

OLIVE OIL

Code	Product Name
00VX09Y	Extra Virgin Olive Oil 1000L
00VX53Y	Extra Virgin Olive Oil 3x5L
00V009	Extra Virgin Olive Oil (Organic) 3x5L
00RX09Y	Olive Oil 1000L
OL0I53Y	Olive Oil 20L
00RB53	Olive Oil 65/35 Blend 3x5L
00BX53Y	Olive Oil 80/20 Blend 3x5L
00POMA9Y	Pomace Olive Oil 1000L

MARKET UPDATE JANUARY 2024

The olive oil market is currently experiencing unprecedented dynamics. In early January 2024, Extra Virgin Olive Oil prices soared to over €9/KG, a stark contrast to the January 2021 price of €2.55/KG.

Key Factors Influencing the Market:

- **Reduced Yields in Major Producing Countries:** Extended periods of adverse weather conditions have led to a gradual decrease in crop yield. The combination of drought, extreme heat, and untimely cold snaps is severely affecting olive fruit production.
 - Italy's projection has been adjusted from 290,000 tonnes to 250,000 tonnes, primarily due to persistent drought conditions.
 - Greece's output has been revised downward from 340,000 tonnes to just 120,000 tonnes.
 - Spain's estimate has been reduced from 750,000mt to 700,000mt, with no carryover from the previous year's production.
- **No Carryover Stock:** The absence of old season stock as a buffer against new season's demand is causing speculative chaos in the market. This lack of carryover exacerbates the supply-demand imbalance.
- **High Consumption:** With early purchasing already high for this season, there is concern among packers and growers about keeping up with the demand. This scenario is contributing to the increasing cost per kg of olives.

Market Outlook:

- The reduced supply has led to intense competition and upward pressure on prices.
- The future market trend is uncertain and depends on multiple factors, including the potential for consumption to slow down, the likelihood of adequate rain in early spring, and the risk of late frosts damaging blossoms.
- There is a possibility of prices reaching as high as €15/kg, but there's also a chance they could stabilize around €5/€6/kg.

Given the current market volatility and speculation, it is still advised to maintain commitments short to medium term. However, this update is based on current market speculations and could be subject to change as new information emerges.



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