



MEDITERROLIO OLIVE OIL BRANDS | EST. 2022

# How to Read an Olive Oil Price Report

A Practical Guide for Importers, Producers & Investors

GRADE CLASSIFICATIONS

POLYPHENOL METRICS

PRICING STRUCTURES

GLOSSARY

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## CHAPTER 01

# Why Olive Oil Prices Fluctuate

Olive oil is an agricultural commodity — its price is primarily driven by supply, in turn driven by Mediterranean weather. Unlike grain or soy, olive oil production is concentrated in a handful of countries (Spain, Italy, Greece, Tunisia, Turkey and Morocco produce over 90% of world supply), meaning a heatwave in Andalusia or a drought in Kairouan can move global prices 20–40% in a single season.

## The Five Key Price Drivers

### 1. Annual Harvest Yield

Olive trees have a strong alternate-bearing cycle. When Spain (~50% of world supply) has a bad season, global prices spike. The 2022–2024 period saw record prices because Spain and Italy suffered back-to-back drought-affected harvests.

### 2. Carryover Stocks

How much oil remains in storage from the previous season acts as a buffer. When stocks are low entering a new harvest, even a moderate shortfall triggers disproportionate price rises.

### 3. Demand Growth

Global EVOO consumption has grown steadily, particularly in the USA, Australia and Asia. Health-conscious consumers entering the market mean demand no longer "resets" between seasons.

### 4. Trader Sentiment

Large industrial bottlers and blenders move bulk markets. When they switch to "hand-to-mouth" buying — purchasing only immediate needs — it signals an expectation of falling prices.

### 5. Currency & Trade Policy

Because most wholesale prices are quoted in Euros, buyers in the UK, USA, Australia or Japan are directly exposed to EUR exchange rate movements. Import quotas (such as Tunisia's 56,700-tonne EU duty-free quota) also constrain supply channels independently of harvest size.

## CHAPTER 02

## The Six Quality Grades Explained

Not all olive oil is the same — the grade determines labelling, permitted uses and health claim eligibility. The IOC defines grades based on two criteria: **free acidity** (chemical) and **sensory panel assessment** (organoleptic).

Grade	Free Acidity	Sensory Panel	Typical Use
Extra Virgin (EVOO)	<= 0.8%	Flawless	Premium retail, salads, finishing
Virgin (VOO)	0.8–2.0%	Minor defects OK	Cooking, mid-range retail
Ordinary Virgin	2.0–3.3%	Noticeable defects	Industrial blending
Lampante	> 3.3%	Unacceptable raw	Refinery input only
Refined Olive Oil	Chemically treated	—	Base for "Pure Olive Oil" blends
Olive Pomace Oil	From olive solids	—	Food service / deep frying

### Key Buyer Warning

When comparing price quotes, always confirm the grade. A Tunisian "EVOO" at EUR 3.90/kg and an Italian "EVOO" at EUR 6.50/kg are both legally Extra Virgin — but may differ significantly in acidity, polyphenol content, harvest date and sensory profile. Request the CoA for every lot.

## CHAPTER 03

## How to Read a Wholesale Price Quote

Wholesale olive oil prices are almost always quoted on an **Ex-Works (EXW)** basis — the price at the mill gate, before freight, insurance, customs duties or packaging costs.

### The Delivered Cost Formula

$$\text{Delivered Cost} = \text{EXW Price} + \text{Freight} + \text{Insurance} + \text{Customs Duty} + \text{Port Handling}$$

Cost Component	Typical Range	Notes
EXW Price	EUR/kg at mill	Base quoted price. Benchmark for quality/origin comparison.
Freight	+EUR 0.15–0.22/kg	Cross-Mediterranean bulk tanker. Sfax-Bari or Chania-Ravenna typical routes.
Insurance	+EUR 0.01–0.02/kg	Standard cargo insurance on bulk shipments.
Customs Duty	EUR 0 or +1.24/kg	Zero within EU. Non-EU origins may pay EUR 124.50/100kg unless quota applies.
Port Handling	+EUR 0.03–0.06/kg	Loading, unloading and documentation at origin and destination ports.
<b>TOTAL ADD-ON</b>	~EUR 0.19–0.30/kg	Typical total landed premium above EXW for Mediterranean cross-border bulk.

## CHAPTER 04

## The Polyphenol Factor

Polyphenols are natural antioxidant compounds found in EVOO. They are responsible for the peppery, bitter sensations in high-quality oils and are the source of olive oil's documented health benefits. In 2012, the EU authorised a specific health claim (Regulation 432/2012) on qualifying oils.

### EU Health Claim — Regulation 432/2012

"Olive oil polyphenols contribute to the protection of blood lipids from oxidative stress." This claim may only be used on oils containing  $\geq 5$  mg of hydroxytyrosol and its derivatives per 20g of oil — equivalent to approximately 250 mg/kg total polyphenols. Verify with the CoA.

### Polyphenol Levels by Origin & Variety

Origin / Variety	Typical Range (mg/kg)	EU Claim?	Notes
Greece — Koroneiki (Peloponnese/Crete)	300–600+	YES	Among highest globally. Early-harvest can exceed 1,000 mg/kg.
Croatia — Leccino/Buza (Istria)	280–500	YES	Lab-verified 350–375 mg/kg at top estates.
Italy — Coratina/Moraiolo (Apulia/Tuscany)	200–450	YES	Tuscan early-harvest up to 726 mg/kg. Mass-market blends lower.
Tunisia — Chetoui (Northern Terraces)	200–400	YES	Chemlali bulk (Sfax) typically 150–250 mg/kg.
Turkey — Memecik (Izmir/Milas)	180–350	YES*	*Upper range only. Used by Italian blenders for "correction" lots.
Spain — Picual/Arbequina (Jaen/Cordoba)	150–350	VARIABLES	Picual > Arbequina. Heat stress in 2026 may reduce peak values.

Important: polyphenol content degrades with time, heat and light. Always check the harvest date — an oil bottled 18+ months after harvest will have significantly lower polyphenol levels than at the time of pressing, even if the original CoA showed high values.

## CHAPTER 05

## Understanding Regional Price Gaps

One of the most striking features of the global olive oil market is the persistent price differential between producing countries. These gaps reflect structural differences in production cost, domestic demand, brand equity and regulatory protection.

<b>Italy</b>	Structurally the highest-priced origin. High domestic consumption, strict PDO/PGI protection and premium brand positioning support prices even when cheaper imports are available. Italian packers routinely import Greek and Tunisian bulk oil for blending.
<b>Croatia</b>	Boutique ultra-premium tier. Sub-5,000 tonne annual production. High-polyphenol Istrian oils command luxury pricing, sold primarily through olive tourism and high-end restaurants.
<b>Greece</b>	75–80% of production qualifies as Extra Virgin — the highest ratio globally. Koroneiki variety gives exceptional polyphenol potential. Prices structurally below Italy despite comparable quality, creating persistent arbitrage for Italian bottlers.
<b>Spain</b>	The volume benchmark. Spain produces ~50% of world supply. Prices set the floor for industrial bulk trade. Arbequina's mild flavour makes it standard for mass-market blends.
<b>Tunisia</b>	Record 2025/26 harvest (380,000–400,000t) pushed Tunisia to challenge Spain for bulk market leadership. EU duty-free quota (56,700t/year) fully allocated every year. Quality varies widely between Sfax bulk and northern Chetoui lots.

## CHAPTER 06

## Retail Time-Lag & the Margin Gap

One of the most consistent patterns in olive oil markets is the **60 to 90-day time-lag** between wholesale price movements at the mill and corresponding adjustments on supermarket shelves.

### Why the Lag Exists

#### Contracts & Forward Buying

Large retail chains lock in supply contracts 60–90 days in advance. Even as spot wholesale prices fall, retailers continue pricing oil contracted at higher rates.

#### Private Label Margin Preservation

Supermarket private-label buyers are incentivised to preserve margin. When wholesale costs fall, they delay passing savings to consumers, temporarily widening their margin.

#### Hand-to-Mouth Dynamics

During a correction, packers buy only immediate needs to avoid holding depreciating inventory. This reduces spot transaction volume and slows the price signal reaching retailers.

#### Bottling & Distribution Lead Times

Bulk oil must be transported, filtered, bottled, labelled and distributed — adding 4–8 weeks before it reaches a shelf with a new price tag.

### Retail vs Wholesale: Typical 2026 Gap

Market	Landed Wholesale	Typical Retail	Implied Margin
Germany	~EUR 4.50/L	EUR 7.50–12.50/L	+67–178%
United Kingdom	~GBP 3.90/L	GBP 9.98–14.00/L	+156–259%
United States	~USD 5.20/L	USD 11–32/L	+112–515%

## CHAPTER 07

## FX Impact on Olive Oil Buying

Wholesale olive oil is priced in **Euros (EUR)** across all Mediterranean origins. For buyers in the United States, United Kingdom, Japan or Australia, currency fluctuations directly impact landed cost — independently of any movement in the underlying olive oil price.

### Sample Conversion Table — May 2026

*Rates: 1 EUR = 1.161 USD / 0.864 GBP / 186.7 JPY / 1.628 AUD (ECB, May 24 2026)*

Origin (EVOO mid)	EUR/kg	USD/kg	GBP/kg	JPY/kg	AUD/kg
Tunisia (Sfax bulk)	EUR 3.98	USD 4.62	GBP 3.44	JPY 743	AUD 6.48
Spain (Jaen baseline)	EUR 4.15	USD 4.82	GBP 3.58	JPY 775	AUD 6.76
Greece (Chania avg)	EUR 4.55	USD 5.28	GBP 3.93	JPY 849	AUD 7.41
Greece (Mani premium)	EUR 5.25	USD 6.09	GBP 4.54	JPY 980	AUD 8.55
Italy (Bari bulk)	EUR 6.55	USD 7.60	GBP 5.66	JPY 1,223	AUD 10.66
Italy (Tuscany PDO)	EUR 8.15	USD 9.46	GBP 7.04	JPY 1,522	AUD 13.27
Croatia (Istria ultra)	EUR 14.75	USD 17.12	GBP 12.74	JPY 2,754	AUD 24.01

#### Practical Tip: Hedging FX Exposure

If you are a non-Eurozone buyer placing contracts above EUR 50,000, consider a forward FX contract with your bank or a specialist FX provider. Locking in today's rate for delivery 60–90 days ahead protects your cost model against EUR appreciation during the supply chain lead time.

## CHAPTER 08

## Key Terms & Glossary

The following terms appear regularly in wholesale price reports, CoA documents and trade communications. Familiarity with this vocabulary is essential for accurate interpretation of market data.

<b>EVOO</b>	Extra Virgin Olive Oil. Highest grade. Free acidity $\leq 0.8\%$ , no sensory defects.
<b>VOO</b>	Virgin Olive Oil. Second grade. Free acidity $0.8\text{--}2.0\%$ .
<b>Lampante</b>	Defective oil not fit for direct consumption. Must be refined before use.
<b>Ex-Works (EXW)</b>	Price at the mill gate, before freight, insurance or taxes.
<b>Hand-to-Mouth</b>	Buying pattern where purchasers order only immediate needs, expecting prices to fall further.
<b>IOC</b>	International Olive Council. Intergovernmental body setting global quality standards.
<b>PDO / PGI</b>	Protected Designation of Origin / Protected Geographical Indication. EU quality labels.
<b>POOLred</b>	Spain's real-time olive oil price tracking platform, operated via Mercacei.
<b>Polyphenols</b>	Natural antioxidant compounds in EVOO. Higher = more bitter/pungent and more health benefit.
<b>CoA</b>	Certificate of Analysis. Lab document confirming chemical parameters of a specific oil lot.
<b>IPR</b>	Inward Processing Regime. EU customs mechanism allowing duty-free import for re-export after blending.
<b>Chemlali</b>	Tunisia's dominant olive variety. High volume, mild flavour, basis of most bulk exports.
<b>Chetoui</b>	Tunisian variety from northern terraces. Higher polyphenols, more robust character.
<b>Koroneiki</b>	Greece's dominant variety (~95% of production). Small olive, very high polyphenol potential.
<b>Arbequina</b>	Spain's most-planted modern variety. Mild taste, lower polyphenols, very high yield per hectare.
<b>Picual</b>	Spain's highest-volume traditional variety. Higher polyphenols and oleic acid than Arbequina.
<b>Free Acidity</b>	Amount of free fatty acids in oil. Lower = better. EVOO must be $\leq 0.8\%$ .
<b>Oleocanthal</b>	Key polyphenol responsible for the throat-burning sensation. Anti-inflammatory properties.
<b>Hydroxytyrosol</b>	Main polyphenol measured for EU health claim. Threshold: $\geq 5$ mg per 20g of oil.
<b>Tanker Grade</b>	Bulk oil shipped in stainless steel road tankers or ISO tanks. Typically 20–28 tonnes per load.



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