



FLORIDA OLIVE REPORT

JUNE 2012

Dear Olive Growers:

It has been a busy summer. A week in Spain (Seville) was filled with business meetings and visits to olive groves, oil processing plants and Ag science labs.

Barbara's *outstanding* travel planning made the trip a complete joy. A comfortable apartment near the old city's Macarena Gate allowed us to live in a small neighborhood but still have great access to the inner city. We had quiet evening walks and great food, at *very* reasonable prices.

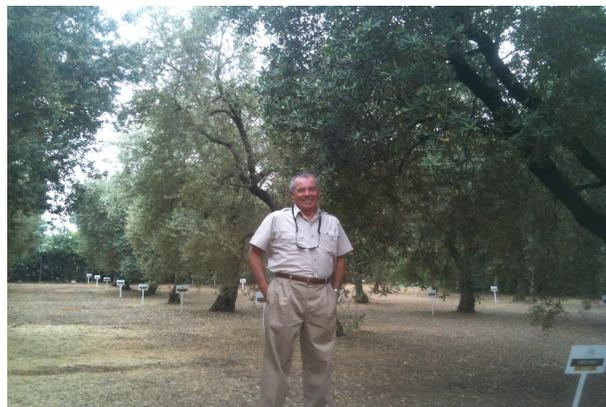
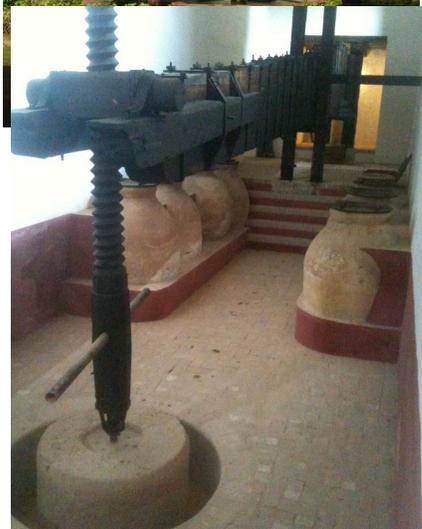
Our good friend [Juan Verde Suarez](#) arranged an interesting and informative schedule of meetings with a cross-section of the Spanish olive industry. My "olive education" included extended visits with scientists at Instituto de la Grasa ([CSIC](#)) and the University of Seville. Probably the most informative morning was spent at [CEMPE](#) with 15 small business people involved in the olive industry.



Following our meetings at CEMPE, we were fortunate to spend some time with [Juan Ramon Guillen](#), the “godfather” of the Spanish olive industry. After a meeting at his office with his son Gonzalo, he invited us to visit his experimental olive plantation, Hacienda Guzman, outside of Seville.



[Hacienda Guzman](#), once owned by Christopher (Colon) Columbus’ son, hosts over 140 varieties of olive trees and a 500 year old olive press.



The following week found us in [Episkopi](#), Crete attending a wedding and, unfortunately, the funeral of our host's uncle, a noted Cretan musician.



The wedding and reception were held at a local organic farm and we spent three days soaked in roast lamb, local vegetables and a potent brew called [Raki](#). For those who have sampled clear liquid from a mason jar; Raki is similar - not recommended for daily use except, perhaps, as lighter fluid.

The funeral was a traditional, very respectful and well-attended Greek Orthodox service featuring two hours of eulogies, a viewing (they buried him with his instrument) followed by a slow procession up narrow cobblestone streets to a hilltop cemetery.

The burial was accompanied by prayers, anguished wailing, Balalaika music and repeated gunfire. I admit to momentary trepidation when the AK-47 automatic rifle was engaged. Judging from the number of rounds expended, this was a much beloved man.

We spent the last few days in Crete visiting ancient Minoan ruins and old olive groves.



Our return trip was most enjoyable, accompanied by twenty sailors and a pallet of aircraft parts, we flew military Space-A from Crete to JAX Navy. Great crew, plenty of legroom, an orange extension cord down the center isle for PC power and the seats reclined 20+ degrees. You can't get that on Delta!

2012 Florida Citrus Industry Annual Conference,
Bonita Springs, FL

We had the opportunity to talk with several growers and others (insurance, chemicals, research, politics, media); many expressed an interest in learning more about olives. We also had an opportunity to talk briefly with Florida Agriculture Commissioner Adam

Putnam and Rep. Steve Crisafulli, Vice Chair of the Florida House Agriculture Appropriations Committee. FCM Executive Vice President/CEO Michael Sparks and his team did an outstanding job keeping everyone focused on the issues while providing families with an opportunity to enjoy the outdoors.

Huanglongbing (HLB or fatal citrus greening disease) is the number one topic of discussion in the citrus industry. Associated with an imported species, the disease was discovered in South Florida in 2006. Since then it has cost the State of Florida more than \$4 billion and 6,000 jobs. Government and industry are investing \$20 million next year trying to find a cure. There is much discussion about whether the disease can be stopped, or slowed down enough to develop resistant plants. There is also discussion about putting new citrus plantings back on HLB infected ground. [UF-IFAS](#) and [CRDF](#) are working tirelessly to solve the problem.

HLB and other factors are encouraging citrus growers to consider other crops. We heard discussions about blueberries, blackberries, peaches and pomegranates. IFAS extension services are working to help growers learn more about these crops and several have small test plots. We were pleased to learn one major Florida citrus grower has a small WE

are planting of olives near Polk County. We are tracking down other olive groves in the State and will be posting their location and other information on the [Florida Olive Council](#) website. Value growth of olive oil in the U.S. market is around 8%. This compares to an industry rate of only 3.7%.

The Spanish oil producers are looking for storage. Currently there is a glut of olive oil. Prices in the EU recently hit \$2.9k/ton, the lowest price since 2002 and well down from recent highs of \$6k/ton in '05. The reasons for this price drop are many including current EU economic stress.

Some say EU subsidies promoted production but did not capitalize storage and marketing. Since there is an existing unsold inventory, food grade storage is at a premium in advance of the September-October (2012) harvest. Olives, much like citrus, have alternating years of large and small harvests.

The US consumed 85+ million gallons of olive oil last year or about a quart per capita. Ninety- eight percent of that oil was imported from Spain, Italy, Greece, France, Syria, Turkey, Morocco, Tunisia and others. The U.S. produces about 1-2% of consumption from groves in California, Arizona and Texas. The [California Olive Ranch](#), by far the largest U.S. producer, farms 4000 acres of olives in super high

density (SHD) planting (500-700 trees per acre) near Oroville, CA and contracts another 4000 acres of high and lower density plantings (150-250 trees per acre).

One gallon of extra virgin olive oil landed in NY or Oakland sells for about \$20.00. California Olive Ranch retails their EVO for about \$20/liter (\$60+/gallon). Recently, the oil glut saw Spanish oil landed in NY at \$13.00/gallon - the Italians are getting \$17/gallon. Recently a [study](#) by the University of California (Davis) demonstrated that more than 70% of the imported oil sold as "Extra Virgin" did not meet minimum [U.S. standards](#) for that grade. There are no significant US tariffs on olive oil imports and very little inspection. However, the EU has a significant tariff on the small amount of U.S. olive oil imported.

In response, the California Olive Ranch is pushing for a Federal Marketing Order to enforce quality standards. There are "big politics" on this issue since foreign suppliers have an interest in minimizing inspection regimes to expedite delivery and avoid questions about quality. While the olive *oil* market is expanding in North America, the market for *table* olives is relatively flat. There is some market for table olives in Canada and "olive bars" are in some upscale U.S. food stores.

Science. The Spanish know a lot about olive cultivation. The Romans planted olives in Andalusia. Olive products are central to Spanish economy and culture. Accordingly, there is rich diversity of agricultural and mechanical scientists focused on the olive industry.

I learned in a basic Ag class that [mono cultures](#) are prone to catastrophic crop failure from disease. That is why we invest in research for chemical solutions to maintain some production until new chemical-free crop varieties can be developed to defeat disease at the genetic level; and brought on line for market.

People in modern industrial nations benefit from the diet diversity offered by efficient farming operations connected to efficient communications and transportation systems. That is why cultures benefitting from a balanced diet of nutritional diversity tend to live longer and have less disease.

The olive oil rich [Mediterranean Diet](#) is a prominent example as is the rice, fish and raw vegetable diet of the long-lived Japanese. It is in our human interest to promote cultivation of plants that will provide healthy diet diversity in Florida and an opportunity

for Florida farmers to take the lead in providing another healthy choice to the world. Florida olive oil can become a household word - and the availability of good quality olive oil can transform the health of Floridians. What if Burger King started using Florida olive oil in their fryers? Olive oil cannot take that much heat without burning but maybe we can develop an olive oil that can!

I came away even more convinced that cultivation and processing of the olive in Florida has a chance. The challenges of HLB (fatal citrus greening) and other diseases combined with unfathomable governmental policy could be a significant support to the Florida agricultural community; and perhaps of equal importance the opportunity for the challenged citrus industry to entertain an oil crop.

I will be doing more follow up and have several meetings with land owners. Frankly, I am still forming strategies on how best to promote an agenda of solid academic research and concurrent practical operations so as to best determine the feasibility of an olive industry for Florida.

I will keep you informed.

Michael O'Hara Garcia, President
The Florida Olive Council, LAA