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By Appointment to  
Her Majesty The Queen  
Fine Food Ingredient Importers & Distributors  
Lupa Foods Ltd  
Borehamwood

# MARKET UPDATE

## SPANISH OLIVE OIL

OCTOBER 2022





# INTRODUCTION

## YOUR PARTNER IN FOOD SINCE 1902

Lupa Foods is a UK based full-service B2B partner to the food industry.

With a global and domestic sourcing footprint, we provide a selection of more than 600 bespoke and commodity products, combined with services that include NPD, technical, procurement, logistics and business.

Innovation and a customer centric approach is at the forefront of everything we do, and our 120 years' experience the foundation we build our customers' success on.

# BRCS

Agents and Brokers

CERTIFICATED



# OVERVIEW

Spain, who are the world leader in the production and export of olive oil are now seeing a real challenge in their harvest for the 22/23 campaign:

- The “verdeo” (which would be the green harvest; the first and early crop of the year, for highest quality EVOO’s) is showing a 4% lower fat yield than 21/22.
- Taking into account fat yield for olives is around 12-25%, the lack of rain this year has seen a reduction by a comparative 16-33% depending on the varieties of olives.
- The severe lack of rain will lead to a clear scarcity of Extra Virgin Olive Oil this year, and those that will be available will have a higher price than expected .
- According to some sources, prices could be expected to reach between €5 - €6 per litre for standard Extra Virgin Olive Oils.
- Despite seeing some rain in the last few weeks, the reality is that the ground is too hard to absorb this. Subsequently, surface water/muddy sediment are attracting flies to the groves. This is just another contributing factor to scarcity of raw material.



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# PRODUCTION

Last week, the Junta de Andalucía – Andalusian Government – provided the data of the Aforo (crop gauging), forecasts for this 2022-2023 season:

- **Andalusia's** production for this season will be **less than 600.000 tonnes**. (last year was, according to AICA – Spanish Agency of Food Control and Information – of 1.152.368 Tons, **this means nearly 50% reduction**).
- **Spain's** production for this season will be **less than 800,000 tonnes** – which is catastrophic.

	Production 2019/20	Production 2020/2021	Production 2021/22 (Datos AICA a sept. 2022)	Aforo (Crop Gauging) Junta Andalucía (03/10/2022)
Andalucía	900.376T	1.111.902T	1.152.368T	<b>587.000T</b>



Provinces Production forecast 2022/2023	Production forecast 2022/2023
Jaén	200.000T
Córdoba	158.000T
Sevilla	90.000T
Granada	70.000T
Málaga	40.000T
Huelva	10.000T
Almería	10.000T
Cádiz	9.000T
<b>TOTAL ANDALUCÍA</b>	<b>587.000T</b>





In addition, it should be noted that this trend will be common in other Mediterranean countries, such as Italy, Portugal and Morocco, which will also see their production decline, and although increases are expected in Greece and Turkey, these will not offset the falls in Spain.

Within the Spanish Olive Oil Market future operations on Refined Olive Oil has been closed already at 4.20€ Price per litre and 4.60€ for EVOO.

Olive growers are in this current momentum of Verdeo (early 'green' crop), refusing to sell their olives at less than 4.5€/L of EVOO. We will see a Price of 5€/L for EVOO sooner than expected, probably in the coming weeks. Many operations for this first harvest EVOO at 4.2€-4.4€/L are being cancelled/not delivered by olive growers.

Furthermore, in sad news, a serious fire in a major Italian refinery on October 5th, has disrupted the processing of edible oils. This is only adding to a challenging situation, and forces the hands of many to approach other refineries to handle their raw material. This adds to logistic costs, as well as increasing the traffic into alternative refineries.

Recommendations from the industry are generally for manufacturers to consider alternative oil types, and to reduce their consumption in line with supply.



MISSION

## WHY LUPA FOODS?

**We aim to be an essential partner to the food industry for quality ingredients.**

To be a leader in the development, supply and production of sustainable, high quality and innovative products. We earn the respect and loyalty of customers through consistency and product excellence, and by focusing on customer service.

We care for the environment, striving to continuously reduce our impact on the planet, ensuring a better future for all that calls it home.



# SEASONALITY



**CONTRACT  
START**



**PROSPECTING /  
CROP**



**CONTRACT  
CONFIRMATIONS**

	January	February	March	April	May	June	July	August	September	October	November	December
UK SEASON												
PASTA												
COUS COUS												
PULSES												
RICE												
OLIVES												
CAPERS												
TOMATOES												
SWEETCORN												
GHERKINS												
PEPPERS												
BEETROOT												
SAUERKRAUT												
JALAPENOS												





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## REACH OUT







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