

Truth in labelling of olive products

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ACCC recent press release

- **Extra virgin olive oil now true to label**
- Australian consumers can be more confident of the quality of the extra virgin olive oil they are considering buying after Australian Competition and Consumer Commission intervention.
- "Certain importers, distributors and retailers will now conduct more testing to verify that the extra virgin olive oil they supply is as claimed," ACCC chairman, Graeme Samuel, said today.
- "Consumers can pay a premium for this type of oil, which is often touted as being fresher, healthier and tastier than other cooking oils - and they should get what they pay for.

- Although currently there is no mandatory standard for extra virgin olive oil, it is widely accepted that it is the highest grade oil obtained from the first press of the best quality olives, is not blended with other oil and there are no solvents or refining in the process.
- After receiving information that a number of products sold in Australia as extra virgin olive oil may have been refined, adulterated with other oils (such as canola or rapeseed oil), or of poor quality, the ACCC conducted its own investigation.
- Tests were commissioned on a selection of imported and locally produced oils labelled extra virgin olive oil against the International Olive Council's trade standard for olive oil.

- The IOC standard defines extra virgin olive oil and sets criteria for purity and quality. While the standard is not mandatory, it is a useful and recognised guide for establishing the essential elements of genuine extra virgin olive oil.
- The results of the ACCC tests indicated that three samples were not extra virgin olive oil, as defined by the IOC. They were:
- IGA Distribution Pty Ltd's corporate brand Isabella Extra Virgin Olive Oil which was sold at IGA-branded supermarkets throughout Australia
- Paese Mio Organic Extra Virgin Olive Oil, imported by Calcorp (Australia) Pty Ltd and supplied exclusively through Coles supermarkets, and
- Aigeon 100% Extra Virgin Olive Oil, imported by Basfoods (Aust) Pty Ltd and supplied mostly to continental delicatessens and restaurants.

- The ACCC believes that by representing that these products were extra virgin olive oil each of IGA Distribution, Calcorp and Basfoods is likely to have engaged in false, misleading and deceptive conduct in breach of the *Trade Practices Act 1974*.
- As part of the court enforceable undertakings accepted by the ACCC to resolve its concerns, Calcorp and Basfoods have undertaken that, for the next three years, they will obtain a certificate of analysis from their suppliers demonstrating the product's compliance with the IOC standard, which they will then verify with independent testing, before supplying a batch of oil labelled olive oil, virgin olive oil or extra virgin olive oil.
- For the next three years, IGA Distribution will require each of its suppliers of corporate brand extra virgin olive oil to provide an annual test report that demonstrates compliance of the extra virgin olive oil with specified criteria.

- "A representation that a product is extra virgin olive oil is what I would call a 'credence claim' - consumers can't tell whether oil is extra virgin just by looking at, or tasting, it so they have to rely on the credibility of the supplier to provide truthful and accurate information.
- "The same applies for businesses that import or retail oil. Importers, distributors and retailers must be vigilant in verifying that their product is extra virgin olive oil as claimed so there is no scope for rogue producers to supply adulterated or sub-standard oils as extra virgin olive oil," Mr Samuel said.
- "On this occasion the ACCC has scrutinised importers and distributors in particular in an effort to thwart the supply of falsely labelled oils to retailers and onto customers. However each company in the supply chain can be held to account for false, misleading and deceptive conduct so I suggest all Australian suppliers of extra virgin olive oil have in place adequate processes so they can be certain that the claims they make about products they sell are accurate and truthful."

- Australian consumers can be more confident of the quality of the extra virgin olive oil they are considering buying after Australian Competition and Consumer Commission intervention.
- The ACCC has also engaged major retailer Coles in discussions, encouraging the implementation of measures to ensure the extra virgin olive oil being sold Australia wide by Coles is accurately labelled.
- In future, Coles intends to require test reports from its suppliers of proprietary brands of extra virgin olive oil annually and will verify that the test reports support the claim that the product is extra virgin olive oil.
- A copy of the undertakings provided by IGA Distribution, Calcorp and Basfoods including further background on the tests conducted by the ACCC on the subject oils and details of all measures the parties have undertaken to implement will be available on the ACCC's website.

Implications

- Those prosecuted & named are on notice
- Consumer focus - not limited to any one standard
- References those standards accepted by industry
- Must be what it says it is **on the shelf**
- ACCC is pro-education, awareness
- Hopefully this will continue
- AOA will ask accredited labs to continue

Implications

- This will encourage producers, retailers and traders to take extra care and to seek information about the Code, new tests etc.