

Spain expects 950,000/1,150,000 tons of Olive Oil in the 2017/18 Harvest

According to the Spanish Association of Municipalities of the Olive Tree (AEMO), the accumulated deficit of water in the soil, together with the extreme temperatures in the months of June and July, reduce the expectations of the olive oil harvest in Spain, which will be between 950,000 and 1,150,000 tons, interval that is contingent to the evolution of the rain and the temperature in September and October.

The Spanish olive grove is accusing the harsh climatic conditions experienced in the last 24 months, along with the water deficit in the soil which is beating negative records that make the availability of moisture null in recent weeks, keeping the olive grove of dry land (66% of the total) in an extreme state of stress. All of this is the result of a dramatic balance between the accumulated precipitation -far below the average- and a maximum evapotranspiration spurred by these months of June and July that have marked historical maximum temperatures in Spanish key provinces such as Jaén or Córdoba, which add more than 60% of the Spanish production of olive oil.

In AEMO we have determined the harvest forecast in a rational and empirical way at the same time, using a double source of data:

1. First we have tried to model the harvest forecast based on a historical series of climatic variables considering the last five seasons, and statistically correlating these variables with the actual production of oil each harvest.

The variables considered were the temperature regime and evapotranspiration in the months of May and June (turning point of flowering and fruit-setting in the tree), accumulated rainfall between March 1 and October 30 (key periods in the quantity of fruit and in the formation of the oil) and, lastly, the production of the previous year, which is always conditioned by the biennial bearing of the olive tree.

2. In the second place, we have tested different cooperatives, associations of producers, farmers, standard estates and various experts from different regions of the Spanish olive grove, so that on July 15 we have gathered their impressions on the expected harvest, always compared to the previous season.

As a result of this double prospecting, we can conclude that the 17/18 harvest may yield a maximum of 1,150,000 tons and a minimum of 950,000 tons, as long as the rainfall in September and October lies around the average, meaning the interval between 60 and 80 l./ sq. m. for the south of Spain. The prolongation of the drought below these values would be catastrophic for the critical phase of lipogenesis that will occur during these months, and on the other hand a fresh and wet autumn could increase the production always within, according to our calculations, the indicated interval.

With these data, and considering the adjusted campaign working stock that Spain will have, as well as the expectations in neighboring countries, we think that the average exwork prices for the extra virgin category of (pooled) will be placed near 4 €/kg. during these months pending for the new crop. Deviations downward in these summer weeks will only trigger an action-reaction effect that may also shoot the prices upward, which would also be negative.

The availability of oil in the marketing year 17/18 will be very tight, the farmer will have to face a limited production that will reduce the amount of his income and, in turn, the global consumer should continue betting on EVOO and, as we have demonstrated during the last year, must accept and value a unique product as is the olive juice, maintaining firms monthly outputs of olive oil at current prices.

In view of this situation, we believe that these exit prices can mitigate the reduction of the potential production, and can also contribute to consolidate the perception of the consumer regarding Virgin Olive Oil.

From here, any attempt to deviate things from reality by trying to lower prices, or any creation of uncertainty and concern to oil mills and cooperatives, is against the interests of the world's leading country in olive oil production: Spain.

Lien article : <http://en.mercacei.com/noticia/1571/news/spain-expects-950000/1150000-tons-of-olive-oil-in-the-2017/18-harvest.html>