

WRITTEN QUESTION P-2359/09
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to the Commission

Subject: Crisis in olive oil prices at source

The olive oil sector has been plunged into a serious market crisis. The price at source is now at its lowest for the past five marketing years in nominal terms and the lowest ever in real (deflated) terms. In Spain, for example, the price of extra virgin olive oil is below EUR 2/kg and the price for lampante olive oil stands at EUR 1.7/kg, with a downward trend. A similar situation of extremely low prices at source can be found in the other Member States. The situation is further aggravated by financing problems for the storage of olive oil by producers as a result of the current crisis on the credit markets. Moreover, production costs remain at a high level despite the drop in fuel prices, and the price received by producers is so low that it does not even cover the ongoing costs of olive growing, jeopardising the survival of many olive farms. Faced with this situation of low income and high costs, olive growers cannot make sufficient profit to guarantee their continued existence. This sector plays a key role in the socio-economic fabric of European regions covered by the convergence objective, and the economy and population of areas which have been growing olives for many centuries depend on the industry's survival. Article 33 of Regulation (EC) No 1234/2007¹ enables the Commission to authorise the conclusion of private storage contracts in the event of a serious disturbance on the market in certain regions of the Community, in particular when the market price is less than EUR 1779/kg, 1710/kg and 1524/kg for extra virgin olive oil, virgin olive oil and lampante olive oil respectively. Activating this mechanism would make it possible, in critical situations such as the present one, to provide liquidity for mills and withdraw supply from the market, thereby raising prices at source and easing the situation in the sector, as called for by the main Member States and European producers and marketers at source.

Why does the Commission not allow the conclusion of private storage contracts, despite evidence of a serious disturbance on the market, as provided for in Regulation (EC) No 1234/2007?

Given that the prices referred to in Article 33 of Regulation (EC) No 1234/2007 were set in the 1997/1998 marketing year and are completely outdated, why does the Commission not propose an adjustment to this article to the Council and Parliament in order to update these prices?

¹ OJ L 299, 16.11.2007, p. 1.