



North American Olive Oil Association

Annual Report

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It's been a year of unprecedented activity for the olive oil sector and for the North American Olive Oil Association; unprecedented in both the amount and type of activity.

When the 2012 edition of this publication was printed we were a few months removed from the start of a push by domestic producers of olive oil to request the creation of a marketing order for olive oil. Though marketing orders apply initially only to domestically produced product, the domestic industry made it clear from the start it will take steps necessary to try to have the order apply to imported oil as well.

The NAOOA immediately took steps to notify the industry about the many problems marketing orders create - for imported and domestic product. The association also supported and participated in industry efforts to educate members of Congress and other government officials about the industry's concerns about a marketing order.

The domestic industry originally had hoped to file its petition in July 2012. To date, no formal petition has been filed. The NAOOA will continue to oppose any efforts to create a marketing order because of the huge trade disruptions one would cause. I encourage anyone with questions to contact the NAOOA/AFI office.

The domestic industry also convinced a retiring member of Congress to request an ITC 332 Investigation. In such an investigation, the International Trade Commission conducts an in-depth review of the requested subject/industry.

The commissioners look for any trade issues that might have an impact on the domestic industry. It costs the domestic companies nothing, as all costs related to the investigation are paid for by taxpayers.

The ITC report is due in August. Although no action can take place as a direct result of such a report, it's not uncommon that a report that cites an issue becomes fodder for the filing of something such as an antidumping duty petition. Although we don't see that as a real possibility for the olive oil sector, it was important the imported olive oil industry fully participate in this investigation to ensure the ITC report includes information from both perspectives. To that end, the NAOOA hired legal counsel to assist us. Frank Patton of Pompeain, Eryn Balch of the NAOOA and myself testified at a hearing in Washington D.C. and the NAOOA and its counsel assisted the ITC staff in arranging meetings with overseas suppliers and U.S. importers.

The NAOOA has also been faced with an issue being faced by other AFI members - pesticide residues. In general, the U.S. has set tolerances for much fewer pesticides than the EU has done. Only three pesticides, for example, have been approved for the U.S. for olive oil. Foreign shippers acting under the impression the levels set for use in the EU are acceptable here, have shipped product with residues levels well below those thresholds. However, because no level has been set specifically for olive oil here in the U.S., the product can be detained if FDA finds any traces of the pesticide, even if the pesticide is approved by the U.S. at much higher levels

for other products. The NAOOA and AFI are looking to bring this issue to the attention of regulators so that some sort of solution can be developed.

While all this has been going on, the NAOOA has continued its quality control efforts, collecting random samples of members and non-members oils and shipping them to International Olive Council-approved laboratories for testing. We've also brought some labeling issues to the attention of some companies and regulators and had some success in getting action taken to correct those issues.

Our years of testing also led us to file a lawsuit against a company that repeatedly failed the tests originated through our testing program. We're confident we will achieve a victory there.

I've given short versions of just some of the issues we've tackled in the past year. I'd like to take this opportunity to thank my fellow NAOOA executive committee members - Tom Mueller, John Akeson, Steve Mandia and Frank Patton - and the NAOOA/AFI staff, particularly Eryn Balch, for their dedication and hard work during this extremely busy period for the NAOOA and the olive oil sector.

If the NAOOA didn't exist, the issues above would either not be addressed or would be addressed in a much-less-efficient manner than we're able to do via an association. Those of you from non-member companies, I encourage you to join the NAOOA to ensure you are not only aware of industry issues but have a say in how these issues are addressed. You owe it to yourselves - and the industry. □