

# FEDERAL MARKETING ORDER FOR OLIVE OIL OUTLINE

(Draft of complete Marketing Order available upon request.)

## Marketing Order

- Federal law empowers the United States Department of Agriculture (“USDA”) to form marketing orders at the request of growers to conduct specific activities such as research and establishing quality standards

## Purpose

- Authorizes domestic olive oil growers to establish and enforce quality standards for olive oil produced in the United States.

## Establishing/Continuing the Marketing Order

- Participation by growers on drafting committee to finalize and submit the Marketing Order to the USDA.
- Following USDA approval of the Marketing Order, a grower referendum vote is held.
- If two thirds of the growers voting by number or by volume, approve the Marketing Order, the USDA Secretary (“Secretary”) issues the Marketing Order.
- The growers vote in the referendum and the processors sign an agreement to abide by the terms of the Marketing Order.
- The Secretary shall hold a referendum vote after the end of the fifth fiscal year following implementation of this Marketing Order and every fifth year thereafter, to determine whether continuation of the Order is favored by growers who have been engaged in the production of olive oil for market within the area during the current crop year.

## Definitions

- **Area:** The marketing order will apply to all olive oil produced in the States of California, Arizona, Texas, Florida and Georgia, and any other state where olive oil is produced.
- **Districts:** The geographical area of the marketing order will be divided into districts.

*District 1:* counties of Del Norte, Siskiyou, Modoc, Trinity, Shasta, Lassen, Tehama, Plumas, Glenn, Butte, and Sierra in the State of California.

*District 2:* counties of Colusa, Sutter, Yuba, Nevada, Placer, Yolo, Sacramento, Solano and Sacramento in the State of California.

*District 3:* counties of El Dorado, Amador, Alpine, San Joaquin, Calaveras, Tuolumne, Mono, Stanislaus, Merced and Mariposa in the State of California.

District 4: counties of Madera, Fresno, Kings, Tulare, Inyo, Kern, San Bernardino, Riverside and Imperial in the State of California.

District 5: counties of Humboldt, Mendocino, Lake, Sonoma, Napa, Marin, Contra Costa, Alameda, San Francisco, San Mateo, Santa Cruz, Santa Clara, San Benito, Monterey, San Luis Obispo, Santa Barbara, Ventura, Los Angeles, Orange and San Diego in the State of California.

District 6: States of Arizona, Texas, Florida, Georgia, and any other state where olive oil is produced.

*Growers vote*

*2,000  
gallons*

• **Grower**: *Grower means any person producing olives for conversion into olive oil for market.*

• **Lot**: *Lot means the total net mass of olives received in a single delivery from a grower by a processor and the oil derived from this delivery during the applicable reporting period.*

• **Processor**: *Processor means any person who converts olives or olive pomace into olive oil during any crop year and consigns, transports, ships (except as a common carrier) or in any other way introduces olive oil into any channel of trade. A processor does not include a grower who sells olive oil of his or her own production at a roadside market or at a farmers' market or a person receiving olive oil from growers and other persons and delivering the oil to a processor. - draft doesn't have them pay; some other orders do*

*20,000  
gallons*

### Who the Marketing Order applies to

- Growers who produce 2,000 gallons or more of olive oil per crop year. All other growers are exempt.
- Processors of 20,000 gallons or more of olive oil per crop year. All other processors are exempt.

### Olive Oil Committee

- 19 committee members
  - 14 grower members and 14 alternates
  - 4 processor members and 4 alternates
  - 1 public member

*2 from each district  
and one each from  
two largest growers*

- Each district shall nominate two (2) grower members and two (2) alternate grower members. Grower members will be appointed to the committee by the Secretary from the twelve (12) nominees selected by growers. The two (2) largest growers (production volume) also will be appointed to the Committee.
- Processor members shall nominate two (2) processor members and two (2) alternate processor members. Processor member will be appointed to the committee by the Secretary from the four (4) nominees selected by the processors. The two (2) largest processors (process volume) also will be appointed to the committee.
- The public member shall not be a grower or processor and will be nominated by the committee and appointed by the Secretary.

- Grower and processor members shall serve four (4) year terms and the public member shall serve two (2) year terms.
- Each member will have one (1) vote.
- Members serve without pay.

### **Assessments**

- The committee will recommend the assessment rate to the Secretary for approval. The initial recommended rate will be \$ .35 per gallon. *- would raise \$445,900,000*
- The assessment rate will be reviewed annually and can be changed following a committee vote and recommendation to the Secretary.
- Assessments will be paid by the grower. The processor who first handles the grower's olive oil shall collect and remit assessments to the committee.
- Assessments shall be paid to the committee according to procedures established by the committee and approved by the Secretary.
- The committee may charge late fees and interest on unpaid assessments.

### **Research and Development**

- The committee will work with the California Olive Oil Council and other similar entities to conduct studies, research, and development projects to improve the quality standards and markets for domestic olive oil.

### **Quality Standards**

- New quality standards will be established for olive oil produced in the United States.
- The committee will establish the characteristics for the grades of olive oil.
- Olive oil shall be inspected and samples collected prior to the initial sale.
- Processors' facilities shall be inspected to determine the volume and grade of olive oil.
- Processors will have olive oil certified under established quality and grade standards.

### **Reports and Records**

- By February 1, processors must submit records of olives received, olive oil processed by lot, and all other pertinent information related to facility operation.
- The committee may verify and audit all records submitted and shall have access to processors' premises.

- The committee will create forms for processors to report statistical information on production, processing, quality, lists of growers and other areas the committee determines to be important for the industry.
- Information reported to the committee is confidential. Only general statistical reports will be shared. The identity of processors will not be disclosed.
- The committee will generate annual reports for the benefit of the industry which may include crop estimate, carry over, crop summary and price reports.

### **Timeline of Marketing Order Operations**

#### **February**

- Processors submit to the committee:
  - periodic reports
  - report of receipts
  - report of production
  - list of growers

#### **March**

- Committee prepares reports, to include: crop estimate, crop carry over, crop summary, and price summary.
- Member meeting.
- Committee nominations.

#### **May**

- Processor facility inspection deadline.
- Processors submit inspection reports to committee.

#### **July**

- Processors submit periodic reports to committee.
- Committee conducts crop estimate, crop carry over, and market price survey.

#### **August**

- Committee releases crop estimate and marketing policy.
- New committee takes office.
- Assessments set for next crop year.

#### **October**

- Processors submit periodic reports to the committee.
- Committee prepares reports, to include: crop report, carry over report, and price report.