

GOURMET NEWS

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The Extra Virgin Olive Oil Report 2007

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When building an olive oil portfolio, think international

By JOANNE FRIEDRICK

Just as wine lovers fill their cellars with different varietals from producers worldwide, users of extra virgin olive oil are being urged to develop their own international pantry to take advantage of the range of flavors and applications.

The growing interest in the Mediterranean diet, of which olive oil is a key component, along with the burgeoning number of positive health messages associated with consumption of extra virgin olive oil, has put olive oil front and center with both retailers and consumers.

The idea of one olive oil to serve all purposes is being replaced with the concept of gathering oils from around the world because each has unique characteristics.

Even suppliers who deal in specific olive oils are urging retailers to fill their shelves with a host of products to make the category more robust and appealing to consumers.

Spain, Italy and Greece still account for the vast majority of olive oil production—somewhere between 95 percent and 97 percent, depending on the source.

Of those three countries, Spain is the largest producer of oil, but Italy is the top exporter. Greece, meanwhile, has the highest percentage of extra virgin olive oil vs. the other producing countries.

Then there are the emerging nations, such as Australia, Argentina, Chile, Morocco, Tunisia, New Zealand and the United States, which has olive oil producers in California, Texas and Arizona.

Each country has olive varieties, growing conditions and climate that impact the final product from color to taste. That is why specialty food retailers are stocking their shelves with a dozen or more varieties of extra virgin olive oil from a host of countries.

Alan Butzbach from BelCanto Fancy Foods is familiar with olive oils from all corners of the world and deals in products from Spain, Italy, Greece, Chile and France.

Because Spain produces so much oil, when it has a bad year, as it did recently, “it has an impact on the complete market,” he said, because all of the other countries are buying from Spain for blending. The Euro has also impacted pricing for olive oil, so even if the crop improves, said Butzbach, the Euro may keep prices on the high side.

Countries such as Italy and France produce high-quality oils, said Butzbach, but supplies can be limited,

making prices rise. Greece and the Isle of Crete are home to good, high-quality oils, he said, with a “more user friendly price.” Butzbach said he finds Greek oils have good body and flavor.

The Chilean products, like Olave organic carried by BelCanto, are produced from tree stock brought in from Italy and are blended by Italian growers.



The Organic Olive Oil Co. finds and distributes organic oils from around the world, including Spain, Italy, Argentina, New Zealand and Australia.

Newer producing countries such as Argentina, Australia, Morocco and Tunisia are still young, said Butzbach, but have the knowledge to grow more quickly than if they had entered the market decades ago. The addition of these countries will help stabilize the market, said Butzbach, ending the large disparity in price because importers and retailers will have more choices. “Like the wine industry, it will balance out the pricing,” he explained.

Helping smooth the transition for producers from Morocco and eventually Chile, Ken Stutz of The Stutz Co. said olive oil is moving into new tastes and new places.

Producers from Morocco and Chile represent the next wave, he said. Stutz’s job is to help producers get ready for the U.S. market, by rebranding the products and supporting their release.

He said some of these newer countries to the olive oil market have the advantage of “leapfrogging the technological problems of other countries.”

The first entries Stutz is handling from Morocco are coming in under the Zouina, Kirana and Aicha labels. The latter is a low-priced leader, but the other two represent smaller producers who work with the picholine marocaine olive and produce a sweet but fruity lighter olive oil.

He said consumers are aware of Morocco because it fits in with many of the current trends, including gastro-tourism. “It’s all about what is exciting and new,” he said.

“The market has evolved to include the whole gamut from around the world,” said John Sessler of JCS Tradecom and representative for Zoe Extra Virgin Olive Oil from Spain. He said Spain has moved away

from being just a supplier of olive oil to Italy, which has used Spanish oil for blending, and has focused on producing its own olive oils for sale.

Sessler noted consumers are seeking oils that have an identity to them. The Zoe brand, he noted, comes from Spain’s Castilla-La Mancha region. “Oil, like wine, comes from a specific area and is influenced by the soil and the growing region,” Sessler said. Also like wine, said Sessler, oils can be a single varietal or, as is the case with Zoe, a blend of different fruit—cornicobra olives blended with some picual and hojiblanca.

Each oil fills a niche, he said, with Zoe appealing to the American palette that doesn’t want overpowering flavors, but something that blends with the flavors they are cooking with.

Italian producer Terrabianca, which is represented in the United States by Italian food brokerage Max Co. International, obtains two different oils from its pressings of frantoio, moraiolo and leccino olives at its plant in Il Tesoro: the Il Fior dell’Olio, which is produced in very small quantities and is consumed quickly, and L’Extravergine, a low-acidity extra virgin oil that has a longer shelf life.

Tommaso Ranucci from Terrabianca agreed with Sessler that increasingly consumers are looking for olive oils with “personality and regional character.”

“The use of olive oil is part of a culture that goes back thousands of years,” he said. He urged both retailers and their customers to “discover the character of each product and learn to match the different oils with different food. Olives change their taste depending on the region, the soil, the climate where they grow,” he said.

Health claims may be heightening people’s interest in olive oil and impact the olive oil business overall, he said, but Terrabianca doesn’t use health claims in its marketing. Rather, he said, “the key point is pleasure and taste.”

Bernadette Richardson, from DHC USA Inc. and North American sales representative for Núñez de Prado, said consumer interest in olive oil’s

anti-oxidant properties, the healthfulness of the Mediterranean diet and consumer interest in products grown organically has set the stage for boutique products, such as Núñez de Prado’s Flor de Aceite.

Richardson said the United States is catching up with Europeans in their awareness of olive oil as a beneficial part of a healthy diet and its integration into meals.

The extra virgin olive oil, which has been produced for seven generations in Baena, Spain, has also been certified organic for more than two decades by Quality Assurance International, a U.S. Department of Agriculture-approved organization. It features a blend of up



The interest in extra virgin olive oils from particular growing regions is reflected in Monini’s DOP line.

to seven olives from four groves in Spain's Andalusia region, including hand-picked picudo, hojiblanca and picual olives.

Another olive oil with a long tradition is Moulins de la Brague, produced at a six-generation mill in France's Provence region.

Gisele Oriot of The French Farm said the oil is made the old-fashioned way, through stone crushing to make the paste, which then is cold pressed. Oriot likened the olive oil's flavor of the oil to raw artichokes and fresh almonds, "with a slightly fruity taste."



Mounia Benkirane shows off her olive trees in Morocco. Benkirane's olive oil is entering the United States under the Kirana brand.

She said the biggest hurdle to selling the oil is that many people don't realize France has an olive oil industry.

"But the South of France has a climate similar to Spain or Italy," she said.

While Núñez de Prado and Moulins de la Brague have long histories as olive oil producers, at the other end of the spectrum are products that are designed to appeal to a New Age consumer.

Spain has undergone "a bit of a revolution," said Alberto Solis, who represents La Amarilla de Ronda Spanish olive oils in the United States. He said producers are

starting to invest in technology and develop blends and packaging "to elevate the quality of oil from Spain."

At the same time, he said, Spanish chefs have been pushing the limits on the use of extra virgin olive oil in cooking—even using it in ice cream—which requires a higher caliber of oil.

Solis is a proponent of having different oils for different types of food and is promoting that through La Amarilla's mild and intense styles of olive oil.

While the intense version is a blend of arbequina, picual and hojiblanca olives that stands up to steak and stews, the mild style is made from 100 percent arbequina and is geared to more delicate dishes, such as white fish and salad. Both are organic, he added.

Although flavor is the ultimate decision maker for most buyers, Solis said, "We realize that these days, you have to focus on the visual as well." Philippe Starck, a well-known interior designer who has also created consumer goods ranging from chairs to toothbrushes, designed La Amarilla's tin.

"When we started this product, we said let's take care of every aspect, from the source, to the quality to the packaging and design," said Solis.

Packaging to appeal to consumers and set it apart from the other products out there is also at the heart of Taste of Crete, a Greek extra virgin olive oil.

Esther Psarakis of Taste of Crete, said gold, red and blue colors are evocative of the mosaics from the Temple of Knossos in Crete.

Psarakis said there is a growing awareness about Greek olive oil, "and retailers are seeing the competitive advantage of offering oil from different countries, so Greek should be in the mix."

Taste of Crete is a DOP oil made from 100 percent koroneiki olives, giving it a fruity profile, she said,

with a peppery kick.

Like Solis, Psarakis believes in pairing different olive oils with different foods and expanding its use as a cooking ingredient. "I think olive oil can be used more broadly," she said, "like baking with it."

Consumers, she said, should look at olive oil as they do wine, pairing what works best.

"There is such an array, people should have a collection. Use some for salads, some for cooking—be experimental. Use them and see how you like them," she said.



La Amarilla de Ronda olive oil from Spain comes in intense and mild varieties, which are meant to go with different types of food.

The health benefits of olive oil can't be overlooked and are often at the heart of marketing campaigns.

Marco Petrini from Monini North America said in Italy it is a well-accepted custom to give a tablespoon of extra virgin olive oil to babies to help with their fat intake and aid digestion.

He said pediatricians in Italy suggested this practice and thus Monini has done some seminars with doctors in the United States to highlight this practice. The company is also going into some schools to talk about the healthful properties of olive oil as part of the campaign to reduce childhood obesity.

"So many people need to have a more healthy diet," said Petrini. "But those who don't have good habits aren't getting this message."

Another focus for Monini, said Petrini is dealing only with authentic products from Italy. He said although

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Pippa said he carries 12 to 15 different olive oil producers who account for about 50 SKUs.

"In our experience people are interested in DOP oils from different regions of the Mediterranean," he said, particularly Italy. Pippa said he offers DOP olive oils from Sicily, Liguria, Tuscany and Umbria, and plans to sell them as a collection in his store and on the Web site.



Customers visiting The Olive Mill in Geneva, Ill., can sample 18 different olive oils, including some flavored varieties.

But Pippa isn't limited to Italian oils. "Because our name is World Delicacies, we will explore different oils," he said, such as those from Australia, France and Spain, along with California oils in blood orange, lime, lemon, rosemary, garlic and basil flavors.

Within Pippa's retail store, a tasting studio will help introduce customers to all the oils carried at World Delicacies. The room, which Pippa described as a living room-style environment, will feature samples of olive oils as well as vinegars, cheese and specialty meats. **GN**

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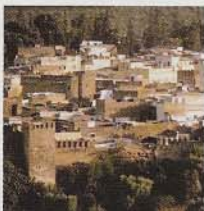
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