**Interview transcript A1 – Prof. marketing olive oil and cooperativism– Jaen**

**We noticed that the cooperatives here are very important. Could you explain a little bit about the history and structure of the cooperatives here in Jaen?**

Cooperativism started around 1920, as a reaction to the low prices that the people who owned olive mills in the villages. They payed low prices for the olives, the primary products. So the producers formed cooperatives to improve their position. In the 50s and 60s there was a boom, a lot of cooperatives were created. In the 80s/90s the secondary cooperatives were created to commercialize the olive oil, like JAENCOOP and DCOOP, that are very strong here. In Jaen are about 220 cooperatives that produce around 70% of the total production in Jaen, so 15% of the world production. They are very important, because the world market sometimes depends on how the cooperatives behave here. There is a weakness in the cooperative structure in Jaen, there are not enough professionals to manage the cooperatives. And also they sell a lot in bulk (mercado al granel) instead of market of origin (mercado de emvasado) (to mark where the olive oil is coming from).

Here we have the largest cooperatives, JAENCOOP, and also to DCOOP, which is the biggest of the world. JAENCOOP is the second largest. JAENCOOP is more and more selling olive oil of origin. In JAENCOOP, there is the biggest oil cooperative, nstra. Sra. Del Pilar, which is located in VIllacarrilo.

**Are there differences between the cooperatives, in scale, focus?**

Yes, in volume. There are small and large ones. There are also cooperatives that are more oriented to the market, that also provide a lot of services to their members (administrative, technical assistance, telephone, fertilizers). There are also basic cooperatives, that are just focusing on processing the olives, they leave the olive oil in their bodegas and wait for someone to buy it. There are a lot of differences. Some are better managed than other. Some have a packaging machine, others don’t. Others don’t have qualitative personnel. Some are more focused on the market and some are more focused on the producer.

**And you said there is a problem with professionals?**

Yes, in a lot of cooperatives, there are not enough professionals to manage it. In some there is, but in others no. They are not all like JAENCOOP, or Oleocampo. Or there is an interesting small cooperative, San Vicente de Mogón. They have a female leader, Mari Paz, they are doing work with the subproducts. Another cooperative that does a lot of work with subproducts, which also has a female leader, her name is Raquel, located in Noguerones, close to Martos and Alcaudete. They belong to DCOOP.

**How do they take decisions in the cooperative?**

They have a governing council, which has a president. This is based on the law of cooperatives. Every autonomous region in Spain has their own law of cooperatives. They take the strategic decisions. Then there is an assembly which consists of all the members. Some cooperatives have 2000 members, some have 300 members. Within the cooperatives there are people that have a lot of olives and some that have only a few. But in most of the cooperatives, the rule is one person, one vote, regardless of the size of farm. This can create some conflicts, because the interest of the people with a lot of olives want to sell, to get some money to cover some costs. Those with fewer olives don’t want to sell that soon, they want to wait to see if the price will rise. This is sociologically interesting, it is a mixture of different people and interests.

**And they take the decision when the majority agrees?**

Yes, they vote.

But not everyone comes when there is a voting, it is not perfect. Sometimes only 40% goes.

**Do they meet every month?**

They need to meet every half a year and then they meet when it’s necessary. They often meet before the campaign starts, to decide when the mill will open, and another to decide how much they will get paid for the olive oil. There are cooperatives that pay based on quality and other based on old systems.

**And the producers take their olives to the mills?**

Yes, the producer brings the olives to the mills, the mills don’t collect it from the fields. And the mill will only pay the producer after they sold the olive oil. There are also some cooperatives that provide credit to the members.

**And are the cooperatives and the farmers open for changes and innovation in the sector?**

There are some that are, and some that are not. I would say 50% wants to innovate, some, very few, are open to doing things with the subproducts. And other are more conservative, they just want to transform the olive into olive oil, not more. They are not preoccupied with environmental or social concerns.

**We are also interested in the pruning waste, do you think the producers will be open to do something with this?**

Now, what they are doing with the pruning waste, they leave it on the fields, but still a lot of it is left. The best way would be to process this at the olive mills to produce energy. I think some are doing something like this, but not that much.

And it is not only the pruning waste of the olive trees but also of the forests. Here in Jaen, we have a major surface of natural forest of Spain. There are 4 natural parks. The natural park of Cazorla is the second biggest in Europe. So you can use this pruning waste as well.

Some cooperatives are working with this, they are making compost. I think this will develop in the coming years. And then there is orujillo to generate electricity in the olive mills. And we are working with public buildings, to change their heating systems, to run on orujillo. Because they are public organizations, they need to be an example.

**What are the main benefits of the cooperative system in this region?**

The main benefit is that union creates more power. When you work together, the costs will be lower. And you can obtain services that you would not get when you are alone, from the cooperatives that work well. They have technical assistants, they tell you when you should put fertilizers, when you should harvest etc. When it is well organized, it has a lot of benefits.

One characteristic of Jaen is the average size of the farms, about 5 hectares. The average of Spain is 7, which is also low, but in Jaen it is lower. Because what happened here is that these 5 hectares are divided, because your parents have 5 hectares, but 3 children, so when they die, the land is divided into 3. Their children separate it as well. One problem here as well is that people are getting older, they can’t dedicate themselves to working on the field, but their children are working somewhere else. So we are doing a project, here in Jaen, is to create sectors of collaboration in the fields, without losing the property, to manage the fields together, and also to improve the sustainability, and management of residues etc. We try to organize this from the university of Jaen and with other organizations.

**Because now the farmers work all independently?**

Yes, they take their olives to the cooperatives/mills, but the harvest, pruning, management of the fields, they do all independently.

We did a project in Torredelcampo, and another in Arjonilla, where we made an agreement with some olive farmers.

**And the people are open to this?**

It takes some work, but in the end we managed to do this project. But it is the only project in Jaen now. We need to do more of these initiatives. You can talk to Antonio Ruz (605993153).

It is an interesting project, because if this works well, we can do it in other places as well.

**What are the main challenges in this system?**

I think the main challenges we have is to professionalize the sector, envasar mas (create own brands) and develop everything that has to do with sustainability, biodiversity, circularity. And also digitalization. (he sent us a report/book about this – Oleicultura jiennense mas competitiva).

Catedra aceites de Jaen (website) -> publicaciones -> libros <https://www.catedraaceitesdejaen.com/download-category/libros/>

**How do you see the issues related to sustainability?**

I think the European Green deal is an opportunity for Jaen, because now only a very small portion of the olive production is ecological. I think it will be beneficial for Jaen. It will be a shock because we need to do things differently. But I think, what they oblige us to do in Europe, will be beneficial for us. Because a traditional olive producer cannot compete with a super intensive olive producer. We need to compete based on quality and sustainability. And that can work really well in Jaen because we have 4 natural parks and 580.000 hectares of olive trees. We were doing projects, one where I went with to Holland, which is called Diverfarming (<http://www.diverfarming.eu/index.php/en/>). What we were doing was, in the middle of the olive trees you plant aromatic plants. To plant a plant that does not compete with the olive tree. And we have another project, which is called Olivares vivos, to restore the olive grove of before, with birds and fauna. If you want to talk to someone from Olivares vivo, her name is Eva, she is vice rector here in UJA. (683750075).

**This is interesting for us, because we were thinking about growing energy crops between the olive trees.**

Yes that is possible as well. We are now trying to introduce that, but it doesn’t exist yet. This is very typical for the French Provence. Here in Spain we also have a project, called olivos de miel (honey olive trees). They are doing this in Madrid.

There is another company, that is called Castillo de Canena (<https://www.castillodecanena.com/es/>)

And this you can do in the traditional system, because there is more space. This is not possible in a more intensive system. It also makes more sense in the traditional system, also in terms of landscape. It makes no sense in the intensive farms/and there is no space to do it there. If you want I can give the phone number of this company, Franciso Vañó (626922800). This is very interesting, because it has the best responsible business model in olive farming in Spain. He also speaks English very well.

**And how do you see the market of olive oil, now and in the future?**

In 20 years, the global demand has doubled. But the demand has stagnated in the past few years. This is a challenge because the global demand needs to grow. In all countries where they didn’t consume olive oil, they now value their health more. But in the producing countries the consumption is declining, because the population is getting older and older people use less oil/fat. The younger people in Spain, Italy and Greece are not consumers of olive oil. In other countries like yours, Brazil, Japan, US, etc. now are using more olive oil. Before, they used sunflower oil or other types, but medics now recommend to use olive oil instead because it is more healthy. It is paradoxically.

Another challenge here in Jaen is that, Spain exports 1.100.000 ton, Andalusia 850.000 ton, and Jaen exports 100.000 tons. But, we export cheaper, for a lower price than others. That is because we only sell 9% of the oil ‘envasado’ (under own brand). This is another challenge, internationalize more and sell more in own brands, not in bulk.

What will happen in the global market, I think the demand will increase. There will be a change in the olive farmers. There will be intensive and super intensive consumption. But there also will be farmers that will grow olives in a much more sustainable way, with less water use, preserving more the biodiversity. The traditional farms have a very big opportunity here. I would like to talk about ethic olive oil, what is important is that they sell olive oil virgin extra, that they pay fair prices, that they don’t pollute and have a circular economy. That is what the public, and especially younger people, are asking for. They want to know, who makes what we eat. And here in the country side, we are talking about ethic olive oil, with added value. We know that the virgin extra olive oil is the most healthy in the world, especially in comparison with sunflower oil or palm oil. And especially the variety of Picual. But what the people want currently is that it is produced well, ethical, with more value. I think in the future, the demand will increase. One of the challenges we have is to increase the demand of olive oil in the producing countries, and this will be done to conquer the younger people. And you can do that by focusing more on these sustainability and ethical aspects. There will be more consciousness about these topics.

There will always be people who will be looking for the cheapest option, because they don’t have enough income. But the people that can afford it, will look for the more sustainable option, especially in more industrialized countries. I see a lot of future for the olive oil.

**And are there certifications in the olive oil sector, that also focus on these more ethical aspects?**

There are a lot of certifications, but not so much focusing on the ethical aspect. We are working with Olivares vivos, that is focusing on biodynamics and organic production. There are other certifications, like halal, or other ones. The one that most people know is organic. There are also certifications that people don’t know.

**And how do you see the market of the byproducts?**

Here is also see a lot of future, but more for a local market. We sell a lot of orujillo to the UK, but normally they try to utilize the byproducts in the same location as where it is generated. In that way, it can contribute to the circular economy. I see it as a great market opportunity, that can create a lot of job opportunities.

**And what do you think of the secondary industry, where the orujillo is produced?**

They did an extraordinary job, they solved an environmental problem of the olive mills. I think that these industries, I am not that familiar with it, but I think they do important work in terms of sustainability. I don’t think they pollute a lot. These industries could have a component where they export, because they have a lot of volumes of orujillo. They can export, the olive mills not. Here in the province are only a few extractors of orujo, but there are a lot of olive mills.

**And how is your experience with projects that valorize the byproducts of olive oil production?**

There are 4 big projects, probably [name] told about this. And then there is a project called Elayo, in Castillo de Locubín (<https://www.elayo.es/>). They do a lot of interesting things with the subproducts of olive.

**What do you think of the biohub concept?**

I see a lot of opportunities for it, especially income. It has three missions, increase income, employment and sustainability. I think it will be an opportunity, also in international markets, to valorize the olive oil from this region better. This model is something you need to work on, this is where we need to go. Also not only using olive tree waste, but also by-products from the forests.

**Can this also do harm, or interrupt a system that already exist here?**

No, I think this complements. Well, it will compete with fossil industry, but we need to make the transition towards renewable energy. It could meet resistance from the big fossil companies. But I think those companies are also intelligent, they are also looking at renewable energy.

It is a fantastic model, I see a lot of future for it. You need to break some barriers, the agrarian politics need to go more in this direction. But I think that will happen, because countries like yours, and other Northern European countries are pushing towards these kind of models. That is very good, also for Mediterranean countries.

So first, go to Castillo de Canena (olivos de miel), and then call me afterwards what you think of it. Because they already do a lot of things that I see here in your model.

You have put here win-win, it is a system where everyone wins, the society, it is more sustainable, the landscape. And what it very important here is the involvement of public administration, because they are the first ones that need to use biomass for energy, they don’t need to use fossil energy.

You can always call, and we can make another appointment.

If I were you, you should visit the cooperative in Mogón and in Noguerones. And first go to Castillo de Canena.