

**Advisory group on Olives and Derived Products
Draft Report of the 4th June 2012**

1. Adoption of the agenda and approval of the report of the last meeting (9 November 2011)

The minutes and the agenda were approved.

2. Commissioner's Action Plan

The Commission explained that the Commissioner's Action Plan will highlight the problems of the olive oil sector going through a difficult period. The Action Plan is still to be finalized. At present its main points are likely to be as follows:

- Support for restructuring the sector
- Improving the organization of the sector
- Quality, diversity and improvement of olive oil
- Promotion of olive oil
- Rules on labeling

The presentation of the finalized Action Plan will be made in a few weeks, more details being available then.

The President, as well as some representatives of the producers and of the traders, asked for more information on this topic. They also asked the Commission the opportunity to have a meeting and discuss this issue together before the document is finalized.

3. Presentation and exchange of views on the situation and management of the market. Provisional balance sheet 2011/12 and provisional balance sheet 2012/13 for olive oil and table olives.

Representatives of the producers presented their own figures about the market situation of olive oil:

- In Spain the next campaign doesn't look very good so far as there are lower quantities of rain than in the previous year. Therefore, the production is expected to be about 50% of the one of the previous year. There is an increase of imports as well as of exports, while the consumption in Spain is stable (although a slight increase could be observed in what concern the virgin olive oil). Concerning the prices of olive oils, a drop of approximately 20% was observed in 2011.
- In Greece, the estimates are difficult to be made at the moment, as the season is still opened. However, the prices are very low and the measures announced to reinforce the sector are rather contradictory.
- In France, the production, as well as the consumption, has been rather constant in the last few years. Concerning the estimated production for 2012/2013, a slight increase is expected, but the production is thought not be equal that of to the best production years for France.
- In Portugal a slight drop is expected as they are being confronted with low levels of rain. On the other hand, the consumption is going down because of the economic crisis.

The Commission presented its statistical documents regrouping the national data as declared by the Members States. As regards Italy, there was a discussion as to the

difference between the quantity of production declared by producers (480.000 tons) and the quantity stated by the Member State (397.000 tons)

4. State of play concerning the debate on olive oil quality, follow-up of the February meeting

The Commission presented the current situation in terms of quality. The discussions were mainly about the chemical parameters, the idea being of increasing the element of safety and of identifying the best parameters in order to safeguard the quality. The Commission also mentioned that, as concerns olive oil blends a method for the detection of fraudulent activities is being prepared by the IOC. The Commission intends also to undertake steps for the development of a research project "Detection of Addition of Extraneous Oils to Edible Olive Oils".

Another point of discussions of the February meeting was the labeling and the storage of the olive oils. The Member States expressed their opinions and the European Commission will reflect on this topic and act upon it.

An exchange of views took place after the Commission's intervention. The main topic of the comments concerned the sample taking methods and their implementations on small units as well as the need of more information to be transmitted to the sector.

5. Update on the situation presented by the IOC concerning the initiatives of the USA, Australia and Brazil concerning the quality of olive oils and the resulting problems for exports in those countries

An exchange of views took place on the situation presented by IOC. The President stated that the IOC could get more strength in getting its experience across if there were a more important European involvement.

A representative of the industry updated on the new rules in Brazil, mentioning that they could be an obstacle for the foreign producers that would like to go on the Brazilian market. The Brazilian government has agreed to accept imports of olive oils in the country only if these products have a certificate from an authorized laboratory. Therefore, the Brazilian government is going to ask for a list of accredited laboratories to test the olive oil.

The Commission commented on this topic and specified that for the time being this issue was followed closely and cautiously by the Commission.

6. Matters relating to contaminants

The President introduced the issue, pointing out the importance of addressing the contaminants. Mineral oils are ones of the contaminants of olive oils that represent a multiple problem, as they can contaminate olive oil at time of production, during the process as well as after that, in bottling or even during the transportation.

The Commission informed that there are no maximum levels for mineral oil in olive oils. There was only a maximum residues level for sunflower oil from Ukraine, which was an incidence level. Following this incident, an evaluation of the problem was carried out and in the following days after this meeting the EFSA opinion on mineral oils would be published. The discussions will start in September to establish whether a maximum level for mineral oils in food needs to be adopted.

7. State of play on negotiations with Tunisia. Impact of the Mercosur agreement for the sector

The Commission described the situation as regards the state of play with Tunisia and Morocco. The agreement with Morocco was finalized in 2009. As for Tunisia, the negotiation process started in 2008 and was stopped by the revolution. At present, the negotiations are to be retaken from the point where they were left, the objective being to finalize the negotiations by the end of the current year.

Following this statement of the Commission, an exchange of views took place, the participants stating their opinions on this topic. During this exchange a representative of the producers argued that opening doors for the outside producers could be a problem, especially since the sector was going through a difficult period. The President complained that the sector had not been properly informed. Otherwise it would have reacted in time to avoid the total liberalization of the market for the Morocco.

Commission answered to the chairman concerns by highlighting that the agreement with Morocco was signed and approved by the Council in December 2010. The European Parliament has given his approval in February 2012. During this period, three public hearings (including representatives of the European producers) have been organized in EP. In addition, during the previous four years period of negotiation between EU and Morocco, discussions and information have been done in right time and in properly for a (Council and Copa/Cogeca).

Questions were asked to see whether the Commission had taken any measures to suspend this agreement in case it did not work well.

In what concerns the negotiations with Mercosur, the Commission stated that there hadn't been any exchange of offers neither an agreement on a date to do the exchange between EU and Mercosur but EU was preparing an offer in order to be ready. The Member States will be consulted on this topic and the Commission will inform also the Olive Oil sector as the negotiations will progress.

8. Commission information on new proposals for promotion policy

The Commission gave a power point presentation illustrating the three steps that are leading to the Reform of the current promotion policy :

- Public consultation through a Green Paper (from 14/7/2011 until 7/10/2011);
- Communication form the Commission on promotion policy COM(2012)148 (30/3/2012);
- Legislative proposals (by the end of 2012) based on an ongoing impact assessment.

The Reform will aim mainly at a more appealing and assertive promotion policy, simpler management, higher European added value and greater synergy between the different promotion instruments.

A representative of the workers pointed out that the communication campaigns concerning the olive oils had to be carried out at a multi-national level so that different campaigns with the same objective wouldn't be put in place by different countries. However, a representative of the producers underlined that those multi-country programs might cause some problems as the countries that should work together have different views and approaches.

The Commission pointed out that the reform will encourage multinational management that creates synergies between/among EU countries.

A representative of the consumers suggested that the reform should include also no profit associations among the beneficiaries of promotion measures.

9. A.O.B.

A representative of the European Council of Young Farmers presented shortly their campaign that was aimed to support the young farmers and the European agriculture.

Disclaimer

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