



**OLIVE OIL
COULD PLAY A BIGGER ROLE
IN IMPROVING AMERICAN DIETS!**

THE LEARNING NEWSLETTER



THE EDITORIAL

OLIVE OIL COULD PLAY A BIGGER ROLE IN IMPROVING AMERICAN DIETS

Olive Oil brings outstanding health benefits and, with its different grades, it can be a very versatile product for almost every palate and food preparations; there should be a much higher consumption in the USA, but high pricing, lack of widespread usage info and fake news about available quality stand in the way.

After the aggressive growth occurred in the 80's, 90's and early 00's (when consumption exploded in changing from "ethnic to mainstream"), and the relative stability for several years at around 320,000 tons that started in 2011 (as a consequence of the consumer economic polarization after the financial crisis and a flood of fake news about olive oil quality and adulteration), total olive oil consumption in the USA increased to about 350,000 tons in 2019 and to 400,000 tons in 2020. Last year consumption might have grown in part as a side effect of the Pandemic, it will be important to see the 2021/2022 data to understand if there is a new underlying long-term category growth rate.

Consumption is almost entirely sourced through imports (predominantly from the Mediterranean area) with the domestic production covering less than 5% of total requirements. However, there is an important and growing domestic bottling industry considering that olive oils imported in bulk have reached nearly 45% of total imports.

Despite the significantly high absolute volumes (the USA is the 3rd consumption market after Italy and Spain), household penetration is below 50% and average per-capita consumption is still quite low – in total, just above 1 Kg per person per year, considering the total country population, about half of that once considering the direct in-home consumption. Consumption split is about 75% Extra Virgin and 25% Olive Oil.

Historically, before 2020, total olive oil sales volumes have been split roughly 49% retail, 37% food service and 14% as ingredient (for food products as well as non-food products). During 2020, the lockdown shifted volumes in favor of in-home consumption (which grew about 36%) at the expenses of out-of-home consumption (which declined by about 50). While 2021 will be a hybrid year since out-of-home consumption patterns are gradually returning to the pre-pandemic norm, it will be important to assess in 2022 if at least part of the increased in-home olive oil usage becomes a "new norm" for the category.

Although the absolute size of the US olive oil market looks high from a Mediterranean perspective, in-home consumption of olive oil still has a very small "share of stomach" of American consumers, once put in the context of the very large consumption of other vegetable oils, of butter and margarines and of the huge dressing category. In most supermarkets, olive oil is placed in the "cooking oils" isle and there is no placement of olive oil in the much longer "dressing" isle.

Considering that most retailers charge olive oil with margins ranging from 35 to 45% (with the notable exception of the Club channel that works predominantly with less than 15), olive oil ends up being quite expensive, often with prices even for mainstream brands and private labels more than 4 or 5 times the price per ounce or liter of the seed oils.

Despite all that, olive oil could grow on the strength of its superior health benefits; this is the key platform for the category since it can increase consumption across the variety of food cultures present in the USA – in some of which, however, strong olive oil flavor could actually be a negative – rather than just limiting olive oil usage to Mediterranean type recipes. Today, consumer familiar with the product already use olive oil for sautéing, cooking, seasoning, salad dressing, drizzling in sauces and, to a lower extent, also in frying and in baking.



in the picture:

Marco de Ceglie Ceo America Filippa Berio and project coordinator



THE EDITORIAL

The American consumers position Italian olive oils at the top of their origin preferences, followed by California; however, considering that the majority of the olive oils exported from Italy are Mediterranean blends (as clearly indicated on the labels), the actual availability of 100% Italian products is rather small and suffers from the huge variations of the Italian yearly production. Total Italian production has been declining through the decades and when the Italian crop is quite small – like this year or in 2019 or in 2017, for example – it is difficult to sustain shelf presence and rotations because of the limited quantities and much higher prices (putting at risk positions that have been conquered via high investments in listing fees). However, despite quite clearly declared origin preferences, most of the consumption is for origin blends, strongly driven by (low/er) price.

Through the years, origin declarations on olive oil labels have improved significantly in the USA and today consumers can easily find all the necessary info to make an informed purchase. Based on the market data, it seems clear that the purchase decisions are mainly based (in order of importance) on price, brand or supermarket reputation and on flavor profile. Nielsen data for the total US retail market excluding Clubs for the last 52 weeks ending April 24, 2021 indicate an average price for the category at \$ 9.7 x Lt. Private labels, which count for 36% of the volume, are priced at \$ 7.6 x Lt, while 100% Italian or Californian oils are priced at above \$ 15.0 x Lt; high premium brands can be at more than \$ 25.0 x Lt, but volumes are very small – with the most successful of these brands reaching a National volume share of just 0.7%.

The 2 major Club operators – Costco and Sam's – sell olive oil at much lower prices (often between \$ 3.5 and \$ 5.0 x Lt depending on variety), thanks to the offer concentrated on very large pack sizes (3 to 6 Lt) and to the much lower trade margins (below 15% as indicated above).

All the above prices are based on the last 3 years low olive oil raw material prices; given the lower availability from the last crop (which is coming out about 500,000 tons below the November 2020 expectations), average prices are expected to increase in the coming months.

Olive oil prices fluctuate significantly through time in general given the cyclical shortage of production due to meteorological conditions and the deriving supply/demand imbalances. In addition, for the US market, the rate of exchange between the US Dollar and the Euro can be an additional significant cost/price factor. For example, the last combination of higher raw material costs and weaker US Dollar occurred in 2017, but there have been many other past examples of olive oil prices increasing sharply in the USA.

Historically, while food service consumption is affected directly by increasing prices (with many users switching back to seed oils or to olive oil / seed oil blends, in-home consumption has proven to be much more resilient, rarely leading to overall decreased usage. However, category growth can be halted, and, within the category, there can be a sizable switch toward cheaper brands and private labels.

In the food service channel, except for a high-end niche of premium restaurants, usage of olive oil is not very developed and mainly covered by low-price products. However, here there could be an interesting opportunity to develop olive oil consumption with, for example, school/university or hospital meal providers, considering the important health benefits of the category.

For the in-home consumption, the 2 key drivers must be: increased communication about the outstanding health benefits of the category (supported by relevant information on how to use the products and which products to choose in a wider variety of food preparations, overcoming in some cases the flavor barrier like in baking) and reassuring the consumers about the authenticity of the vast majority of the products available on the market.

The current olive oil target consumer is represented by adults with medium to high education and medium to high income, interested in cooking and especially in preparing Mediterranean type recipes. Consumption is less developed in food preparations for kids and in the sizeable parts of the US population that prepare their meals according to their specific food cultures (for example, African American or from Central America or from Asia). In some of these cases when there is quite significant use of seed oils, and irrespective of the income situation, the prevailing strong olive oil flavor can be quite a barrier, since the substitution of the traditional seed oils with olive oil would alter significantly the taste of the original recipes. Hence the opportunity for very mild tasting olive oil products.



SUMMER TIME!

With the summer heat wave in full force, hydration and an easy approach to maintain a healthy eating pattern motivates us to stick to it in the long run and make it work for us. Once more, U.S. News & World Report named the Mediterranean Diet as the greatest overall diet in 2021, and I couldn't agree more.¹

It is also plant-based and easy to follow. I think it is also because it does not eliminate entire food groups (like carbs or meats). The key is sticking to the diet without being overly restricted or feeling deprived of delicious calorie rich favorites (like fried calamari!). It is simpler to adopt this pattern of eating if you conceive of it as items that are consumed less frequently, eliminating the problems of bingeing or late-night nibbling.

Without overindulging in a sweet treat, apricots, cherries, and, later in the season, figs are a simple way to finish a meal. This is especially important in order to maintain a decreased risk of insulin resistance, which affects 88 million individuals in the United States and is the leading cause of diabetes.² Best practices for delaying or avoiding type 2 diabetes, according to the American Diabetes Association, include nutrient-dense and heart-healthy foods, weight loss for individuals who are overweight or obese, weekly moderate-intensity exercise, and decreasing our sedentary inactivity. In diabetes, customizing the meal plan is the way of the future. As more research is conducted, more methods are developed to determine the best way for reducing the risk of getting type 2 diabetes or complications.

The processes by which the Mediterranean diet generates its beneficial benefits in type 2 diabetes may be based mostly on an abundance of anti-inflammatory nutrients (PUFA - poly unsaturated fatty acids from olive oil, fiber, vitamins, minerals, antioxidants, and polyphenols) combined with a decreased consumption of pro-inflammatory nutrients (refined sugars and starches, trans fatty acids, high-density foods). Among the PUFAs, omega-3 free fatty acids have anti-inflammatory properties through oxygenated metabolites (oxylipins) including α -linolenic acid, which comes from a variety of plants, as well as eicosapentaenoic acid and docosahexaenoic acid, which come mostly from fish and shellfish. The polyphenols in olive oil appear to interact with transcription factors, resulting in anti-inflammatory and antioxidant actions. These are all helpful ways in which the savory Mediterranean cuisine provides protection against cardiometabolic risk factors, all of which worsen outcomes from respiratory tract infections.³

References

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in the picture:
Lucrezia Scarampi, Nutritionist





CHEF ANDREA ZANIN
NEW YORK

Ingredients:

PASTA FRESCA

Farina 00 Mariani for pasta 250gr
Eggs (2 eggs and 1 yolk) 125gr
Semola to laminate the dough

FOR THE FILLING

Spinach 250gr
Ricotta fresh 125gr
Parmigiano Reggiano DOP 24 month aged 50gr
Nutmeg powder
Salt
Pepperl

Procedure :

In saut pan put some extra virgin Olive Oil, warm up and add the spinach (previously washed).
Add some water, salt and pepper.

Cover and cook until is softened, take out and dry on a grill.

Chop the cold spinach and mix with ricotta, parmigiano, salt and pepper to create a cream and preserve in the fridge.

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North American Olive Oil Association Files Standard of Identity Petition with the U.S. Food and Drug Administration

NEPTUNE, NJ – May 26, 2020 – The North American Olive Oil Association (NAOOA), whose members represent the majority of olive oil sold in the United States, today filed a standard of identity petition (“Industry Petition”) with the U.S. Food and Drug Administration (FDA). Such a standard would eliminate confusion among consumers and promote fair dealing in the industry.

“Olive oil is recognized as the healthiest cooking oil by a wide majority of Americans, but less than half of households use it,” said NAOOA Executive Director Joseph R. Profaci. “According to consumer research we recently conducted, confusion over olive oil labels and terminology are leading causes. We’ve filed our Industry Petition to help address these concerns.”

As part of its petition-development process, the NAOOA asked 1,500 U.S. consumers about their perceptions of olive oil, and the findings demonstrate significant confusion. For example, 60 percent of those surveyed were not sure of the meanings of “virgin” and “refined” cooking oil, despite there being significant differences in the two. (Virgin oil is extracted mechanically without the use of heat or solvents.) Only one-third of consumers believe the term “extra” when applied to “virgin olive oil” is anything more than marketing. (It is a specific grade of olive oil that has to meet strict parameters.) Nearly one in three people do not believe or are not sure that olive oil comes from olives. (It does!)

Additionally, despite peer-reviewed research conducted by scientists from the U.S. Food and Drug Administration (FDA) showing a low prevalence of adulterated olive oil in our country’s retail stores, many Americans are concerned that their olive oil might not be the real deal.

“Paving the way for more consumption of heart-healthy olive oil in America would be to our mutual benefit. The scientific consulting firm Exponent found that just a 20 percent increase in adherence to a Mediterranean-style diet, of which olive oil is the cornerstone, would save our country \$20 billion in healthcare costs,” said Profaci. “The way we remove longstanding barriers to people consuming this wholesome, delicious food is through a standard of identity.”

The NAOOA has been advocating for a standard of identity since the organization was founded, first filing a petition with FDA in 1990 and again in 2012. It initiated a process to develop the latest petition two years ago and sought a range of voices from regulators and scientific experts to consumers and industry players (domestic, international, large and small alike).

With the benefit of consumer research, the Industry Petition takes concrete steps to bring clarity to olive oil labels and restricts the use of potentially misleading terms like “pure” and “extra light.” It also focuses on assuring olive oil authenticity by using the latest scientifically backed standards and methodologies.

naooa.wildapricot.org

BRAINSTORMING

the section dedicated to your ideas, requests and proposals.

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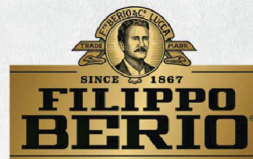
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