

Helping Local Companies Increase Olive Oil Exports in the West Bank and Gaza

IFC worked with eight olive oil companies—representing the majority of the sector in the West Bank and Gaza—to develop supply chains, improve quality, and increase exports.

IFC advised the companies on how to access international markets, obtain financing, find ways to use byproducts from olive oil processing, and reduce negative environmental impacts.

As a result, olive oil exports increased by 35 percent in the first three years of this project's implementation.

“IFC’s level of involvement and concern has been a key ingredient in the success of this project, assisting our company to increase its olive oil exports six-fold by accessing new markets.”

—Dr. Osama Odeh, General Manager of Agri Technochemical, one of the eight olive oil companies that worked with IFC



RESULTS AND IMPACT

- Increased olive oil exports by 35 percent in the first three years of project implementation, from \$3 million to \$4.4 million.
- Established cooperation between a US importer and SMEs in the West Bank and Gaza.
- Established a unified marketing framework through a new brand called Daskara which represents the industry in international markets.
- Eight local SMEs were trained on:
 - Financial management, credit, and other aspects of financing, and gained exposure to global markets.
 - Traceability standards, using a specially-developed IFC Traceability Manual. 360 farmers in the supply chain of these SMEs also received this training.
- Eight local SMEs almost doubled the retail price of their product, going from \$14 per bottle to \$23, thanks to stronger branding and marketing.
- Five out of eight SMEs that worked with IFC became ISO and HACCP certified, by complying with international food safety standards.
- 110 employees of bottling companies and their suppliers were trained on testing, packing, and export procedures for olive oil.
- Completed an environmental assessment on the use of waste water as a fertilizer.

*This series provides examples of IFC's impact, expertise and lessons learned working with clients and partners.

The Opportunity

Agribusiness and agriculture account for about two-thirds of total employment in the West Bank and Gaza. Olive oil production, in particular, is a major driver of economic growth in the region and provides jobs to more than 100,000 families.

The olive oil sector has great export potential. Production exceeds local consumption and olive oil, as a non-perishable product, is less affected by political turbulence.

However, the olive oil industry in West Bank and Gaza faces several constraints, such as weak quality control, poor packaging and labeling, inadequate supply chain links, and a lack of marketing know-how. Furthermore, the historically fragmented agricultural sector and post-conflict economic challenges make it difficult to consolidate a larger number of small growers and achieve consistent quality across the sector. In addition, current olive processing practices are particularly harmful to the environment.

IFC's Approach

IFC aims to address key challenges faced by the olive oil sector in conflict-affected West Bank and Gaza such as limited access to finance, markets and best practices. Towards this end, IFC works with farmers, millers, bottlers, producers, and related businesses and creates important linkages in the industry.

More specifically, IFC worked with eight Small and Medium Enterprises (SMEs) in the West Bank and Gaza, namely Al' Ard Palestinian Agri-Products, Al Reef for Investment and Agricultural Marketing Company, Kanaan Fair Trade, Agri-Technochemical, Zaytoon, UAWC-Olive Mountain, New Farm, Tayeba.

IFC's work with these companies aimed to:

- Increase their compliance with international food standards and implement basic traceability programs.
- Establish a framework for marketing olive oil for export.
- Enhance access to finance for producers and related businesses.
- Improve their environmental performance through waste minimization and recycling, as well as utilization of industry byproducts.

As a result of the project, a 500 ml bottle of olive oil under the newly developed brand Daskara was sold for \$23 from distributors. Prior to IFC's program, the same sellers received an average wholesale price of \$14 for the same amount and quality. Several shipments at the new price have already been made to the US, where the new brand was launched.

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector.

IFC CLIENTS Al'Ard Palestinian Agri-Products, Al Reef For Investment And Agricultural Marketing Company, Kanaan Fair Trade, Agri-Technochemical, Zaytoon, Uawc-Olive Mountain, New Farm, Tayeba