FINAL MINUTES

Meeting of the Civil Dialogue Groups Horticulture, Olives & Spirits,

OLIVES Sector

Date: 06/11/2017

Chair: Mr Rafael SANCHEZ de PUERTA DIAZ (COGECA)

Organisations present: All Organisations were present except EFFAT, EFNCP, EPHA, IFOAM, OEIT, PAN Europe, SACAR

1. Approval of the agenda and of the minutes of the previous meeting

The agenda of the meeting was approved as well as the minutes of the previous meeting.

2. Nature of the meeting

The meeting was non-public.

3. List of points discussed

a. Presentation and exchange of views on the market situation for olive oil and table olives

i. Provisional balance 2016/2017 and production prospects in 2017/2018, price developments, trade and import tariff quotas use

The Commission presented the provisional data for the 2016/2017 campaign and the forecast for 2017/2018:

- In the olive oil sector, the **EU** performed below average in 2016 but should catch up in 2017 with a foreseen increase of +9%. More particularly Italy foresees +76%, Greece +54% and Spain -10%.
- **Global production** increased, due to higher production in Egypt, Turkey and Tunisia. The latter should perform quite well (220,000 tons) and is likely to remain the first and biggest exporters of olive oil to the EU.
- As regards to **quotas for Tunisian olive oil**, 92% of the quantity awarded by the bilateral agreement was filled, and, if it will be fully used before the end of the year, 35,000 additional tons will be awarded.
- **EU exports** have been decreasing in the last three years and this was mainly due to a lower level of production. The most exported quality was the extra virgin, followed by mixes of refined and virgin olive oils.
- In the **internal market**, Italy and France are the biggest importers. Italy is the biggest importer of Spanish and Greek olive oils, while Spain is the biggest importer of Portuguese olive oil.
- **Stocks** suffered last year but should be replenished (+ 60,000 tons) this year due to a bigger harvest.
- Extra virgin olive oil **prices** remain fairly stable with a slight increase in Bari (IT), Xania (GR) and Jaen (ES). Same trends are observed for the lampante oil.

ii. Medium-term outlook

The Commission presented the preliminary results of the market perspectives for the olive oil sector in the medium term (2017-2030), that will be finalized and published in the EU Agricultural Outlook by the end of the year:

- The preliminary results show that the **world demand** has been increasing, with Asia (particularly China) being the most promising market, consequently providing impetus to the EU exports within the outlook period.
- The **domestic (EU) consumption** shows divergent trends. The further decline in per capita consumption is foreseen in the main EU producing countries (ES, IT, EL, PT). On the contrary, the consumption in the remaining MS will grow.
- The **EU production** has been increasing over the last years, as a result of ongoing structural improvements such as the conversion into more productive systems (increase of irrigated land, extension of production areas). Spain and Portugal have the biggest potential for further expansion within the outlook period.
- The evolution of **prices and their effect on consumers** is difficult to assess, new elements could also be considered: e-commerce and new purchasing trends.

- Furthermore, in following years (2017-2030), the EU production will also continue facing the extra-EU competition, climate change and water restrictions.

iii. International trade

Mr. Rafael Pico from Asoliva (Food Drink Europe), gave a presentation of the olives and olive oil trade and consumption trends at the global scale with a focus on the Spanish exports.

iv. Round table

Some of the participants disclosed the provisional data regarding the 2017 harvest:

- **Spain** had a smaller harvest compared to last year. Prices might decrease in the future, because of the competition of non-EU producing countries.
- **Italy** suffered from a bad harvest in 2016 but performed well this year. Although the high temperatures prevented the spreading of the olive fruit fly, they negatively affected the non-irrigated areas.
- **Greece** also experienced a very bad harvest in 2016 but recovered well in 2017 with double quantity compared to last year.
- **France** had an average harvest with 5,000 tons expected. The hot temperatures of the summer might have undermined the plant health.
- **Croatia** performed well (6,000/7,000 tons of extra virgin expected).
- **Portugal** had a good harvest mainly because of the widening of the total area down to olives.

Some participants highlighted the problems related to the **intensive farming** and the **irrigation** and stressed the importance of the traditional farming methods for the preservation of the landscape and the environment.

The participants noted that the declining **consumption** in EU producing countries is well-known but it has not been explained yet. All the participants agreed that it is important to study the consumption trends and interpret the results. The Commission invited the participants to present the data available in this field during the next meeting. CELCAA offered to give a presentation.

b. Information on the horizontal evaluation of marketing standards

The Commission gave an update on the current study on horizontal marketing standards:

- The evaluation **roadmap** was publicly available for stakeholders comments. 18 contributions were received, none concerning the olives sector.
- The evaluation **work** will be done by an external and independent contractor who will be responsible for the data collection and analysis.
- A broad 12 week internet based **public consultation** will be available next summer and will cover the main elements of the evaluation.
- At the end of the evaluation process, the Commission will publish the relevant documents and disseminate the **findings**, encouraging an active discussion with stakeholders.
- As regards to the olive sector the external contractor will gather information directly from relevant stakeholders.

c. Up_running project – Take-off for sustainable supply of woody biomass from agrarian pruning and plantation removal

Mr. Daniel Garcia Galindo, from the University of Zaragoza, explained the main features and aims of the Up_running project:

- The project aims to unlock the European potential of woody biomass residues produced by Agrarian Pruning and Plantation Removals (APPR) and to promote its sustainable use as energy feedstock.
- Its vocation is to increase awareness of agrarian sector and energy sector, that this biomass can be an alternative source for energy, and to reduce a general scepticism, as regard of the technical difficulties and the occurrence of non-successful experiences.
- It aims to firstly demonstrate and produce key tools, then convince the actors to be involved in APPR value chains, and finally expand APPR utilization through the involvement of multiple local actors in 7 EU countries.

d. State of play on Xylella fastidiosa

The Commission informed the participants about the state of play of the *Xylella fastidiosa* in Europe:

- In **Apulia** the bacteria (*pauca*) has affected olive trees and is slowing progressing towards north. In the buffer zone some olive trees have been infected. In the last 20 km of the infection zone only sick trees will be removed from now on.
- In **Corsica** the bacteria (*multiplex*) has affected ornamental plants and the entire island has been declared containment zone. Nursery cannot move plants out of the territory.
- In **Provence-Alpes- Côte d'Azur** the bacteria (*pauca and multiplex*) affected ornamental plants and movement restriction are in place at the moment.
- In the **Baleares** olive trees and vines have been infected. The islands have been declared containment zone and the bacteria (*pauca*, *fastidiosa and multiplex*) is now quite widespread.
- In the **Valencia** region the bacteria (*multiplex*) has affected almond trees. Movement restrictions are in place and surveys are now ongoing.
- The situation in **Germany** is under control with only 4 ornamental plants affected in some nurseries. The latter have been cleaned and no danger is foreseen.

The Commission briefly presented the new elements of the reviewed **decision 2015/789** that will soon be adopted by the Council.

The President highlighted the need to cooperate among all the relevant stakeholders and Institutions in order to fight in the most efficient way the spreading of the bacteria.

e. Information regarding the application of the Task Force Agri Market conclusions.

The Commission reminded the participants that the aim of the Task Force was to to analyse the status quo of the CAP, find good practices in the manufacture and agricultural sectors and issue recommendations on various topics (self help tools, risk management, contracts). The Task Force had in particular issued recommendations on better relations between chain operators by addressing unfair trading practices. The Commission presented the Commission's Food Supply Chain initiative, which deals with unfair trading practices, market transparency and producer cooperation. The DG Agri representative explained the Food Supply initiative and referred to the inception impact assessment and the public consultation ending on 17 November. She further explained that Member States were asked about an update of their legislation on UTPs by way of questionnaire and a questionnaire was also sent to undertakings (retailers, processors, farmers). She underlined that consumers were also explicitly consulted on their views. She informed the participants that a questionnaire has been addressed to consumer protection organisations (for further distribution to their members), raising in particular questions on the impact of UTP legislation from a consumer's point of view, e.g. in resulting in an increased trust into the food supply chain, or higher costs for the consumer.

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f. Information on future of the CAP post 2020 process and next steps

The Commission informed the participants that it will issue a communication by the end of the year on the future of the PAC. A legislative proposal will be put forward after an agreement on the Multiannual Financial Framework.

g. Information on the anti-dumping and anti-subsidy investigations initiated by the US against imports of Spanish ripe olives

The Commission informed the participants that the Commission took all the necessary steps in collaboration with Spain in order to put pressure on the US Administration. It also noted that after the preliminary determination of the Department of Commerce, the Department of Trade will call a hearing on the subject in preparation of its final determination.

The Spanish producers and traders thanked the Commission and highlighted the spill-over effect that a possible decision of the US Administration might have on other sectors. They also invited the other delegations to support all relevant efforts that will be done in the future.

The Commission assured the participants that it will consider all possible actions and will keep liaising with the Spanish authorities.

h. State of play on ongoing work on standards for the marketing of olive oil (Codex, IOC)

The Commission informed the participants on the revision of **Codex Standard 33/1981**:

- In the scope of the revision there are sections 3 (essential composition and quality factors) and 8 (methods of analysis and sampling), as well as the Appendix (other quality and composition factors) of the Standard for Olive Oils and Olive Pomace Oils.
- The first draft will be issued on 28th February 2018 and should be voted in October 2018. If the members do not vote unanimously the text will be discussed later.

The Commission informed the participants that the IOC is working on the **chemical methods of analysis** of the characteristics of the different categories of olive and olive-pomace oils and on the standards for **sensory analysis**.

The President reminded that the panel tests should not be eliminated and that a stricter legal framework is necessary for enhancing the analysis system.

4. Conclusions/recommendations/opinions

- The European olives and olive oil sector encourages all the actors involved in the containment of *Xylella* to work together.
- The European olives and olive oil sector encourage the European Commission to follow closely the Spanish ripe olives case and to explore all the possible actions in the different scenarios.
- The European olives and olive oil sector stresses the need to enhance the sensory analysis method in order to give a better certainty to consumers and producers.

5. Next steps

- The Commission will explore all the possible actions to be taken in case the US Department of Commerce puts a countervailing duty on imports of Spanish ripe olives. It will liaise with the stakeholders and Spanish Administration.
- CELCAA will give a presentation on trade and consumption trends during the next meeting of the CDG.

6. Next meeting

The next meeting is scheduled for 24th May 2018.

Annex: Presence list

LISTE DE PRESENCES
ATTENDANCE LISTE

CDG Horticulture
OLIVES Sector
06 11 2017

Nom/Name	Prénom/ First name	NAT	ORGANISATION EUROPEENNE/ EUROPEAN ORGANIZATION	Presence		
				YES	NO	
ANTONIADIS	Gregory	GRC	FoodDrinkEurope	X		
CANO	Cristobal	ESP	COPA	X		
CARRASSI	Andrea	ITA	FoodDrinkEurope	X		
CASTILLA BARO	Jose Maria	ESP	COGECA	X		
CHARDON	Antoine	FRA	FoodDrinkEurope	X		
CORRALES CIGANDA	Gonzalo	ESP	CEJA	X		
COSTA PINTO	Lucinda	PRT	ECVC	x		
CREMONINI	Angelo	ITA	FoodDrinkEurope	X		
DEL MORAL	Miguel	ESP	CEJA	X		
DI NOIA	Nicola	ITA	COPA	X		
FERNANDEZ ANDRES	Primitivo	ESP	CELCAA	X		
FORCELLA	Tullio	ITA	CELCAA	X		
GARCIA GALINDO	Daniel	ESP	Invité FCIRCE	X		
GOSSELET	Nathalie	FRA	COPA	X		
GUILLAUMIN	Yves	FRA	COGECA	X		
KYPRIANOU	Georgios	CYP	COGECA	X		
LAHITA CABRERA	Angel	ESP	EFFAT		O	
MATEOS GARCIA	Carlos	ESP	COPA	X		
MATOS MARTINS	Mariana	PRT	FoodDrinkEurope	X		
MELISSANO	Marino	ITA	BEUC	x		
MIRIZZI	Francesco	ITA	Note taker	x		
MOLINA MOLINA	Francisco	ESP	COPA	X		
NAJEV	Jaksa	HRV	COGECA	X		
OIKONOMOU	George	GRC	FoodDrinkEurope	X		
PACHECO	Jose Miguel	PRT	ECVC	X		

PAVAO	Francisco	PRT	COPA	X		
PICO LAPUENTE	Rafael	ESP	FoodDrinkEurope	X		
PINATEL	AndrÃ©	FRA	COPA	X		
PYRGIOTIS	Vasileios	GRC	COGECA	X		
QUADRO	Stefano	ITA	COGECA		O	
RADIC	Tajana	HRV	COGECA	X		
RUFOLO	Anna	ITA	COPA	X		
RUIZ GONZALEZ	Carlos	ESP	BirdLife Europe	X		
SANCHEZ DE PUERTA DIAZ	Rafael	ESP	COGECA	X		

de MORA GUTIERREZ		ESP	FOODDRINK	x		