"Spain should continue to foster the close relationship it has with the United States"

Belonging to a family saga dedicated to olive oil for decades, Joseph R. Profaci has been the executive director of the North American Olive Oil Association (NAOOA) for three years. Precisely, this association brings together the main companies present in the United States market, including Spanish companies.

Profaci is one of the most important olive oil prescribers in the US and will present the conference entitled "Why has the consumption of olive oil in the United States been parked?" which will take place within the World Olive Oil Exhibition to be held in Madrid on March 18 and 19.

With extensive experience in the olive oil sector in the United States, how do you see the current situation?

I am very concerned that the US market remains stagnant with respect to consumption; In fact, according to recent data, it seems that the number of households that buy olive oil in the US It has fallen in the last 12 months.

How do you think Trump's tariffs will affect Spanish companies?

There is no doubt that, in the short term, these tariffs will have a negative impact on the profitability of Spanish companies and farmers. Olive oil is a very price sensitive product, so, without a doubt, an increase in prices will result in a decrease in sales. As a predominant market, I am also worried

that Spanish olive oil producers move their interest towards increased sales in other markets, since that, in the long term, will be detrimental to the United States and to American consumers, which They have come to value and adore Spanish olive oils. We have already seen a large increase in shipments from Spain to Asia at the end of last year.

What strategy should Spain follow? Where should we go?

Addressing trade imbalances is a key point of the Trump Administration. In my opinion, Spain should continue to foster the close relationship it has with the United States. To the extent that the Spanish government can identify areas of common interest between the Spanish agricultural sector and the US, then it can try to promote conversations between the European Union and the United States on these issues. It will be then when Spain will be well positioned for a more favorable tariff regime.

The olive growers of Jaén are mobilizing in protest to the serious crisis of prices in origin that the sector has suffered for a couple of years. How should this problem be addressed?

I am not sufficiently informed about all the factors that are contributing to the price crisis in Spain but, from a macroeconomic point of view, I consider that increasing consumption in decisive markets such as the USA. It can help reverse negative price trends.

The agricultural associations blame the crisis to which part of the aid of Europe and the Government of Spain have been cut, while the production costs do not stop increasing. How can you deal with all this? Should we continue to depend on aid to be profitable?

I do not know if the reduction of aid has contributed to this situation, but I can say that increasing subsidies, especially in the current commercial context, could have a negative impact on relations with the US government. Although aid has been reduced in the last two decades and there has been no support for crops that have been planted in the last 15 years, the sector in the United States continues to complain about unequal competition conditions.

Why do you think consumption has stagnated in producing countries, such as Spain or Italy? What can be done to encourage it?

In the United States, consumption has stagnated as a result of a loss of confidence in terms of quality and reliability of this category and we are doing everything we can to reverse this situation, but I do not know to what extent this is so in Europe. I also understand that, as there, in the European Union consumers are cooking less and less at home, which causes a decrease in oil consumption. However, as long as people continue to eat cooked food, oil will still be necessary. Therefore, it is essential that we position olive oil as a healthier oil for both people and the planet, compared to other rival oils.

Since holding the position of executive director of NAOOA, what has been your objective?

I have had a main objective since I took the reins of NAOOA in 2017 and that has been: to increase consumption in the United States. We have tried to achieve this goal in many ways such as joining all efforts through dialogue focusing on common interests to unite a fragmented sector. From a political point of view, these efforts have made importance stressed the need for the United States to have a homogeneous identity standard for olive oil and establish an interprofessional committee to better inform and educate consumers in relation to olive oil. If we had funding from an interprofessional committee, in the United States we would be better positioned to educate consumers about olive oil, a product that has a history as broad as any other food in terms of authenticity, tradition, ritual, diversity of flavors, gastronomic versatility, health benefits and sustainability.