



Direct workforce in the olive oil industry value chain.

Crop year 2008/2009



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Objective

The main objective of this study is to help better understand the impact that olive oil production and its subsequent marketing have in the creation of direct employment, thus, obtaining information on the working time generated every time consumers buy a bottle of olive oil in a large retailer.

Direct workforce costs in the extra virgin and virgin olive oil industry value chain

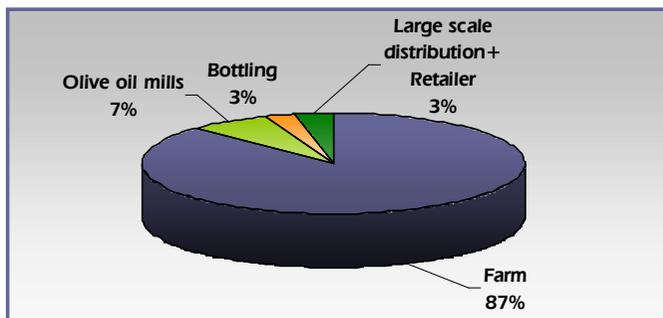
The two main products included in this value chain are defined below:

☞ **Virgin olive oil:** virgin olive oil having a maximum free acidity, in terms of oleic acid, of 2 g per 100 g, the other characteristics of which comply with those laid down for this category.

☞ **Extra virgin olive oil:** virgin olive oil having a maximum free acidity, in terms of oleic acid, of 0.8 g per 100 g, the other characteristics of which comply with those laid down for this category.



The following chart represents, both for extra virgin olive oil and Virgin olive oil, the distribution of the cost of the total direct workforce among the different links:



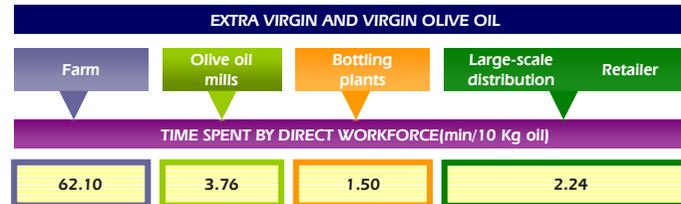
The consumption by households in hypermarkets and supermarket + self-service from the food Panel of the Spanish Ministry of Agriculture, Food and Environment (2009) has been taken into account in calculating the absolute costs of direct workforce in the distribution channel at the national level.



The total direct workforce costs in the extra virgin and virgin olive oil industry value chain amounts to 122.4 million Euro.

Time spent by direct workforce

Hourly costs represent the basic salary, calculated from the salary tables for each Professional category in the crop year 2008/09. These costs are included in the corresponding collective agreement and are increased by the cost of social security paid by the employer.



The consumption by households in hypermarkets and supermarket + self-service from the food Panel of the Spanish Ministry of Agriculture, Food and Environment (2009) has been taken into account in calculating the time spent by direct workforce per link of the extra virgin and virgin olive oil distribution channel at national level.

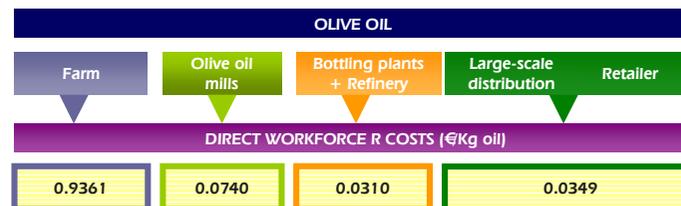


In the extra virgin and virgin olive oil industry value chain, a total of 1.66 million of direct workforce wages are generated.

Direct workforce costs in the olive oil industry value chain

The definition of the product in question in this value chain is:

☞ **Olive oil:** olive oil obtained by blending refined olive oil and virgin olive oil other than lampante olive oil, having a free acidity content expressed as oleic acid, of not more than 1 g per 100 g, and the other characteristics of which comply with those laid down for this category.



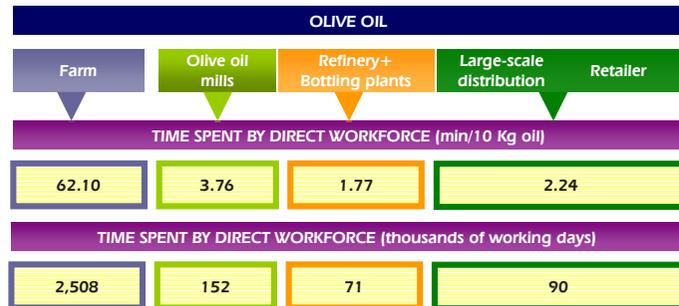
The consumption by households in hypermarkets and supermarket + self-service from the food Panel of the Spanish Ministry of Agriculture, Food and Environment (2009) has been taken into account in calculating the absolute costs of direct workforce in the distribution channel at the national level.

Direct workforce costs in the olive oil industry value chain



The total direct workforce costs in the olive oil industry value chain amounts to 208.6 million Euro.

Time spent by direct workforce



In the olive oil value chain, a total of 2.8 million working days of direct workforce are generated.

Conclusions

1. Direct workforce generated along the olive oil value chain ranges from 69.60 minutes for extra virgin and virgin olive oil and 69.87 minutes for olive oil every 10 Kg of olive oil. Time increases slightly in olive oil due to the incorporation of the direct workforce involved in refining.
2. With regard to the time generated in the various links, the time spent by direct workforce in the farm highlights (100% direct). This represents 89% of total time spent by direct workforce, in other words, 62 minutes per 10 Kg of product.
3. Between 37-43% of the price paid by consumers (RSP, VAT not included) is caused by direct workforce costs.
4. The purchase of 10 Kg of extra virgin and virgin olive oil in a supermarket or hypermarket, generates around 70 minutes of direct workforce.
5. Direct workforce generated by the production, marketing and sale of extra virgin and virgin olive oil in supermarkets and hypermarkets amounts to 1.66 million daily wages. In the case of olive oil, the figure is 2.82 million daily wages.