

# PROPOSED FEDERAL MARKETING ORDER FOR OLIVE OIL

Domestic  
interests aim to  
redefine U.S.  
Olive Oil Category

## WHAT CAN BE DONE?

Proposals for federal regulations should represent the **WHOLE** industry.

For more information on the draft marketing order details, contact NAOOA.

Be ready to add your voice to the conversation by contacting your national representatives.



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## What is a federal marketing order?

- Sets regulations for the sale of products in the U.S.
- Must be initiated by producers and proposed to USDA
- A domestic industry committee administers the order
- Administration costs are generated through assessments on “handlers”
- Today, 22 products are covered by federal marketing orders
  - 14 Fruits
  - 3 Veggies
  - 4 Nuts
  - 1 Specialty
- Sixty percent of marketing orders are subject to Section 8e, which extends the order to imports

## WHAT IS IN THE DRAFT MARKETING ORDER?

Initially, the marketing order would only apply to domestically produced olive oil. However, shortly after implementation, the committee will push for coverage of imports as well.

The order would give a domestic committee (14 domestic growers, 4 domestic processors, and 1 public member) authority to:

- DEFINE Olive Oil Standards
- DEFINE Olive Oil Testing Methods
- DEFINE Labeling Guidelines

While the olive oil industry in the U.S. is in need of enforceable standards, the federal marketing order route allows domestic interests (representing ~2% of the category) to change the global definitions of olive oil (represented by 98% of the category).

Specifically, the draft of the order proposes:

- CHANGING the IOC & USDA Standards
- CHANGING the IOC & USDA Testing Methods
- CHANGING the IOC & USDA Labeling Rules

## How would the proposed marketing order affect olive oil business?

All the changes to the globally-accepted rules come at a cost to sellers and marketers of olive oil, and inspection fees are the least of it. The changes proposed eliminate entire categories of olive oil that are accepted globally, and would minimally require labeling changes to ALL products currently labeled Olive Oil, Pure Olive Oil, and Light or Extra Light Tasting Olive Oil, which together represent about 40% of the units sold in U.S. Retail today. The Foodservice channel should take note that Olive Pomace Oil is not even included in the proposed definition of olive oil grades. Since the proposed testing methods include tests not approved by the IOC, which represents 98% of olive oil producers worldwide, these producers will need to source or provide additional testing services. The changes also require Sensory (Taste) Testing, which because of its subjective nature is typically used with an average of multiple experienced panels. At the present time, there are no IOC-certified sensory panels in the U.S. It is not clear how the domestic committee would plan to address this issue, but even one panel test, either domestic or global, adds cost, and to do it properly several experienced global panels would be needed.