

<p style="text-align: center;"><b>LEMON OIL ITALIAN : CROP AND MARKET SITUATION 2014 / 2015</b></p>
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**CROP REPORT**

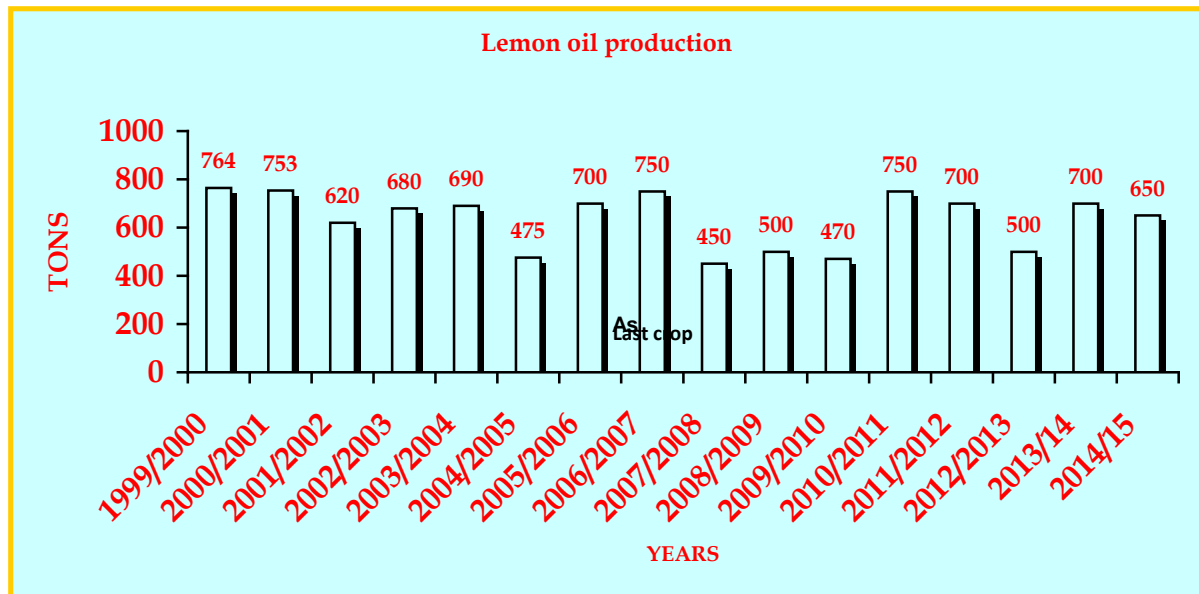
The crop of fruit 2014/2015 has been delayed of around 1 month due to unfavorable weather conditions during blossoming and flowering period in the summer , with almost any rains and high temperature.

Processing has proceeded slowly and weak starting with around 3-4 weeks of delay even if quality is still unripe.

At beginning of crop the fresh fruit market didn't request large quantities of Italian fruits mainly due to small size of fruit for the above explained reasons , this increased the quantity available to the industry even if the price for kilo has been quite high, compared with past crops at the same timeframe of the year. Unfortunately the trend of fresh fruit price on the high side, continued all over the crop reducing making that oil was available on market in small lots, this caused also the processors not spending a lot of money for fresh fruit had possibility to keep higher the price of oil being less sensitive to bargaining such as the have plenty warehouse.

Processing in Spain, is still working also if it is near to the end , and such as in Italy the oil and juice are high priced. News coming from Argentina talks about a flood there was in one of the main production area , but seems that this will not affect so much the forthcoming crop, so at the end a lot of buyers are looking there in the hope of a price reduction in next future.

Estimated total volume of oil for this crop in Italy should be in a range of 600 / 700 tons, with usual problem to get exact figures, so we can consider that this year the crop has been at 650 MT.



## MARKET REPORT

Last crop the situation was quite good for Lemon with fruit being processed with good availability. As usual such as from already few years the only problem for processors is strictly linked to fresh fruit price and all other costs increasing starting from energy, so at the end for the price of Lemon oil will be more important the price of the several kind of Juices.

As forecasted at beginning of crop, this year there was a little price reduction since the crazy level which Argentinean producers forced the market previously and very likely the forecast that with next crop Argentinean crop will be resumed at around 85% of an average crop, or slightly less, may induce to keep price not so high, despite the aim to get of course more money possible riding the bull market of this period.

We will see what will happen with next Argentinean crop, also because an important factor to be considered is that due to worldwide economical situation it already several weeks that USD is at its strongest levels against almost all different currencies.