EU aims to increase the quota for olive oil that arrives in Tunisia

Farmers the world's largest olive grove, Spain, und the rest of European too reject the decision of the Commission to increase by 35,000 tonnes tariff-free access of olive oil in Tunisia for two years, adding to the 56,700 t already granted to the North African country and amounts unlimited aimed at refining. In addition, there is a proposal for two years, which can not be justified by the situation of a bad campaign as before, and allows the permitted volume between once and no monthly quotas as in the current system.

This decision directly affects the market form, but not just to stabilize, because it alters a discriminatory law of supply and demand for distribution and packaging to control olive oil market. Under the guise of supporting the Tunisian economy based mainly on tourism and therefore deeply affected by the terrorist attacks they are actually favoring the purely commercial interests of olive oil

lobby.

COAG expressed his position against this measure along with the other organizations through a letter from COPA-COGECA to the European Commission where he warned of the disastrous effects for the producer sector. Advisory Committee on Olive Oil, the representative of COAG, Gregorio Lopez, and warned that the system to be approved can protect speculative maneuvers which destabilize the market. The Agriculture Committee of the European Parliament has also drawn attention to the negative consequences of the operation and the change of system.

COAG has been warning that these grants are another step in the plan to increase the quota for duty-free import of olive oil from Tunisia to the EU, with the aim of allowing free entry end of the Tunisian oil under the Agreement EU Partnership with Turkey.

Faced with such measures, which do not help the people of North African country but the commercial lobby, the production sector is asking the EU the implementation of all the COM mechanisms allowing for price stabilization, combining the balance on arrival and origin, with a guaranteed income for the growers.

Since COAG demand the upgrade price crisis for the implementation of private storage fixed at 98/99, based on production costs of almost twenty years ago. This regulatory mechanism proved successful when activated in three seasons, from 2008-2012, by speculative collapse of prices in origin by the strategy of distribution chains to use olive oil as a hook product on their shelves.

This mechanism allows the oil in a position closer to price their production costs, storing a volume of oil set by the Commission and returning to the market when there are shortages. It is controlled at all times by the Commission tool, which allows the stabilization of consumer prices and would facilitate not as high as those that have occurred in this campaign, which is what really affects consumption peaks were reached and negatively impacting the market for olive oil in our country and the EU.

Agriculture Commissioner himself, Phil Hogan, has announced the presentation in multiple forums in the first quarter of 2016 of a new package of measures to simplify the CAP and specifically its intention to simplify the rules for public intervention and private storage, given the need to act quickly in times of crisis to stabilize markets, as the current wording is subject to the adoption of a delegated act.

COAG we demand from the Commission updating the price crisis currently in force permitted by the CMO and committed by the former Minister of Agriculture in negotiating the reform of the CAP at the request of the entire sector itself.

Article 7 of Regulation 1308/2013 of the single CMO dictates that the Commission will monitor the reference thresholds set according to objective criteria, in particular the evolution of production,

production costs (in particular input) and market developments.

At present the reference thresholds for activation of private storage in the olive oil sector are € 1,779 / t in the extra virgin olive oil, € 1,710 / t in virgin olive oil and 1,524 € / t in the lampante olive oil. These thresholds are completely outdated, as attested numerous cost studies being carried out from different areas and different national and international institutions (universities, IOC, Ministry of Agriculture ...).

Source: COAG