



## OLIVE PRODUCTS MARKET REPORT SUMMARY No. 15 – May 2007

### MARKET COMMENTARY

Olive oil production for the 2006/07 crop year has finished. According to the latest announcement by the Spanish Ministry of Agriculture, Spain had produced 1 105 400 t of olive oil by the end of April 2007. Production thus goes up by 34% on the year before and 8% on the average for the last four seasons. Oil extraction rates work out at 21%. From the start of 2006/07 up to and including April 2007, domestic sales plus exports by Spain amounted to 586 000 t. This tonnage is 40% higher than the year before and 2% above the average tonnage for the previous four seasons. Spanish olive oil exports have thrived. Provisional data up to the end of April 2007 assess them at 282 000 t, showing a rise of 63% and 2% respectively against the year before and the four-year average.

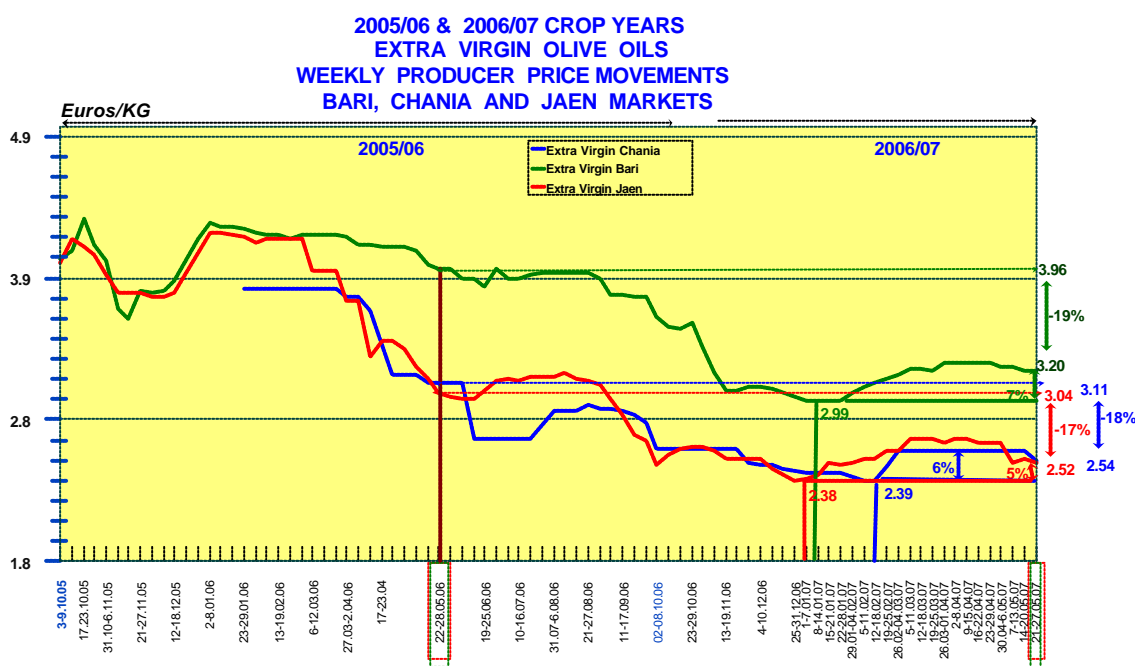
Table olive production has also risen in Spain in the 2006/07 season. At 499 900 t, it is 17% ahead of the level in 2005/06.

Spain is the world leader in both olive oil and table olives. Developments in Spanish olive oil production, mean producer prices, sales and exports indicate that the Spanish market is returning to normal after the disturbances of 2005/06. It is now in step with movements over the last four crop years.

Graphs 1 and 2 show the weekly (virgin olive oil) and monthly (refined olive oil) changes in producer prices in the main EU producing countries. It can be seen that:

- In May 2007, virgin olive oil prices in the main EU markets moved slowly downwards from the levels in April 2007.
- The prices fetched for virgin olive oils are lower than the year before, going down by 19% in Italy, 17% in Spain and 18% in Greece (Graph 1).
- Prices for refined olive oil also show a slow downward movement compared with the year before, decreasing by 20% in Italy, 16% in Spain and 25% in Greece (Graph 2). Producer prices for both virgin and refined olive oil are clearly following the same trend.

Weather conditions continued to be favourable in May 2007 in most of the olive producing countries, auguring well for next year's harvest in 2007/08.

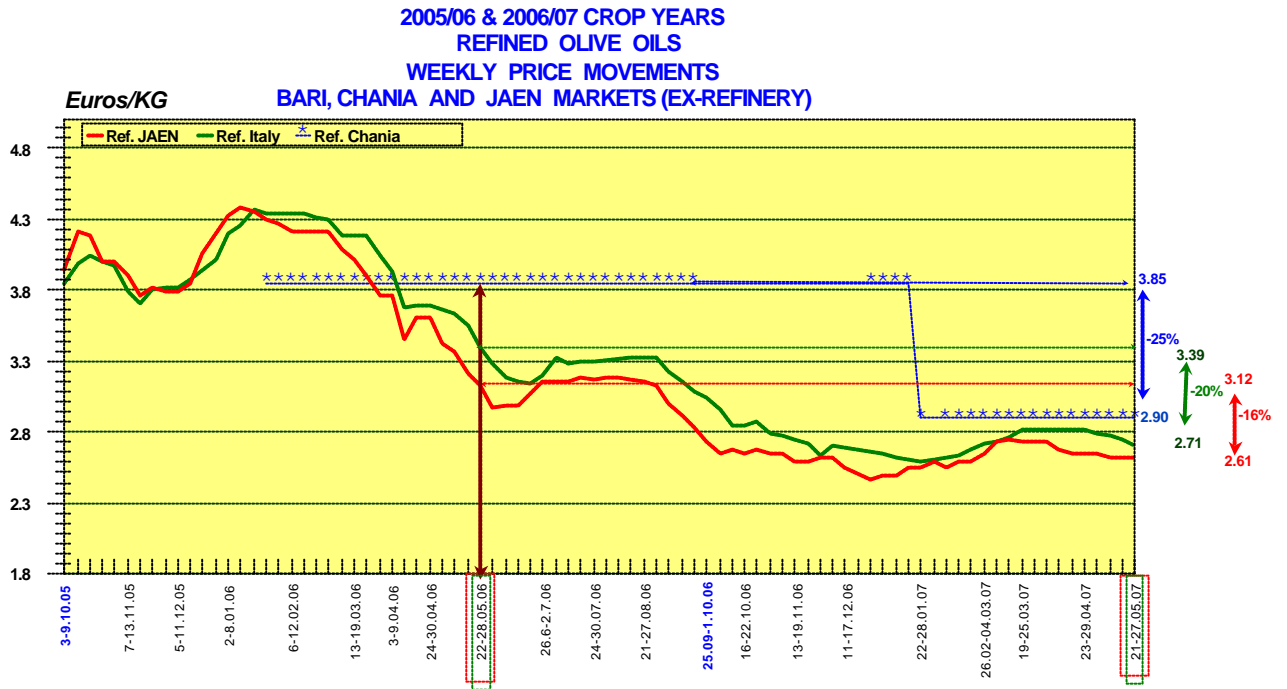


Graph 1



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Graph 2