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Press Release

COVID-19 crisis deals another blow to the already weakened European olive oil and table olive sector

European countries produce two in three bottles of olive oil consumed worldwide. Unfortunately, since the beginning of 2019, the olive oil sector has been suffering from one of the most severe price crises in history. Hundreds of thousands of olive farms risk having to abandon their activities due to a lack of profitability. Ample beginning stocks have resulted in high overall availabilities which continue to exert pressure on prices. The United States' imposition of tariffs on imports of bottled olive oil of Spanish origin has made the situation worse, weakening the global demand for EU olive oil. Adding to all that the impact of COVID-19 crisis and the slowing down of trade and closure of HORECA channels, European olive oil and table olive producers find themselves in an extremely difficult situation and call on the European Commission to adopt urgent market management tools to assist the sector.

The slowdown in exports due to COVID-19, expected to drop by 8% compared to the previous year, has resulted in larger surpluses and a greater collapse in prices throughout Europe. Despite the encouraging numbers recorded in the large-scale distribution channels, the closure of the HORECA channel triggered a drop in sales, mainly affecting high-value products. In addition, the lockdown measures have also severely affected tourism. For olive growers, the abrupt halt to tourism is a major cause for concern. Olive oil tourism, which has grown in popularity over the past few years, generates additional and diversified income for farmers, while also preventing rural depopulation. In light of this, it is absolutely essential to adopt measures to alleviate the serious market disruption that the sector is facing and to put to good use the urgent measures that the European Commission has been adopting in support of the agricultural sector. Such measures should be financed with resources coming from outside the CAP budget.

Some of the key management tools that the sector is calling on the European Commission to put in place are:

- Activation of new private storage aid for the three categories of olive oil (extra virgin, virgin and lampante olive oil).
- Reinforcement of the private storage mechanism in the CMO so that it can be activated at higher prices than those currently provided for.
- Encouragement and support by promoting the different segments of extra virgin olive oil (PDO, PGI, monovarietal, organic or produced with distinctive nutritional benefits) to enable farmers and cooperatives to achieve higher margins in the supply chain.
- Implementation of efficient quality control mechanisms at EU level and real-time traceability systems, implemented at all stages of the supply chain.

European olive producers and agri-cooperatives call on an urgent action at the EU level, as the potential damage of this crisis to all levels of the food chain risks spelling the end of a sector that is essential to the economy of the countries in the Mediterranean basin.

–ENDS–

For more information please find here the [full letter](#) sent to the European Commission.

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