DRAFT REPORT FROM THE OLIVE OIL CIVIL DIALOGUE GROUP ON 11 MAY 2017

APPROVAL OF THE AGENDA AND MINUTES FROM THE MEETING ON 9-11-2016

Both were approved

PRESENTATION AND EXCHANGE OF VIEWS ON THE MARKET SITUATION (PROVISIONAL BALANCE SHEET FOR 2016/2017 AND PRODUCTION PROSPECTS (2017/2018) FOR OLIVE OIL AND TABLE OLIVES AND PRICE EVOLUTION (QUOTA USE SITUATION)

DG AGRI gave a presentation in which they reported on the production situation over the last marketing year and gave forecasts for the upcoming year. DG AGRI pointed out that member states have sent in their most up-to-date data and that the situation is now clearer than in the meeting held last November. According to figures for 2016/2017, production forecasts for the whole world have dropped by 20%, whereas forecasts for the EU have dropped by 25%. As for third countries, a 6% rise is forecast. In Spain in particular, production has dropped by 6% and in Italy it has fallen by 61%. In Portugal, production has fallen by half and in Greece by a third. As for third countries, production has dropped by 6%. If we are to look at country-by-country data, we can see that Turkey's production has risen by 24%, Tunisia's has dropped by 29% and Morocco has seen a 17% fall. Imports from these countries have risen by 7%.

EU imports of olive oil dropped by 7% between October 2016 and February 2017. The main supplier of olive oil to the EU is Tunisia but its exports to the EU dropped by 9% in this period.

EU exports have shown a rising trend, with an increase of 8% over the same period, above all extra virgin olive oil under 5 litres. The main recipient of EU exports is the United States, followed by Brazil, Japan and China. Noteworthy rises in exports over this period include those to Brazil (+42%), Australia (+38%) and Japan (+11%).

Intra-community trade rose by 13% between October 2016 and February 2017. 60% of intra-community trade exports come from Spain.

End of year stocks fell by 37% in comparison with the average over the last five years.

Prices stand at roughly €4 per litre of extra virgin olive oil in Spain, €3.7 per litre in Greece and €6 per litre in Italy. On average, extra virgin prices are between 40% and 60% higher than the last five marketing years.

On this point, DG AGRI informed those present on the Combined Nomenclature change and the coming into force of tariff code differentiation for extra-virgin and virgin oils and 10-digit figures are now being provided for imports. The main olive oil category imported into the EU in the first four months of 2017 was extra virgin in bulk (85%) mainly from Tunisia. During the same period Spain also provided customs data for its exports at 10-digits TARIC code. From this data turns out that Spain exported mainly extra virgin in bulk (34%) and extra virgin in containers of 5 litres or less (33%).

The chair took the floor to congratulate DG AGRI on their work and for having presented the market figures.

DG AGRI: pointed out that the 2017/2018 marketing year could be a tense one for the production/supply balance according to initial estimates. Members were asked to assess the prospects for the upcoming year.

Fooddrink Europe Italy: pointed out that for the exploratory sector, reaching 10 digit figures would be no problem. Regarding the upcoming marketing year, it is hoped that there will be an increase in production of roughly 450,000 tonnes but we are at a very early stage in the marketing year and anything can happen.

Fooddrink Europe Portugal: we are optimistic regarding production for the upcoming marketing year. The problem is whether or not drought will continue.

Fooddrink Europe Greece: industry: we are working with an estimate of 300,000 tonnes for production. We have been facing problems in terms of quality and we are hoping that these problems will not arise in the upcoming marketing year.

Birdlife: we would like to make a request for organic production figures to be provided.

Copa Spain: production will depend on rain levels and at this current time it is too early to know. In other areas, work needs to be done on eliminating unfair trade practices from the food chain.

Copa France: following two irregular years, we are now hoping for an upcoming marketing year with the same average production levels we have seen in recent years.

Copa Croatia: in Croatia, demand for olive oil is rising but producers are unable to meet this growing demand.

CEJA: last year saw low levels of rainfall and low harvests were forecast, however, in May we saw a rise in rainfall and fruit-setting levels rose. Nevertheless, quality was poor. 2017/2018 forecasts will depend on rainfall. We are currently in a critical phase given that in coming weeks, if there is rain, production will be high. However, if there is no rain, production levels will not rise. Current prices are fair. Farmers have been losing out financially for a number of years with very low prices but now we have seen a slight rise. These prices should come as no surprise, they are what we should expect if a certain level of profitability is to be achieved. Production costs for farmers are continuously rising and if farmers are to be able to make a living from their work, prices should remain at these levels.

DGAGRI: thanked the members for the information. As for the figures on the tariff code for exports, this would not be an obligation under current customs legislation as 10 digit figures are voluntary for exports. Operators are encouraged to provide the 10 digit figures to the customs authorities.

Regarding the Tunisia quota, this quota was not used in its entirety for the first marketing year as a result of a poor harvest in Tunisia. The quote was not opened in the second year. Production levels will be assessed at the end of the year to see if they are sufficient. It was pointed out that there are no ongoing official negotiations on the olive oil quota as part of the trade agreement negotiations with Tunisia.

In response to the question on organic figures, it was pointed out that member states do not provide figures on organic production.

STATE OF PLAY ON WORK UNDER WAY ON TRADING STANDARDS FOR OLIVE OIL (CODEX, IOC)

DG AGRI pointed out that work is being done on CODEX standards and a review on campesterol limits is currently taking place. Some countries have requested changes to the current limit and changes to other parameters. A working group chaired by Argentina has been set up. Some countries have spoken in favour of a 4.5% limit and others have expressed a preference for 4.8%, such as Argentina, Australia, the USA, Canada and Brazil.

CODEX work is also focusing on reviewing standards dating back to 2003. The EU is chairing this working group.

Work at the IOC: work is being done on solvents and related hazards. Setting a best before date and ensuring that the product holder is responsible for quality are key. A working group on the organoleptic method has been set up to work on harmonising standards.

FoodDrink Europe Italia: called for caution in work done on solvents. Regarding organoleptic controls, these are not carried out correctly. A seminar on this topic is to be held in September.

Consumers: panel tests should continue. Their flaws should not cast doubt over their existence. Work should be done on harmonising CODEX and IOC standards.

Cogeca Italy: all work done on harmonising standards and improving panel tests is welcome.

CELCAA Spain: these working groups at the IOC were set up following the Milan seminar but the sector was not included.

At this stage in the meeting, a number of interventions from members were given, in which it was said that panel tests are indeed suitable but work should be done to ensure better implementation.

Chair: the whole of the sector agrees on the need to improve panel tests but no work has yet been done on proposals. Work should focus on preventative tasting with legal guarantees being investigated.

DG Agri: work is being done on a Horizon 2020 project and this will be discussed later when sensory analysis methods are addressed.

STATE OF PLAY ON XYLLELA FASTIDIOSA AND ON RELATED HORIZON 2020 RESEARCH PROJECTS

DG SANTE gave a presentation on the state of play for this bacteria and its presence in the EU. It was reported that cases had been also found in Spain. An audit in Spain was planned for this year. Discussions were also ongoing as regards the revision of some elements of the Decision (EU) 789/2015 as regards measures to prevent introduction and spread within the Union of *Xylella fastidiosa*.

Xylella Project Horizon 2020

The European Commission reported on the launch of the project on xylella fastidiosa under topic SFS-09-2016 as part of Horizon 2020. It began in 2016 and will last for four years with a €7 million budget presented by a consortium of 29 members. A meeting will be held on 15th and 16th November in Palma de Majorca.

Copa Italy: we are eagerly awaiting the results of this project. We want to start planting again in order to make up for the losses resulting from uprooting.

Commission: there is a danger that xylella fastidiosa may spread beyond the currently affected areas in Italy and this would be disastrous. Strict compliance with current rules is necessary in order to bring the bacteria under control.

Chair: encouraged ongoing work to be done on this very important topic.

PRESENTATION ON A PROPOSAL TO IMPROVE BIODIVERSITY AND SOIL EROSION IN OLIVE GROVES

EFNCP: requested a working group to discuss proposals within the CAP for improving the situation regarding soil loss. Current unsuitable farming practices lead to soil erosion, which affects the crop and also the market. Bringing about change in soil management can reverse this negative trend. According to several studies, plant cover is the best way to avoid erosion.

DG Agri: pointed out that a civil dialogue group on greening already exists, where these issues can be discussed and that furthermore, the members of this civil dialogue group can work in a joint manner and in parallel in order to generate shared proposals.

PRESENTATION OF THE LIFE PROJECT "OLIVARES VIVOS"

The representative from Birdlife presented a project currently under way in Spain on improving crop and farming practices in olive groves. Work is being done on a number of olive groves where a series of environmental measures are being implemented in order to protect fauna and flora. In exchange, products from these farms brandish a logo which certifies that this oil complies with the strictest environmental standards. The project currently covers 3604 hectares of land for extra-virgin olive oil.

Chair: producers are those who are most interested in improving farming practices. The Spanish inter-branch organisation for the sector is collaborating with this project.

NUTRITIONAL LABELLING: UPDATE ON THE IMPLEMENTATION OF THE REGULATION FOR THE OLIVE OIL SECTOR

The representative from FoodDrink Europe Spain reported that nutritional labelling has its legal basis in regulation 1169/2011. The regulation outlines a number of parameters which should be mandatory for labelling, such as energy values, saturated fats and other voluntary aspects such as monounsaturated and polyunsaturated fats.

Regarding information values outlined in article 31.4, a number of possibilities exist in this area. Analysing each consignment would not be feasible and nor would it be feasible to calculate average values known. Work is being done on how implementation can take place in Spain and once this is agreed, possibilities will be explored with other member states.

DG Agri: the options outlined in article 31.4 are voluntary requirements for operators and it is up to member states to carry out checks. If one option is valid for one member state, there is no problem in other member states applying it as well. Given that this topic is one of DG SANTE's areas, it would be better to ask them directly.

Consultation on the future CAP

DG AGRI gave a presentation on work under way in this area in order to discuss the upcoming CAP reform. The aim is to simplify and modernise the CAP in accordance with the priorities set by the Juncker Commission taking into account the current context (budget forecasts, Brexit, new Commission priorities, etc.) The aim is to focus on policies and tools that can provide added value for the whole of the EU. The public consultation has now been closed, with over 300,000 responses, most of which have come from civil society organisations in Germany. The outcome of this consultation will be presented in a conference on 7th July.

Cogeca Spain: pointed out that Brexit will leave a hole in the EU budget that will need to be filled if there are to be no cuts to the CAP. Responses should also be given their due weight, given that a response from Copa and Cogeca, representing 22 million farmers, with only two responses for the whole of the EU is not the same as other responses which have come in much larger numbers but which are much less representative.

Update on the European research project OLEUM: guaranteeing quality and authenticity

The Commission presented this project and pointed out that a specific website has been set up which includes all necessary information. The Horizon 2020 programme project started on 2nd September 2016 and will run over a four-year period, with 20 partners and a budget of €4.5 million. Several areas will be addressed, including quality and related regulations, authenticity, etc.

FoodDrink Europe Italy: reported that on 28th and 29th September, events will be held in Italy to discuss these topics.

Chair: welcomed this project. Pointed out that its content is very ambitious for the budget it has and that many harbour great expectations, despite the fact that the results may not filter down into the sector.

Commission: it is hoped that the study on tangible results in very specific topic areas such as deodorising and volatile elements will provide more information. Priorities will be made more specific as we move through the year.

Commission: closed the meeting and thanked the members for taking part, pointing out that the next meeting will be held on 25th October.