

Vegaceites S.L.



CIF: B-23677453

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23440 Baeza (Jaén)

We can inform that Spanish Olive oil market has closed this week as similar range of prices from previous weeks. It has been stable for the last 5 days. Mostly, the prices has been in the same levels as previous days until las Wednesday/Thursday, where we could appreciate prices became a bit higher, arising to 3,75€/kg. for extra virgin olive oil.

In general, 3,67€/kg has been the main price for virgin olive oil. Italy was the strongest demand while the Spanish buyers keep static.

Italia may be one buyer who's taking advantage of the market situation because the strong demand on this week in comparative with another national and international buyers which demand is more stable.

The weather conditions might be the one player with the most to win here, as we still have high temperatures and drought this October in Spain.

In the past month of September, no rains were registers either, which means producers are becoming pessimistic and prefer wait on selling. It could be another reason added to the fact of prices going up to (Anyway, it is a fact that once prices goes up) to 3,75€/kg./3,80€/kg. The Offer (Supplier need to empty the tanks and get ready for new crop.) would appear to empty the tanks to start next harvest ?clean?.

The olive tree is suffering dryness and high temperatures. In Spain, until 32°C are been registered in peak hours of the day these weeks. This fact makes undergo the olive fruit, that is getting a purple colour, even in irrigated plantations. In this zone of the Guadalquivir, the Hydrographic confederation, has announced the cut of the irrigation from the 10/15/17, which can be very dangerous until the first rainfall arrives. According to forecasts, until October 22, temperatures will remain high, around 28°C.

With this situation we think that prices will keep the same in the next future. It is not expected to reach a level of prices above 3,80€/kg for Extra Virgin Olive Oil and 3,70€/kg for Virgin Olive Oil. Next campaign is about to start, so buyers can close the deals gradually. We have to consider the estimations for next campaign where the world global production is growing a 12% and world global consumption is expected to increase a 5% .

While market marches stable, it can be tough to know when to pick out a price. Even thought we do not have a crystal ball, we think prices will keep the same for a little while, it is not expected to reach a level of prices above 3,80

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8€/kg for Extra Virgin Olive Oil and 3,70€/kg for Virgin Olive Oil anytime soon.

Since new crops is about to start, buyer has time to schedule purchases gradually.

News have been published the world global production is growing a 12% and consumption in the world of olive oil expected to increase a 5% a data to considered as well.

Some information from International Olive Council to aggregate to close this report:

Spanish production is 10% lower than last year on the other hand, the production expectations increase for Greece and Portugal with an estimation of 50% more for next campaign. Tunisia, with 176.000 tones of olive oil estimated for 2017/2018, will suppose a 120% above last year.