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Brussels, **12 AOUT 2019**
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Dear Clara,

At the recent meeting of Comagri in which I participated, you expressed your concerns regarding olive prices in Spain.

You are, of course, quite right that prices are low and farmers are understandably dissatisfied. This is despite a modest recovery over the last month or so, though prices for virgin olive prices in Spain have decreased again recently.

This difficult situation in Spain is due to a record high level of production of 1.79 million tonnes for 2018/19 marketing year (42% increase on previous year), representing 79% of EU production and 56% of world production. As a result, driven by the increased supply and high estimated ending stocks, prices paid to producers have been steadily decreasing during the entire harvesting period reaching EUR 219.15 per 100kg for extra virgin olive oil in the first week of June. However, over the last five weeks, prices of olive oil in Spain have recovered by around 5%, to around EUR 230.29 per 100kg in the second week of July. Higher exports (both intra and extra-EU) and increased domestic consumption, combined with the first estimates for the upcoming marketing year, explain the recent increase in prices. The same price developments can be observed for other olive oil categories. Moreover, the oversupply situation in Spain is also affecting the market in other producing Member States like Greece and Portugal.

The Commission is aware of the situation and my services are in touch with the Spanish Ministry of Agriculture.

*Mrs Clara Aguilera Garcia,
Member of the European Parliament
Batiment Alterio Spinelli, 08H259,
60 rue Wiertz,
1047 Brussels*

We are continuing to monitor the price evolution very closely. There will be a particular interest on the impact of the forthcoming harvest, which starts in October.

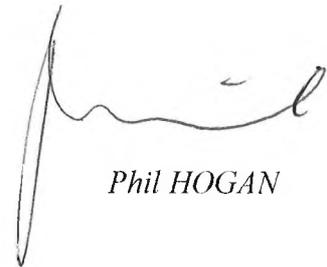
In the meantime, Spanish cooperatives have sent a request to the Commission for collective storage for olive oil under Article 209 of the Common Market Organisation Regulation. In order to fully assess this request, the Commission is seeking additional information from the cooperatives.

We are also conscious of the potential impact on olive prices arising from the possible imposition of tariffs by the US on a range of agricultural products in the context of the WTO Boeing/Airbus dispute. The impact on olive oil prices, or those of any other product, will depend on the level of any new tariffs.

In conclusion, I want to assure you that the Commission is aware of the olive oil situation in Spain and is monitoring developments closely. We are conscious of the need to ensure that the interests of the sector are protected, should the situation require it.

Perhaps, during the next plenary session of the EP in Strasbourg, we may have an opportunity to further review the situation.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Phil Hogan', with a large, stylized initial 'P'.

Phil HOGAN