

SE News
HD Why the Chinese can't get enough ... Of the good South Aussie oil
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CHINESE investors are snapping up South Australian olive groves to help meet a growing demand for the state's high-quality extra virgin olive oil.

The need to secure supplies has resulted in major Chinese investor New Mediterranean buying two South Australian olive groves near Frances and Coonalpyn in the South-East.

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Chinese consumers are at the forefront of soaring overseas demand for SA's olive oil and are helping put the olive industry on a sound long-term footing for the first time.

The health benefits attributed to high-quality extra virgin olive oil have emerged as the key reason for China becoming the largest buyer.

Australian Olive Association statistics reveal China became the largest export destination for Australian extra virgin olive oil in 2012-2013, accounting for 32 per cent of the export total of \$14.5 million.

Pendleton Estate managing director Grant Wylie said about 75 per cent of his exported extra virgin olive oil goes to China.

"It's another lobster story, Australia is exporting high quality and bringing in cheaper stuff," Mr Wylie said.

Pendleton has also started experiencing heavy demand from Taiwan following a scandal involving adulterated European olive oil. It follows the purchase of another substantial olive grove near Coonalpyn by a Taiwan company.

Association statistics show while the average price of poor quality imported olive oil in Australia is \$4.18 a litre, the average price of exported oil is \$15.76 litre.

Australian Olive Association chief executive Lisa Rowntree said the increasing involvement of China is helping boost the marketing of South Australia's crop.

"What we've learnt about China is it helps to have people there to navigate the marketing because they have the contacts and knowledge," she said.

"If they can develop a big enough market in China it will help build overall demand and help market olive oil for other South Australian producers." Ms Rowntree said the health benefits of olive oil were a very strong focus for Chinese buyers who are prepared to pay for the best extra virgin olive oil. "They are keen to be involved in both the growing and marketing of olive oil because they are very health conscious," she said.

Mr Wylie said the falling Australian dollar has helped medium-to-large olive oil producers become profitable. "Our table olives are also doing very well because (of quality)," he said.

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