Domestic Supply
- 2.2. Retail Landscape
- 2.3. Supply Chain
- 2.4. Key Players

## **3. GREECE – MARKET ANALYSIS**

- 3.1. Productivity Capacity
- 3.2. Product Offering
  - 3.2.1. Quantity
  - 3.2.2. Producers & Key players

## **4. CONSUMER TRENDS**

- 4.1. Consumption
- 4.2. Drivers & Barriers
- 4.3. Digital Footprint

## **5. EXPORT KIT**

- 5.1. Food Facility Registration
- 5.2. Prior Notice
- 5.3. Labeling
- 5.4. Certificates of Quality
- 5.5. Kosher
- 5.6. U.S. Importers in Top 5 States

# At a glance

This report focuses on analyzing the US market regarding table olive and its trade patterns. It is a compilation of various resources along with data produced by the American-Hellenic Enterprise Initiative (AHEI). The object is to provide Greek exporters with an initial holistic perspective of the US market exclusively for table olives.

The United States of America consumed 207,000 tons of table olives in 2013 from which the 63% approximately was imported. The 90% of the imported quantity derives from Spain, Greece, Italy, Morocco and Turkey. It is imperative to observe the correlation between the sided briefed table and the most significant HS Codes imported from the USA.

The absolute volume of olives produced will have decreased from 102,000 tons to only 77,000 tons – highlighting not only the shift in production focus, but also the fall in demand for table olives in the US domestic market overall as consumers steadily abandon the category.

There is a significant bias in terms of consumption towards foodservice, with in 2009, 72 per cent of all table olives being supplied into the out-of-home catering industry. However, the table olive market in the USA is in decline, with consumption volumes declining by 2.4 per cent per annum between 2004 and 2008.

The supply chain dynamics for imported table olives reveals a certain level of complexity in the USA when it comes to domestic supply

In 2007 there were 1.9 million farms with olive groves in the EU. The olive sector is characterized by a large number of small operations.

Olive oil production in Spain (413 000 holdings with an average size of 5.3 ha) seems to be relatively less fragmented than in Greece (531 000 holdings with an average size of 1.6 ha) or in Italy, which has the highest number of holdings (776 000, with an average size of 1.3 ha).

The available data for 2010 indicate that olive groves account for close to 5 million hectares in the EU. They are concentrated in Spain (50%), Italy (26%) and Greece (22%). The most likely reasons for the decline are due to three main factors, all of which are linked to a reduction in US consumers who have a taste for table olives, and to a shift in actual consumption behaviors. Table olives are very popular among American consumers and offer significant opportunities for an expansion of the market share.

The ten mega-trends are Convenience – Health – Sensory – Individualism –Connectivity – Comfort – Age complexity – Gender complexity – Lifestage complexity – Income complexity. Remember that US Market might be huge and promising, but you will only get one shot. Thus, you should be prepared.



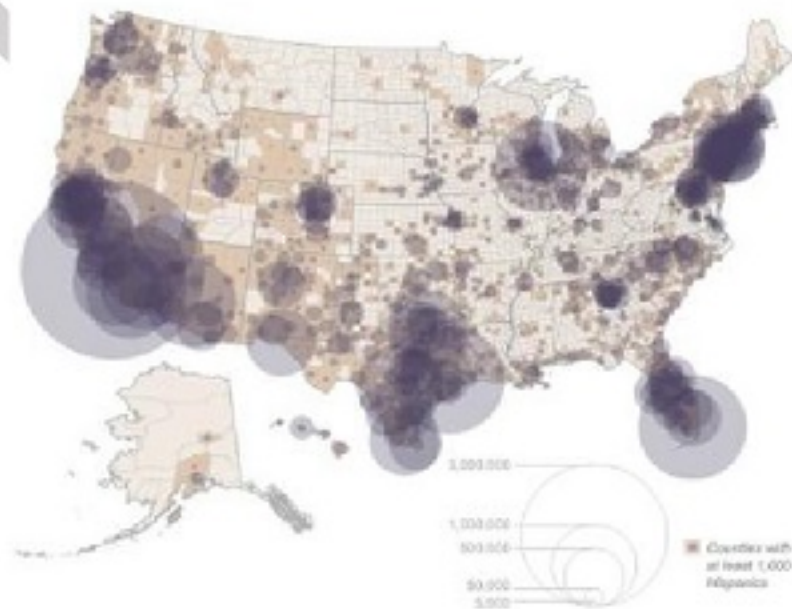
Table olive of any type, is amongst the products, which is imported in the US market in order to satisfy domestic demand. The most noteworthy international suppliers, according to the *International Trade Center*, are Spain, Greece, Morocco, Italy and Turkey.

**Source:** International Trade Center (ITC)



It is of importance to observe a US Market phenomenon in our effort to examine its peculiarities that in turn can provide us with significant insights. More precisely, if analyzing the graph presented it is observed that Argentina is not included amongst the top-5 international suppliers of table olives to the U.S. Market.

However, as it is highlighted below the competition is not fierce amongst the Top-5 countries. Spain is by far the most important exporter of table olives to the USA; possibly because of the Hispanic population that are approximately 52 million.

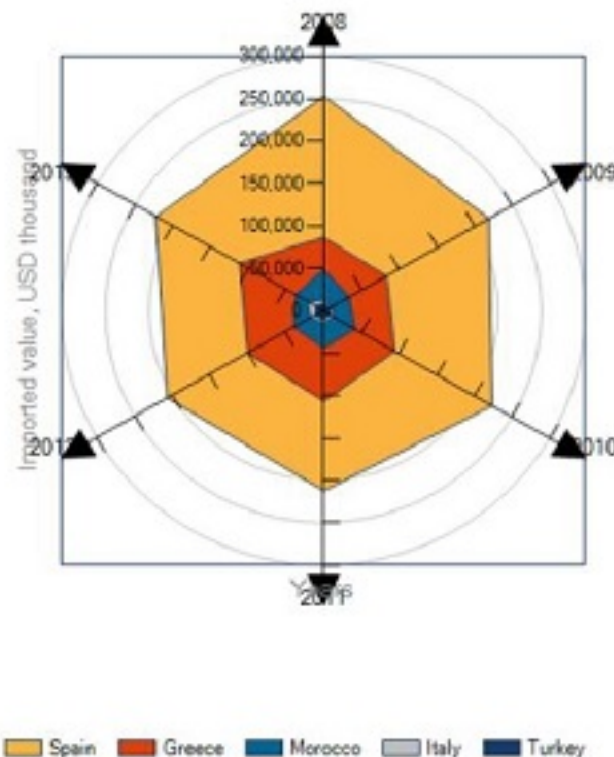


**Source:** US Census Bureau PEW Research Center

# Key Insights

The United States of America consumed 210,000 tons of table olives in 2013 from which the 63% approximately was imported. The 90% of the imported quantity derives from Spain, Greece, Italy, Morocco and Turkey. It is imperative to observe the correlation between the sided briefed table and the most significant HS Codes imported from the USA.

More precisely, Spain exports the first two HS Codes and is ranked first at the USA Global Imports 2009-2013. It is interesting to notice that table olives exported from Spain and Greece supplement the Top-5. Italy and Greece directly compete for the same HS Codes of the table olive product category and it will be interesting to explore the fact further. However, Italy falls back in terms of value and volume mainly because it does not have the production capacity of the top two countries. The Moroccan production, processing, and marketing are still short of stabilizing domestic supply in a way that avoids price swings and substitution of olives and olive oil by other oilseeds and sources of fat. US Imports from Turkey reveals which HS Codes are top-ranked; thus, it is interesting to correlate the facts with the ones from the other competing countries (Top-5). The results show that Turkey directly competes with Greece and Italy and partially with Morocco.



# Supply Chain

**The supply chain dynamics for imported table olives reveals a certain level of complexity in the USA when it comes to domestic supply.**

In 2009, there were nearly 142,000 tons of table olives for consumption. In addition, nearly 57,000 tons of table olives were produced in the USA. By 2013, it is forecast there will be some relatively significant shifts in these supply balances.

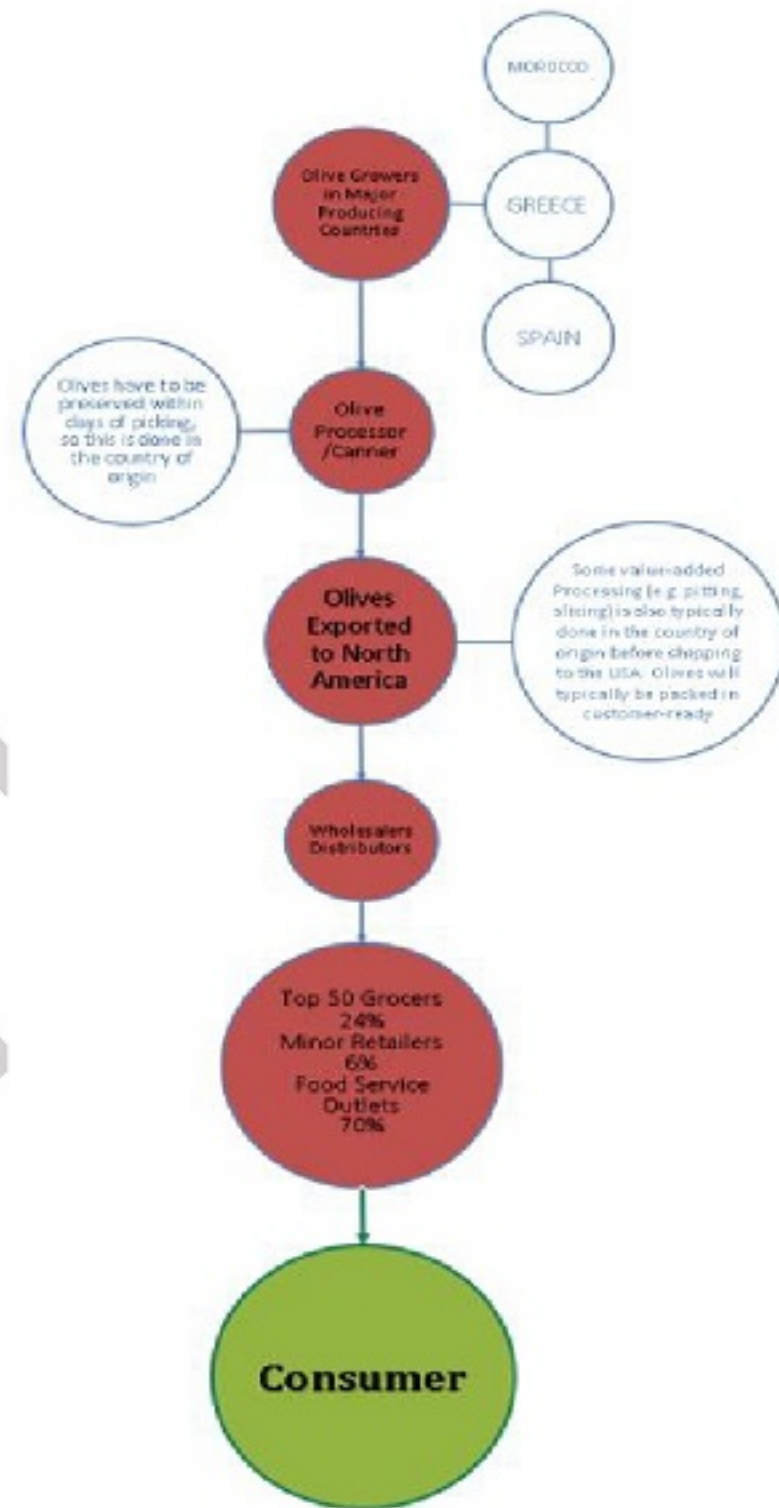
The key aim will be to provide with a clear perspective on the structure of the market, the regulatory environment affecting the market and the core steps necessary to get product to market.

**The supply chain for imported table olive supply to the USA is not as complicated.**

This is because by definition table olives must be brined and preserved within days of being picked in order to be suitable for consumption. As such, the vast majority of table olives exported to the USA are already supplied by organizations, such as Hojiblanca and Aceitunas Sevillanas, who have fully vertically integrated production. This means that olives shipped to the USA have typically already been pitted and sliced, as well as packaged in customer ready containers for supply to either foodservice or retail customers.

A major proportion of olives exported to the USA are pre-sliced black ripe olives from Spain and Morocco, which are used predominantly in the foodservice industry for the likes of pizza toppings, where the taste of the olive is often disguised by other products such as meat, cheese or sauces, meaning that lower quality olives can be supplied and used. Conversely, imported olives are also most prevalent where quality and taste is of paramount importance to the consumer being found in bulk supply at salad bars and olive

bars at high-scale supermarket chains and delicatessens for example.



Source: AHEI



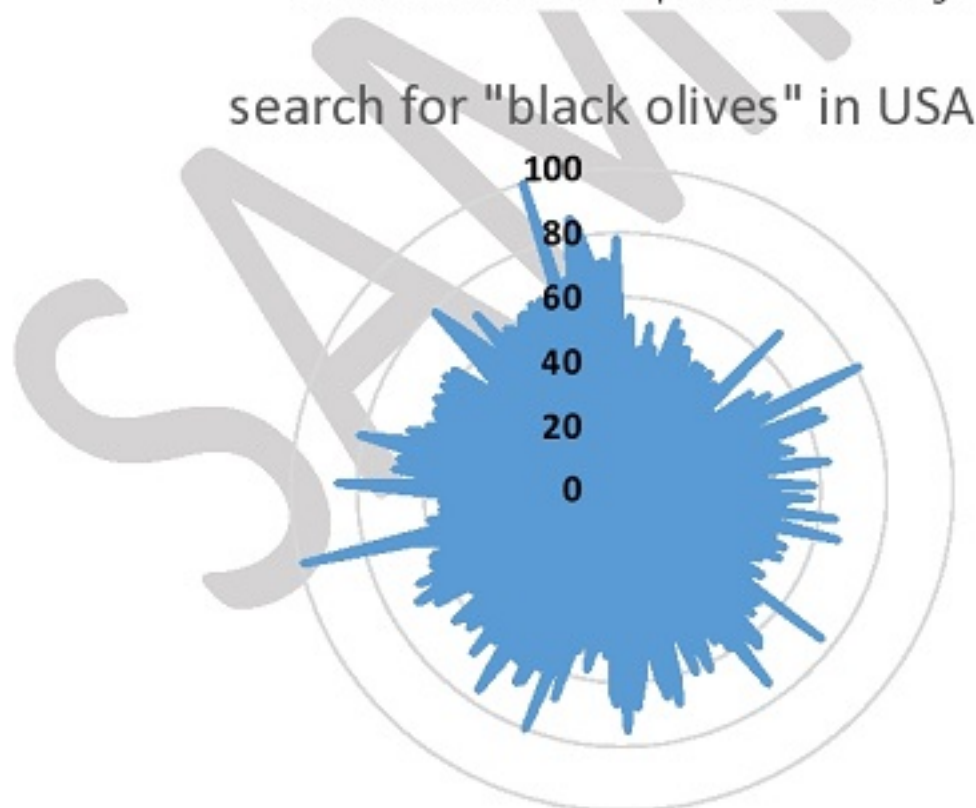
# DIGITAL FOOTPRINT

In the quest of exploring the US market and its consumers in the best possible and holistic way; a Google trend analysis is applied. Key words from the product category of *Table Olives* are researched amongst all States in order to monitor not only consumer trends but also the tendency consumers have towards a product since 2009 up until today.

## Black Olives

The numbers represent the popularity of the current search term in USA in general, per USA state or per city, between the selected year range. Google takes the week/month/year with the most search activity of the term, and then calculates the other time periods with lower activity respectively. Particularly, internet search from all the US market for the black olives since 2009 maintains an average of 50% and there times that reaches the 80%.

Giving a closer look in the graph presented below, it is observed that Aug 2012 and November 2013 where the months that Google search reached its high scores. Thus, it could be assumed that Google research for black olive peaks at harvesting.



Source: AHEI

### **Food Facility Registration (US FDA)**

Facilities that manufacture, process, pack, or hold food that is intended for human or animal consumption in the United States must register with FDA before beginning these activities. The registration requirement applies to any facility that conducts these activities, unless a facility is specifically exempted.

#### **Requirements governing food facility registration:**

- Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (Bioterrorism Act)
- 21 CFR section 1.225
- Food Safety Modernization Act (FSMA)

### **Labeling (US FDA)**

Food manufacturers are responsible for developing labels (including nutrition information) that meet legal food labeling requirements. First and foremost, labeling of FDA-regulated food products must be truthful and not misleading. Proper labeling, including nutrition labeling and labeling for the major food allergens, is required for most prepared foods.

Note: Among labeling requirements is a requirement that packages and containers of food products sold in U.S. interstate commerce bear labels in English that include specific information

#### **Requirements governing the labeling of foods:**

- Federal Food, Drug, and Cosmetic Act (FFD&C Act)
- Fair Packaging and Labeling Act
- Nutrition Labeling and Education Act
- FDA's regulations on food labeling - 21 CFR 101

### **Prior Notice of Imported Food (US FDA)**

The Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (the Bioterrorism Act) directs the Food and Drug Administration (FDA), as the food regulatory agency of the Department of Health and Human Services, to take additional steps to protect the public from a threatened or actual terrorist attack on the U.S. food supply and other food-related emergencies.

Along with other provisions, the Act requires that FDA receive prior notification of food, including animal feed that is imported or offered for import into the United States. Advance notice of import shipments allows FDA, with the support of the U.S. Customs and Border Protection (CBP), to target import inspections more effectively and help protect that nation's food supply against terrorist acts and other public health emergencies.

The FDA Food Safety Modernization Act (FSMA) signed January 4th, 2011 aims to ensure the U.S. food supply is safe by shifting the focus of federal regulators from responding to contamination to preventing it. On May 5, 2011 the FDA published an interim final rule requiring that a person submitting prior notice of imported food, including food for animals, to report the name of any country to which the article has been refused entry. The new information can help FDA make better informed decisions in managing potential risks of imported food into the United States.