

Support for Palestinian olive oil exports

Context



Over 80% of fertile trees cultivated in Palestine are olive trees. 95% of olives are turned into olive oil and over the past few years there has been a sharp increase in the quantities produced. The olive oil industry is part of Palestine's traditional culture.

Olive oil production used to be considered as a secondary source of income, but became the main source of income for 70 000 families with the second Intifada in 2000. However, the industry is disorganized and lacks professionalism. In terms of exports, Israel was formerly the main outlet for

Palestinian olive oil but has now closed its market.

Yet Palestinian olive oil enjoys high export potential. Tests have shown that it could be classified as a first-class extra virgin olive oil. In order to develop and win markets, the industry must integrate international safety and food quality constraints.

At the 17 December 2007 Paris Conference, France announced a sizeable increase in its aid to the Palestinian Territories with a 200 million euro French contribution over a three-year period.

AFD has decided to support Palestinian olive oil exports in the framework of the Trade Capacity Building Program (TCBP). This program aims to help poor countries benefit from globalization. This aid helps improve export capacities and finances institutional technical assistance.

Objectives

The project aims to improve the quality of Palestinian olive oil so that it meets the requirements of international standards and to support exports in international markets.

Project description

The project includes four components:



- To improve the productivity of producers' groups by strengthening their management capacities, training them in olive harvesting procedures and techniques and storage;
- To control the quality of oil by providing additional equipment for a test laboratory using international standards, training new taste panels and creating an international trademark;
- To obtain quality certification for Palestinian olive oil mills based on international standards in order to comply with market requirements;
- To promote exports by implementing a strategy to focus Palestinian exporters' efforts on niche markets that will have been identified.

Impacts

Improving olive oil quality and the productivity of farms, compliance with international standards and strengthening marketing skills will have positive impacts on the quantities exported and consequently on the distribution of income generated in the olive oil industry.

The project will support some 15 000 people, farmers, employees and their families. Around a hundred small farms grouped into 25 cooperatives, 10 olive mills and 5 export companies are concerned by this project.

Dates and amounts

Start-up: 2007

Financing: €1.25M grant to the Palestinian authorities represented by the Ministry of Planning and International Cooperation

Testimony



Mr. Rizq Allah, member of the Farkha organic olive oil cooperative and executive director of the new Palestinian Olive Oil Council

“Now that olive oil producers integrate European criteria into their production techniques they can export to Europe.”

“The project and training we received helped us clarify the required international standards. Now that olive oil producers integrate European criteria into their production techniques they can export to Europe.

It is a comprehensive process, we have received training in production from A to Z: how to plant, how to harvest olives, store them, process them. When all this process is finished we have a high-quality olive oil, like extra-organic oil, that we can export to Europe.

We have improved the quality of our olive oil and we can now obtain quality certificates to export our products.

However, we do come up against a lot of difficulties because of the separation wall. Some cultivation areas are very isolated. Many producers need permission to harvest their olives on the other side of the wall. The harvest period is very difficult for them. The soldiers cause problems for them and attack them. We hope to improve the quality of our oil even more, increase our exports and our income. We also hope to work in partnership with companies, because we think that if companies are included in this project, then this project will be a success.”

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