



MARKET COMMENTARY

ALBANIA

The Government of Albania joined the current International Agreement on Olive Oil and Table Olives on 13 February 2009 after filing its instrument of accession with the Ministry of Foreign Affairs of Spain, the depositary of the Agreement. This accession brings the number of IOC Members to 16 (Albania, Algeria, Croatia, Egypt, European Community, Iran, Iraq, Israel, Jordan, Lebanon, Libya, Morocco, Montenegro, Serbia, Syria and Tunisia).

In 2006, an area of 45 700 hectares was estimated to be under olives in Albania, of which 40 700 ha were bearing. Almost 97% of this crop area is rainfed with orchards located primarily in mountain areas. When broken down by age, approximately 21% of the olive trees are 100 years old, 36% are aged between 30 and 40, 24% are 15-20 and 19% are under 15 years old.

In the 1980s Albania produced an average 25 000 t of oil-olives (3 000 t of oil) and almost 400 t of table olives per year. By the 1990s average annual production of oil-olives had risen to 32 000 t (5 000 t of oil) and output of table olives had increased to 3 000 t. Tree yields were very low during this period (7-10 kg) mainly because of the very traditional cultural practices employed.

Currently, yearly production ranges from 7 000 to 8 000 t of olive oil and 5 000 to 6 000 t of table olives.

PRODUCTION

The *Agencia para el Aceite de Oliva* (Spanish Olive Oil Agency) reports that production in Spain, the top world producer of olive oil, in the first five months of the 2008/09 crop year came to 1 018 100 t, i.e. 17% down on the season before. According to estimates, production for the whole of this current crop year was expected to reach 1 150 000 t, but this level will not be reached owing to adverse weather conditions with heavy rains and strong winds causing considerable fruit drop.

IMPORTS

The table below provides a comparison of olive oil imports (expressed in t) in a selection of the chief import markets.

| Olive Oil imports (including olive-pomace oils) |                   |                 |                 |                 |                 |                   |        |
|---|-------------------|-----------------|-----------------|-----------------|-----------------|-------------------|--------|
|   |                   |                 |                 |                 |                 |                   | tonnes |
| No  | Importing Country | Period          | Period          | Period          | Period          | % variation       |        |
|   |                   | 2004-05         | 2005-06         | 2006-07         | 2007-08         | 2006/07 - 2007/08 |        |
| 1   | Australia         | 28,467.0        | 32,664          | 42,136.0        | 27,756.0        | -34               |        |
| 2   | Brazil            | 26,538.5        | 26,027          | 36,572.7        | 43,960.8        | 20                |        |
| 3   | Canada            | 31,873.0        | 30,354          | 34,278.0        | 31,000.0        | -10               |        |
| 4   | Japan             | 33,189.0        | 30,174          | 31,961.0        | 30,388.0        | -5                |        |
| 5   | Taiwan            | 4,630.9         | 4,220           | 4,137.6         | 4,534.5         | 10                |        |
| 6   | USA               | 246,964.0       | 242,542         | 262,167.0       | 264,471.0       | 1                 |        |
| 7   | EU                | 188,500.0       | 193,500         | 231,000.0       | 177,000.0       | -23               |        |
| 7   | Others            | 133,837.6       | 114,019         | 124,747.70      | 108,889.7       | -13               |        |
|   | <b>Total</b>      | <b>694000.0</b> | <b>673500.0</b> | <b>767000.0</b> | <b>688000.0</b> | <b>-10</b>        |        |

| No | Importing Country | Dec. 07        | Dec. 08        | January 08     | January 09     | February 08    | February 09    |
|----|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 1  | Australia         | 3059.0         | 1660.0         | 2049.0         | 1521.0         | 2400.0         | 1329.0         |
| 2  | Brazil            | 3680.2         | 3913.9         | 3517.7         | 3502.1         | 5236.0         | 2226.0         |
| 3  | Canada            | 8809.0         | 4938.0         | 3283.0         | 1363.0         | 2638.0         | 1036.0         |
| 4  | Japan             | 2524.0         | 3123.0         | 2644.0         | 2528.0         | 2201.0         | 1998.0         |
| 5  | Taiwan            | 318.7          | 346.3          | 343.6          | 215.1          | 220.9          | N.D.           |
| 6  | USA               | 18268.0        | 20436.0        | 23585.0        | 22665.0        | 17195.0        | 18329.0        |
|    | <b>Total</b>      | <b>36658.9</b> | <b>34417.2</b> | <b>35422.3</b> | <b>31794.2</b> | <b>29890.9</b> | <b>24918.0</b> |

Imports in 2007/08 fell by 10.3% compared with the season before although they did still remain above the level of 2005/06. This downward movement picked up speed in the first two months of 2009 when imports dropped by 10% in January and 17% in February.



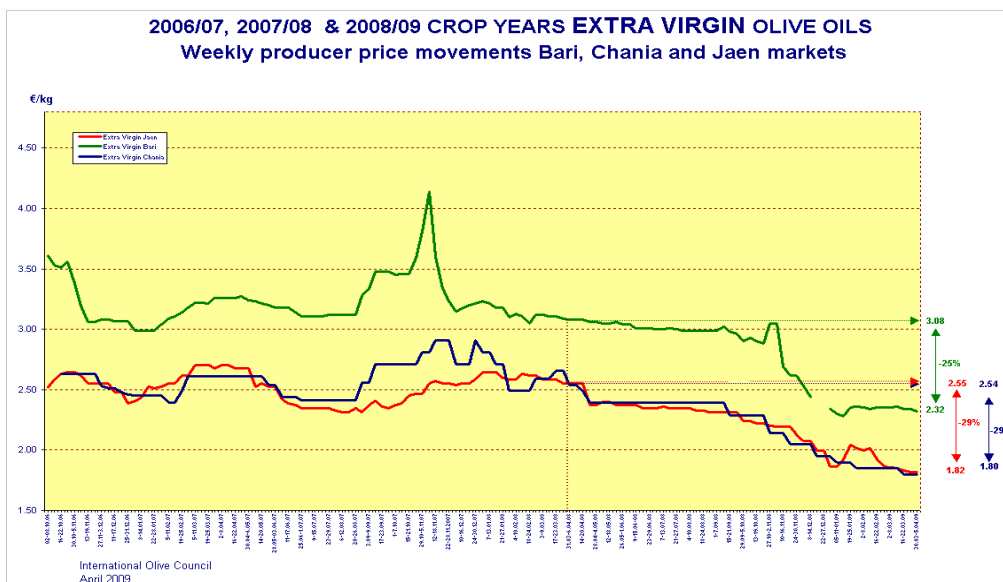
MARKET COMMENTARY

PRICE MOVEMENTS

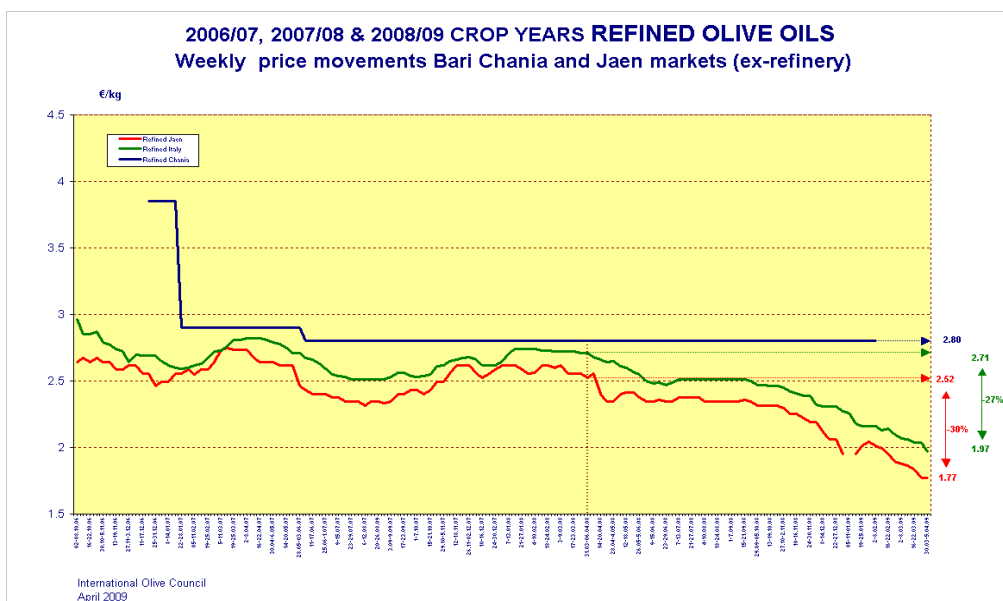
Graphs 1 and 2 track the weekly movements in the producer prices paid for extra virgin olive oil and refined olive oil in the top producing countries of the European Union. The monthly price movements for the same two grades of oil and refined olive-pomace oils are shown in Graphs 3, 4 and 5 respectively.

These show a picture at the end of March 2009 where:

- Virgin olive oil prices continued downwards although in recent weeks they do seem to show signs of levelling off on all the markets reviewed. Producers are very concerned about the level of prices.
- Refined olive oil prices also continued to drop and are not expected to steady for the time being. The exception is Greece where the prices released have not changed since June 2007.
- Compared with a year ago, the price fetched by extra virgin olive oil has fallen by 29% in Spain, 29% in Greece and 25% in Italy (Graph 1).
- In the case of refined olive oil, comparison with the season before reveals a drop in price of 30% in Spain and 27% in Italy (Graph 2).



Graph 1

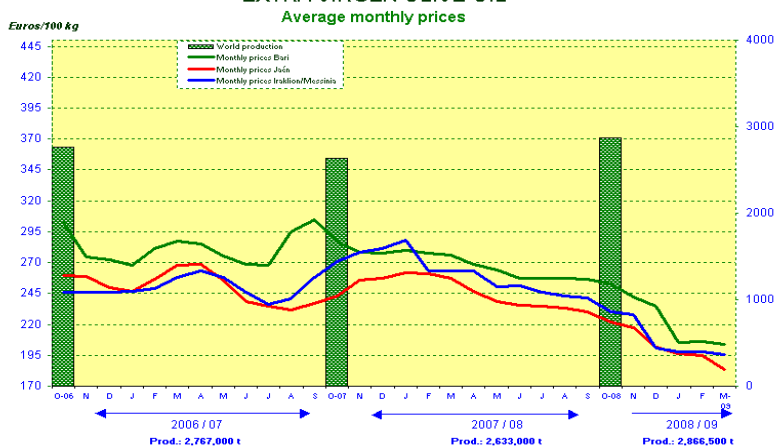


Graph 2



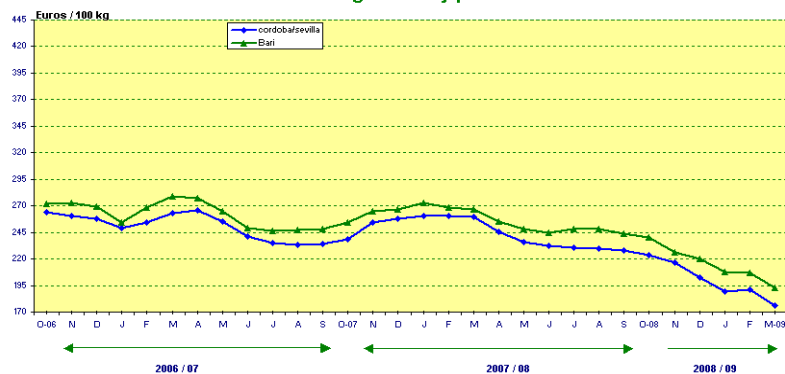
MARKET COMMENTARY

MOVEMENTS IN PRODUCER PRICES  
EXTRA VIRGEN OLIVE OIL



Graph 3

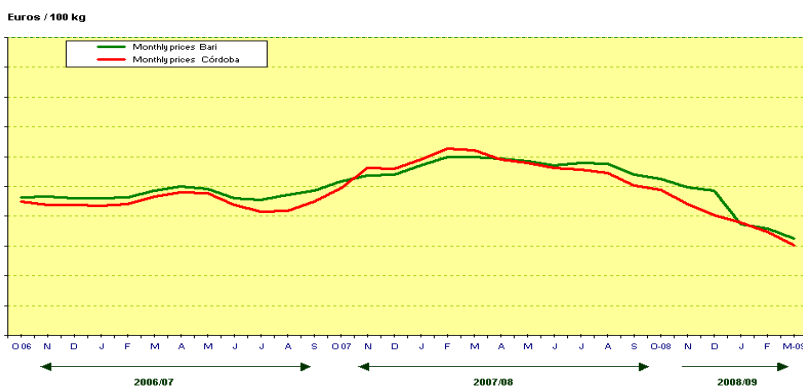
MOVEMENTS IN PRODUCER PRICES  
REFINED OLIVE OIL



Source: International Olive Council - April 2009

Graph 4

MOVEMENTS IN REFINERY PRICES  
REFINED OLIVE-POMACE OIL



Source: International Olive Council - April 2009

Graph 5