



Dear Valued Customer,

The current olive campaign, which had already been foreseen difficult this summer, has proven to be one of the most extraordinary and problematic olive campaigns ever, due to the very low olive yields and high prices related to this situation in all European producing countries.

With this letter we would like to inform you about the causes of this extraordinary situation:

- Spain, the world's largest producer of olive oil and leading European producer of table olives, has recorded for the second consecutive year a decrease in olive production of approximately 50% due to poor rainfall and the consequent reduction in water resources in the agricultural sector for the irrigation of olive trees. The decreased irrigation during the summer period (more than 70%) and the increase of the temperatures has generated a condition in which the olive trees are mostly maintained in their vegetative state with a very low production capacity.
- The consequence of this enormous production reduction by Spain has generated a price increase of over 250% for extra virgin olive in the last 12 months. In addition, the depletion of stocks pushes the price forecast to continue to increase in the next few months and throughout 2024.
- Greece, the second European producer of table olives, has had a drastic reduction in production; the Halkidiki variety, cultivated in the North-East of the country in the area of the Halkidiki peninsula, has recorded an 80/85% drop in total production with a consequent increase in the purchase price of raw material of 85% in comparison to last year. The harvest campaign this year for this variety ended the first week of October.
- For the other Greek olive varieties the production is also low but since the harvest is still in process the entity of the prices increases is still not available.
- In Italy, both in Puglia and Sicily, the harvest is underway. The estimated quantity this year is 30/35% less in comparison to a normal olive campaign in both regions and for all varieties (in Sicily for the Nocellara del Belice (Castelvetrano), Nocellara Etnea, in Puglia for Cerignola, Peranzana, and Leccino). The main problem due to low rainfall is the poor yield both in quantity and size of the olives. Agricultural purchasing prices (raw material price) is increasing by 40% in both regions and is expected to increase further.

MADAMA OLIVA Srl

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Ai sensi del D. Lgs 196/03 la informiamo che i dati in nostro possesso vengono impiegati secondo le modalità previste nell'informativa. Le informazioni contenute nel presente messaggio sono destinate esclusivamente al/ai destinatario/i in esso indicato/i. Qualora riceviate il presente messaggio per errore, vi preghiamo di voler cortesemente darcene notizia via mail o fax, e di provvedere ad eliminarlo, essendo ogni utilizzo, divulgazione, distribuzione o copia dello stesso vietata dalla legge.

- Another problem that fuels the increase in the purchasing price of the dual-purpose olives, in Italy, Spain and Greece, is the price competition that has arisen in the production areas between the mills and the table olive producing companies. The mills, driven by the high market price of olive oil, offer very high purchasing prices to olive growers. The table olive producing companies, in order to get the olive lots, have to offer higher prices than the normal purchasing prices; a further element which aggravates this situation is due to the differential cost of harvesting between one destination of the olives and the other (oil versus table olives). The cost for table olives being higher by €0,30 cents per kilo due to the entirely manual harvest compared to a mechanized one.

Madama Oliva in this extremely difficult and extraordinary situation has reacted promptly, taking immediate action directly in the production areas. With its associated companies in Sicily and Greece new agreements have been made, as also special contracts with its partners, using huge financial resources to provide for the full advance payment of the raw material; in this way we will be able to guarantee supply continuity, on all cultivars, to our customers having secured stocks necessary for our needs until the next olive campaign.

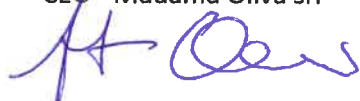
Unfortunately, for all the reasons listed above, for the huge price increases that we are facing, and for not having passed onto the market the cost increases we sustained in the last two years at various levels, we find ourselves forced to have to ask for a revision of our price lists. The Company though will absorb a large part of the increases incurred.

Certain that you will understand the reasons for our request, we thank you in advance for your continuous support.

Best Regards,

Antonio Mancini

CEO - Madama Oliva srl

A handwritten signature in blue ink, appearing to read 'A. Mancini', written over the printed name.

Carsoli, October 10, 2023

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