Final minutes
Civil Dialogue Group on Horticulture, Olives & Spirits – "Olives Sector" – 31st October 2014

1. Approval of the agenda of the meeting of 10/06/14

The meeting was chaired by Mr Sanchez, Vice-Chairman of the CDG on Horticulture and previous Chairman of the Advisory Group on Olives and Derived Products.

The Commission informed the participants that due to a technical and time problem, the minutes of the last meeting of the Advisory Group on Olive Oil had not been uploaded to CIRCABC. Consequently, the minutes would be approved during the next meeting. The agenda was then approved.

2. Presentation of Civil Dialogue Groups

The **COM** explained its reasoning behind the reform of the Advisory Groups. The Commission Decision (2013/767/EU) setting up a framework for civil dialogue in matters covered by the Common Agricultural Policy was published in the OJ of the EU on 17th December 2013. Taking that as a legal basis, the Commission opened 14 calls for applications for organisations wanting to participate in the new Civil Dialogue Groups on 1st April 2014. The Commission received applications from 103 organisations. The decision on the composition of the Civil Dialogue Groups was adopted on 18th July 2014 with 68 organisations participating, which was twice as many as under the previous system. 53 seats had been allocated in most of the groups. It was not possible to switch experts between the morning and afternoon sessions of the CDG meetings.

BEUC asked a question on the timeframe of the strategic agenda and the adoption procedure of the strategic agenda.

The **COM** replied that the time and adoption procedure depended on the Chairman of the CDG, Mr José Antonio GARCIA FERNANDEZ.

The Chair of the meeting, as an indication, mentioned that comments could be submitted until March 2015 via the umbrella organisations. However, the members of the CDG would receive further and more detailed information via CIRCABC on the procedure of the adoption of the Strategic Agenda.

3. Implementation of the CAP reform in particular with regard to Article 169 of Regulation 1308/2013 on contract negotiations in the sector of olive oil

The **COM** gave a presentation on the implementation of Article 169 of Regulation 1308/2013. The new EU Regulation 1308/2013 establishing a Common Market Organisation for agricultural products modifies the rules in particular as regards the olive oil, beef and veal and arable crops sectors. The CMO regulation allows producers of olive oil, beef and veal live animals and arable crops to market their products jointly through Producer Organisations ("POs"), subject to certain conditions. There are in particular two key conditions. First, these POs should create efficiencies through common activities other than joint marketing, such as storage, distribution or transport services. Second, the volumes subject to joint marketing should not exceed certain thresholds. These rules form a new derogation to competition rules. This derogation sets a new standard allowing joint marketing by producers, which differs from the one applied under general competition law.

The Commission was drafting guidelines about potential competition law issues arising from the implementation of this new derogation. These guidelines were meant to ensure consistency across EU Member States and help producers, authorities and courts implement the new rules. National competition authorities and ministries of agriculture were already consulted on these guidelines.

The Commission will launch a public consultation of the draft text of the guidelines in early January 2015 and will invite citizens and organisations to comment on it.

Copa-Cogeca asked a question about the relevant market for olive oil.

FoodDrinkEurope inquired about the schedule of adoption of these guidelines and the way the industry could participate.

The **COM** replied that regarding olive oil, the relevant market was not specifically defined in Article 169 and it should be subject to further analyses and discussions. As regards the process of discussion, a seminar with stakeholders had already taken place in September, at which the sector was also represented.

4. Information on the oil quality and compliance checks

The **COM** informed the participants that Regulation 2568/1991 would have to be aligned with the Lisbon Treaty and divided between implementing and delegated acts. This alignement would only start when the new Commissioner had assumed his duties.

The **COM** provided an update on the meetings of the chemist experts group as well as on the renewal of the pool of private experts, on the issue with Taiwan on green colorant in olive pomace oils, on the issue on campesterol which will be discussed in the next session of the CODEX ALIMENTARIUS committee in February 2015, and on the research project on olive oil authenticity.

CELCAA asked a question about the procedure for the consortia to be chosen as regards the call for the research project.

FoodDrinkEurope mentioned that if there were any changes regarding labelling, industry needed to be informed in due time as the labels were already being prepared.

The **COM** explained the procedure regarding the call on the research project.

5. United States: status of the grade and labelling standards for olive oil in California

The **COM** informed the members about the state of play on the grade and labelling standards for olive oil, refined-olive oil and olive-pomace oil from the Olive Oil Commission of California

FoodDrinkEurope stressed that it was important for the COI to develop standards that would be followed in the whole world. The Commission needed to react.

Cope-Cogeca highlighted that the Commission needed to have a strong position.

The **COM** replied that it had already reacted to the California standards in June and a second contribution would be sent soon.

6. Information on production estimates:

- **Provisional 2013/14 and forecast 2014/15 balance sheets for olive oil and table olives, prices and export trends**
- **Information and discussion of the market situation and price trends**

The **COM** gave a presentation on the market situation. Olive oil production in the EU for the 2013/2014 marketing year was estimated to reach 2.477 thousands tonnes. The production forecasts for the next marketing year had been revised downwards because of the climate and diseases, with production expected to be no higher than 1.609 thousands tonnes, i.e. 35% less than in 2013/2014. In particular, production in Spain should go from 1,8 million tonnes in 2013/2014 to around 780.000 tonnes in 2014/2015. In Italy, production in 2013/2014 reached 460.000 tonnes and should fall in 2014/2015. Additionally, during the 2014/2015 marketing year, Portugal should maintain its production level at around 90.000 tonnes, and production in Greece should attain its usual level of 300.000 tonnes in 2014/2015 (instead of 130.000 tonnes as in 2013/2014). According to the representative from France, a drop in its production is expected, from 5,2 tonnes to 3 tonnes.

The total surface area of olive groves in the EU was 4,6 million hectares (2012 data), of which 53% was in Spain, 24% in Italy, 15% in Greece and 7% in Portugal.

The **COM** also asked all participants to contribute actively to the data that were provided.

BEUC commented that figures on consumption should be added to the data.

7. International Olive Council (IOC):

- **State of the IOC survey on the costs of production and processing in different countries**

- **State of discussions for a new agreement**

The **COM** provided further information on the work of the IOC and in particular, the ongoing work on costs of production. A first report that was discussed in the session in June and the EU requested that the report go further and also include the costs of transport from the field to the mill and cost of milling for olive oil. Another important issue was the cost of labour.

Cultivation costs vary a lot between the different producing systems, between the countries and within the countries, in particular labour and crop mechanisation. At this stage, according to IOC draft preliminary data, it seemed to emerge from the survey that less than 30% of olive oil produced has total costs at below €2, but we need to take these figures in a very cautious manner.

Copa-Cogeca inquired if this figure of €2 was per year or an average of 3-4 years.

The **COM** did not dispose any IOC document on this survey and thus was not in a position to provide further information. This survey, once completed will be presented in the Economic Committee of the IOC. If the Chairman thinks it is useful, this item can be discussed again at the next CDG meeting.

The **COM** also informed the members about the state of discussions for a new agreement. The Commission proposed adopting a one-year extension of the agreement with a road map to finish a new agreement. The IOC Presidency considers that the agreement should be extended for 2 more years.

FoodDrinkEurope stressed that the new agreement should also include non-producing countries. The IOC has a key role to play and should have the capacity to defend its standards throughout the world.

CELCAA highlighted that the new agreement should be concluded as soon as possible.

Copa-Cogeca stressed that standardisation should be a key priority.

8. Status report on olive oil: the plight of exports to India

In addition to the written contribution, the **COM** explained that imports of a number of food products, including olives to India, had been disrupted due to certain Indian standards. In particular, India was not recognising the process of oxidation in the treatment of table olive and had a specific standard on salt level (EU imports registering a lower level than the minimum required by Indian law). The EU has raised this issue with the Indian authorities in several meetings. The issue lasted a few months, and it was now completely solved, as India recognised the gap in its standards and opted for equivalence with CODEX standards. On this basis, EU olives were once again being imported into India.