

Vegaceites S.L.

CIF: B-23677453

C/ Intendente Pablo de Olavide, 23
23440 Baeza (Jaén)

Last week was a very sort one, Thursday was a bank holiday in Spain and negotiation volume was lower than weeks ago. Prices were in the line of 3,70€/kg. for virgin and 3,75 for extra virgin olive oils.

These days we are getting some official information about September remaining olive oil stocks: 177.000 tn. are available in producers' tanks, and 121.00 tn. in bottles. That makes a total of 300.000 tn. of remaining olive oil in Spain. This data exceeds all the expectations; so, we think there is enough olive oil available to face the starting of next crop 2017/2018, even though the dryness. In this moment, there are some areas where high quality fresh olive oils are starting to be produced, the mayor part coming from 'arbequina' variety for example, which is been paid at 4€.

So, in our opinion, given these prospects, only the delay of rains will cause prices to be on the same line in the next week. According to forecast, rain will appear soon, which can cause prices to be relaxed.

As we said last week, the olive grove, is still suffering from the lack of water, and high temperatures which, in some places of Andalusia are registering the 35°C during the day. And, while these two factors persist, we will gradually have to translate this in production losses. The fruit is maturing "prematurely" and already the rains will make irreversible the recovery neither size nor maturity.

Let's hope that the rains will irrigate the Spanish olive grove as soon as possible, so that the fruit of this harvest can arrive to the mills in the best conditions.