CALIFORNIA OLIVE FORECAST FOR 2006

The 2006 California olive crop forecast is 50,000 tons, down 65 percent from last year's crop of 142,000 tons. Bearing acreage is estimated at 31,000 for a yield of 1.61 tons per acre, down 64 percent from last year's yield. Olive growers across California are reporting that the 2006 olive crop is the worst crop in many years. If realized the crop forecast of 50,000 tons would be the smallest since 1981, when 44,900 tons were produced. From Northern counties to the Central Valley, reports of little to no crop are consistent. Both areas were heavily impacted by uncooperative winter and spring weather conditions. Extremely warm weather in January followed by freezing temperatures in February damaged fruit buds. Heavy rains and cool temperatures arrived in April and May, during the peak of olive bloom, knocking blossoms off trees and destroying any opportunity for proper pollination.

The Manzanillo and Sevillano olive varieties are expected to produce 76 percent and 20 percent of the total olive crop, respectively. The remaining 4 percent are expected to come from all other varieties. The majority of the total production will be utilized for canning. It is estimated that approximately 45,000 tons will be canned with the remaining 5,000 tons used for olive oil and other specialty products.

SURVEY METHODOLOGY

The USDA, NASS, California Field Office designed the probability survey, developed a sampling procedure, and analyzed the data. The olive industry provided grower names and last year's tonnage.

SURVEY SAMPLE

A total of 305 growers was sampled for the survey. Reports from 284 were used to establish this forecast. The sample is designed to provide a State estimate of all varieties; estimates by variety are less precise.

VARIETAL FORECAST

Growers were asked to estimate production by variety. The following table lists a varietal level forecast based on survey data.

<table>
<thead>
<tr>
<th>Variety</th>
<th>2005 Production</th>
<th>2006 Forecast</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manzanillo</td>
<td>116,000</td>
<td>38,000</td>
<td>33</td>
</tr>
<tr>
<td>Sevillano</td>
<td>20,000</td>
<td>10,000</td>
<td>50</td>
</tr>
<tr>
<td>Other 1/</td>
<td>6,000</td>
<td>2,000</td>
<td>33</td>
</tr>
<tr>
<td>TOTAL</td>
<td>142,000</td>
<td>50,000</td>
<td>35</td>
</tr>
</tbody>
</table>

1/ Includes acreage and production for varieties that were or will be used for oil and other specialty products.

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