PROPOSAL ESTABLISHING THE COOPERATIVE FOR OLIVE OIL PROMOTION

July 29, 2024

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PROPOSAL ESTABLISHING THE COOPERATIVE FOR OLIVE OIL PROMOTION

The North American Olive Oil Association ("NAOOA" or the "Petitioner") hereby submits this proposal to the Agricultural Marketing Services, U.S. Department of Agriculture ("USDA") to commence a rulemaking to establish an industry-funded promotion, research, and information program for olive oil to be known as the Cooperative for Olive Oil Promotion (the "Olive Oil Cooperative" or the "Cooperative") by publishing for public comment the proposed order ("Proposed Order") attached hereto as Exhibit 1. *

The Proposed Order will expand existing markets and advance the demand for olive oil by increasing awareness of olive oil's characteristics and values. As envisioned by the Commodity Promotion, Research, and Information Act of 1996 (the "Act") under which the Olive Oil Cooperative would be created, the Proposed Order will benefit consumers and those engaged in producing and/or marketing olive oil as well as the general welfare of the United States.

INTRODUCTION

Olive oil is becoming a part of American culture. When the President of the United States hosted the President of Kenya at a White House State Dinner on May 23, 2024, the chef designed a menu to highlight American cuisine and produce. It included American Arbequina extra virgin olive oil. https://wapo.st/3WTf6LG.

Although it has made its way into many of our kitchens and even the White House, many American consumers remain unaware of the most basic information about olive oil. A recent

* [Petitioner is filing this updated proposal dated December 9, 2024, with a copy of a previously filed Exhibit 5 redacted for privacy protection and to disclose that a statement made when the proposal was originally filed is no longer accurate (see p.34 infra).]

consumer survey revealed that approximately three in ten who viewed a bottle labeled "olive oil" said they don't know or don't believe that it was produced from olives.¹

The Proposed Order will enable the industry to grow consumption by raising awareness of olive oil's rich, varied and compelling story. Olive oil's fundamental use today is culinary, but because it can be much more expensive than other cooking oils and fats, the purchase decision depends largely on an understanding and awareness of about what makes olive oil special: what it is, how it is made, how to use it, how to appreciate its many flavors and varieties, and how it may impact our health and the health of our planet. And consumers are eager to learn more: recent research discussed below indicates that two thirds of consumers surveyed would like to know more about olive oil.

The Olive Oil Cooperative's messaging, however, will not only be directed at consumers. An equally if not more important objective will be to address the lack of awareness among the trade, health and culinary professionals, and the media, which too often leads to the proliferation of misinformation about olive oil, and inconsistent and conflicting messaging.² For this, the industry will also need to develop additional information and research, including marketing data on health, culinary applications and sustainability.

In 2022, climate change created a new set of challenges. As the USDA recently noted in its September 2023 oilseeds circular, the olive oil market has been thrust into a volatile state with record prices and potentially tightening supplies due to drought and extreme temperatures in the Mediterranean region where most of the world's olive oil is produced. Spain, which typically produces close to half of the world's olive oil, saw output for its 2022/23 harvest diminish by 50% from recent averages. California production also fell that year as farmers experienced a third consecutive year of drought and extreme wildfires creating hazardous conditions. Weather

¹ See NAOOA Labeling Study, March 2020, a copy of which is attached as Exhibit 2 at p. 37.

² Indeed, the genesis of this petition was from industry frustration over increasing misinformation in the media, often based on misstatements from members of the trade, nutritionists and putative cooking experts. Concerned that this was creating confusion among consumers, in 2017 the NAOOA reached out to the American Olive Oil Producers Association ("AOOPA"), and the two organizations collaborated on a National Attitude and Usage Report, a copy of which is attached as Exhibit 2. That collaboration led to discussions among importers and domestic producers / first handlers about the possibility of establishing a research and promotion order.

conditions improved in California during the 23/24 harvest, but that was not the case in Spain and some other Mediterranean countries. The worldwide total for the 23/24 harvest is estimated to have been 2.4 million metric tons, which is even lower than the prior year and far below the 3.4 million metric tons produced in $2021/22.^3$

The full impact that these conditions will have on demand in the U.S. market is unknown, as shelf pricing here is lagging behind the steep increase in global market prices. At this time, overall retail pricing in the U.S. is up almost 18% compared to a year ago, and there has been a drop in consumption over the same period of about 2.5%. There are signs pointing to a good harvest in 2024/25 in the Mediterranean region, but extreme weather remains a risk with harvest still a few months away. Markets remain jittery, worried what might happen if, as the referenced USDA circular also wonders, "the next harvest is similarly impacted by poor conditions."⁴

It is therefore more critical now than ever to begin communicating the olive oil story on a greater scale to support the higher prices consumers may have to pay if weather conditions continue to negatively impact production in coming years. The industry must redouble its efforts to communicate the desirable characteristics of olive oil about which research shows consumers, the trade, health and culinary professionals and the media are not aware, including the full extent of its potential health benefits, its versatility in the kitchen, and its sustainability. By increasing awareness of these values, the Olive Oil Cooperative will help strengthen consumer loyalty in the short term and increase consumption in the long term.

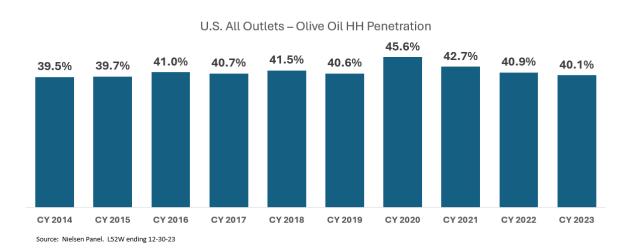
JUSTIFICATION

According to the A.C. Nielsen Panel data, U.S. household penetration—i.e., the percentage of American household purchasing olive oils in the prior year—has been stuck at around 40% for

³ HO-W901-13-12-2023-P.pdf (internationaloliveoil.org)

⁴ In a recent press release, although it is too early to predict, the NAOOA reported on some positive signs about next year's harvest. <u>NAOOA Executive Committee Sees Signs of Stabilizing Olive Oil Prices (aboutoliveoil.org)</u>

nearly ten years, meaning approximately 77 million households did not purchase a single bottle of olive oil last year.⁵



US Olive Oil Household Penetration

Michael Fox, the CEO of California Olive Ranch, one of the largest U.S. olive oil producers and most successful domestic brands, recently remarked in an <u>interview</u>, "[t]here's a huge opportunity to increase household penetration through awareness." He went on to explain that his company does what it can to educate consumers about olive oil's health benefits, taste, quality and the versatility of cooking with olive oil. He noted further, "[f]or bang for the buck, [extra virgin olive oil] is probably the best product you can buy in the store from a health component and a sustainability component."⁶

Further, the lack of consumer knowledge in the U.S. is compounded by the proliferation of misinformation. Skylar Mapes and her husband Giuseppe Morisani founded EXAU, a company in

⁵ Household penetration spiked in 2020 as many new consumers, many of whom had a heightened awareness of health issues during the COVID-19 pandemic, turned to olive oil. The penetration rate began declining in 2021 and by 2023, was back to around 40%.

⁶ Dawson, D. (2023, September 19). Data Will Define Next 25 Years at California Olive Ranch, CEO Says. <u>https://www.oliveoiltimes.com/production/data-will-define-next-25-years-california-olive-ranch-ceo-says</u>. California Olive Ranch is not a member of NAOOA.

Austin, Texas, that markets olive oil they produce on Mr. Morisani's family farm in Italy. In their recently published book called <u>The Olive Oil Enthusiast</u>,⁷ they wrote:

Misinformation about olive oil [such as the myth that you can't cook with it] has been repeatedly shared by self-proclaimed experts on the product, including influencers, health professionals, and even chefs This deception is extremely damaging to many people and businesses involved with the industry including farmers, small producers and boutique retailers. As we shared earlier, *the industry is vulnerable because it does not have the resources or platforms to battle these allegations*. [Emphasis added.]

The comments of Mr. Fox and of Ms. Mapes and Mr. Morisani succinctly make the case for the Proposed Order: to raise awareness and appreciation among consumers, the trade, health and culinary professionals, and the media of the many values of olive oil, and to address harmful misinformation (such as the widespread belief that you can't cook with extra virgin olive oil). Through such activities, the Cooperative will bring new users into the category and augment usage among those currently purchasing olive oils.

The direct beneficiaries of the Proposed Order will be companies involved in the production, marketing and/or sale of olive oil as well as consumers. In keeping with the Act's objectives, the Proposed Order aims to increase the market share of individual competitors by developing generic activities that will complement efforts being made by companies (like those of California Olive Ranch mentioned above) through their own branded advertising initiatives.

Based on input from the many companies who have participated in the many discussions about the creation of the Olive Oil Cooperative, examples of use generic assets include:

- a library of recipes created by chefs and nutritionists that can be used free of charge and royalty on among other places websites, newsletters, social media, point of purchase materials;
- a repository of professional stock images and B-roll video footage that could be used in a similar manner (e.g., websites, social media, newsletters, etc.), free of charge and royalty;

⁷ Mapes, S., Morisani, G. (2023). The Olive Oil Enthusiast: A guide from Tree to Table, with Recipes. Ten Speed Press. Ms. Mapes and Mr. Morisani's company EXAU is not a member of NAOOA.

- professional design files in the form of messaging briefs, fact sheets, recipe cards, interactive games, school education materials, etc., that can be rebranded by each industry member;
- olive oil "swag" that can be used at industry member events with tie-ins to the mission of the Olive Oil Cooperative, such as informational booklets, tasting guides, tasting cups, olive and olive oil novelties;
- training programs, online and/or in person, that can be used to educate employees, the trade, potential professional tasters, and consumers on how to taste and appreciate the diverse varieties and flavors of olive oils and best practices for olive oil storage, handling and display; and
- a library of market data and marketing research such as attitude and research studies, foodservice patron research, best-by-date research to assess performance of distribution networks, retail market basket studies, foodservice menu trends research, etc., including graphic representations of the results of such studies all of which can be used to grow sales and further marketing efforts.

As the Act recognizes, generic assets such these can be particularly useful to small companies that lack sufficient resources or market power to adequately support their own advertising efforts making a research and promotion order especially valuable for the U.S. olive oil industry in which small companies vastly outnumber larger companies.⁸

To fund these activities, the Proposed Order will raise approximately \$8 million per year in assessments on companies each of whom handle at least 5,000 gallons of olive oil or more per year, with significant and substantial support coming from all sectors of the industry, including among the importers and domestic first handlers (both NAOOA members and non-members) that would be obliged to pay assessments under the Proposed Order.

Consumers will also benefit from the work of the Olive Oil Cooperative. U.S. public health policy promotes arming consumers with knowledge to enable them to make better informed decisions about their diet and health. Olive oil is of course the cornerstone of the Mediterranean diet, and the Mediterranean-Style Dietary Pattern is one of three recommended by the Dietary

⁸ According to syndicated data on retail sales, in the 52 weeks ending April 20, 2024, there were about 494 proprietary brands that registered sales. Of those, 13 brands and the private label store brands accounted for 90% of all olive oil sold at retail—with the balance of 10% shared among 481 brands. Among U.S. olive oil producers, although only 12-15 domestic first handlers are estimated to be large enough to be required to pay assessments under the Proposed Order, there are between 200 and 400 domestic producers and/or first handlers, including many small businesses and family farmers.

Guidelines for Americans, 2020-25 ("DGA") jointly published by the USDA and the U.S. Department of Health and Human Services.⁹ The U.S. Congress has also recently expressed support for efforts to better inform U.S. consumers about olive oil.¹⁰

The Olive Oil Cooperative can thus even have a significant positive impact on public welfare. Olive oil is over a two-billion-dollar industry in the U.S. The Proposed Order would be directly beneficial to the thousands of employees around the U.S. that are involved in the production and/or marketing of olive oil, including farmers, producers, importers, distributors, retailers and foodservice operators, by increasing awareness of and therefore demand for the product. This in turn will also make it easier for new companies to enter the category—whether that means investing in additional production in the U.S. or in the marketing of existing or creation of new brands.

The indirect benefits to public welfare can also be substantial. The scientific consulting firm Exponent found that just a 20% increase in adherence to a Mediterranean-style diet, of which olive oil is the cornerstone, would save our country <u>over \$20 billion annually in health care costs</u>. Close to half of these savings result from a reduction of heart disease costs alone, with additional savings from reductions in cancer and type-2 diabetes.¹¹

The State of California similarly acknowledged that the creation of its Olive Oil Commission of California ("OOCC") would promote the public interest of its citizens by furthering their health, employment, and general welfare:

79800. The production of olives for processing into olive oil and marketing of the *olive oil constitutes an important industry of this state which provides substantial and necessary revenues for the state and employment for its citizens*.

⁹ U.S. Department of Agriculture and U.S. Department of Health and Human Services. Dietary Guidelines for Americans, 2020-2025. 9th Edition. December 2020, p. 19 and Appendix 3 (pp. 142 and 149). https://www.dietaryguidelines.gov/sites/default/files/2020-12/Dietary Guidelines for Americans 2020-2025.pdf

¹⁰ See note 32 infra.

¹¹ https://www.oliveoiltimes.com/health-news/mediterranean-diet-could-save-u-s-economy-billions/63593

79802. The maintenance of the industry in California is necessary to *ensure a continuous supply of olives and the resulting olive oil* and to ensure the needed levels of income are maintained for those engaged in the production of olives for processing into olive oil and the marketing of olive oil.

79803. The production of olives for processing into olive oil and the marketing of olive oil produced in this state is hereby declared to be a public interest. This chapter is enacted in the exercise of the police power of this state for the purpose of protecting the health, peace, safety, and general welfare of the people of this state.¹²

In sum, the creation of the Olive Oil Cooperative under the Proposed Order will benefit consumers, the industry, and the U.S. public welfare. Indeed, there may be no single agricultural product for which a research and promotion order administered under the USDA would better achieve the objectives of the Act than olive oil.

¹² Article I, California Food and Agricultural Code, Chapter 29, Part 2, Div. 22 (emphasis added).

I. <u>OBJECTIVE OF THE PROPOSED ORDER</u>

The objective of the Proposed Order is to advance the demand and household penetration in the U.S. by increasing awareness of olive oil's many desirable characteristics and values. The Olive Oil Cooperative will increase usage among those currently purchasing olive oils and entice new users into the category, furthering the assimilation of olive oil into the melting pot of American culture and spurring additional investment in American agriculture.

II. <u>SUMMARY OF PROPOSED ORDER</u>

The Proposed Order is designed to establish an effective and coordinated program of research, promotion and information for the olive oil industry. Currently, no organization in the industry has enough resources to develop and disseminate the information and marketing assets needed to increase awareness among the target audiences—i.e., consumers, the trade, health and culinary professionals, and the media—about the nature, the quality, the proper handling, storage and use, and the benefits of olive oils, and to counter the dissemination of inaccurate and misleading information that has been shown to discourage overall consumption.

A. Assessments

Under the Proposed Order, domestic first handlers and importers, each of whom handle 5,000 gallons or more of olive oil annually, will pay an \$0.08 per gallon assessment to the Olive Oil Cooperative. From such an assessment rate, it is estimated that the Cooperative will collect more than \$8 million annually in assessment revenue.

B. The Olive Oil Cooperative

The Olive Oil Cooperative will consist of twelve industry members, drawn from both domestic first handlers and importers, and one public member, all of whom shall be appointed by the USDA Secretary from industry nominations.

C. <u>Required Referenda</u>

The Proposed Order provides that the Secretary will conduct referend to ensure that the industry favors the continuation of the program, including a deferred start-up referendum to be held within three years of the establishment of the Olive Oil Cooperative.

There are two principal reasons why the Petitioner has proposed a deferred start-up referendum. First, the Cooperative could commence its work more quickly. As noted above, production shortfalls in the current 2023/24 harvest (and concerns about subsequent harvests) have already resulted in substantial price increases, creating an urgent need for industry to redouble its education and promotional efforts to maintain its current customer base and build up on it for future growth.

The second reason, as will be discussed more fully below, is that the olive oil industry is fragmented, with those operating in different sectors unused to working together toward common goals such as the Proposed Order. By deferring the referendum, companies who might otherwise be apprehensive and even distrustful of competitors will have had an opportunity to assess the extent to which the Olive Oil Cooperative was able to operate efficiently and achieve the purposes of the Proposed Order for the benefit of all sectors before being asked to cast a ballot.

To help assure the success of the deferred referendum, six industry leaders representing both importer and domestic producer interests have already formed a self-styled "blue ribbon panel" to develop recommendations that the Olive Oil Cooperative, once appointed, might use as a resource to expedite its work.¹³ Topics the panel intends to address include prioritizing the challenges to be addressed by the Cooperative; crafting proposed bylaws and other operating policies; proposing office locations; suggesting potential partner agencies (e.g., public relations

¹³ The panel represents diverse factions of the industry, including three members who are with NAOOA members, and three that are not; three members whose companies are domestic first handlers that are members of the Olive Oil Commission of California which represents the largest producers/first handlers in California; and one member whose company imports and sells olive oil in bulk.

and advertising); and identifying options for management personnel. To date, the panel has held two meetings, elected a leader, and plans to meet monthly for the next several months.

III. INDUSTRY ANALYSIS

Given its already significant place in the U.S. cooking oil sector, and the potential for further growth, the United States is widely recognized as the most important olive oil market in the world. It has recently surpassed Spain to become the second highest olive oil consuming nation in the world behind Italy.¹⁴ The growth of olive oil consumption here is a recent phenomenon that can largely be attributed to research conducted by Dr. Ancel Keys from the University of Minnesota in the 1950's. Keys reported finding a significantly lower incidence of cardiovascular disease in Crete, which he attributed to the fact that the population followed a particularly healthy eating pattern that later became known as the Mediterranean diet, of which olive oil is the primary dietary fat.

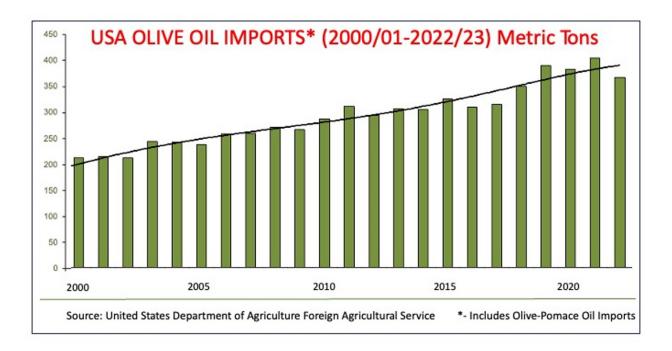
Media reports on the benefits of olive oil and the Mediterranean diet spurred a strong increase in olive oil consumption across mainstream America in the last two decades of the 20th century. In 1990, U.S. olive oil imports totaled about 100 thousand metric tons. Over the next 10 years, as consumers became aware of olive oil's potential health benefits, that amount doubled to 200 thousand metric tons. The sudden increase in consumer awareness and interest in olive oil in the 1980's also spurred investments in domestic olive oil production.¹⁵

The explosive growth in olive oil consumption during the 1990's slowed to a more sustainable rate beginning around the year 2000. The following chart shows U.S. olive oil imports

¹⁴ US Surpasses Spain as Second-Largest Olive Oil Consumer - Olive Oil Times

¹⁵ In the 1980's, virtually all olive oil consumed in the U.S. was imported. That's because although the olive tree was introduced in the United States by Spanish missionaries in the 1700's, the olive tree was primarily cultivated to produce table olives.

from 2000 to 2022, indicating that consumption roughly doubled again at a fairly consistent growth rate over the twenty-plus year period.¹⁶



A. Imported Olive Oil

1. Volumes

According to <u>International Olive Council data</u>, from 1990 to 2023, U.S. olive oil imports have increased from 90 thousand metric tons to a projected 362 thousand metric tons, with a calculated compound annual growth rate (CAGR) of 4.3% over the 33 year period, and 1.8% over the past 10 years.

¹⁶ Import volume is a good albeit imprecise measure of U.S. consumption since domestically produced olive oil accounts for less than 5% of U.S. demand. Given the stagnant household penetration numbers over the past 10 years, the fact that growth has remained relatively stable over that period is an indication that olive oil consumers are satisfied with the product and are using more.

2. <u>Value</u>

The value of olive oil imports varies from year to year due to price fluctuations. Based on access to U.S. Customs data, S&P Global Marketing (PIERS) estimates that the calculated value of total olive oil and olive pomace oil imports in 2023 was \$2.3 billion, up from \$1.7 billion in 2022.

3. Countries of Origin

Spain is by far the world's largest producer of olive oil, typically accounting for around half of the world's production. Spain and Italy are the major exporting countries to the United States, followed by Tunisia, Portugal, Turkey, and Greece. In recent years, South American countries have become significant exporters to the U.S., driven in large part by the retail market share growth of California Olive Ranch which began to market blends of California olive oil and imported oils from South America around 2018.

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
ITALY	137727	127218	129376	117389	106798	112406	119736
SPAIN	124464	100843	134443	129766	112739	153386	101175
TUNISIA	15245	45579	26271	15116	40305	29748	85905
PORTUGAL	1252	1106	1230	1215	1896	3976	34363
TURKEY	6701	3544	4014	14681	26635	20768	18004
GREECE	5519	7454	8735	9401	9247	11292	11139
ARGENTINA	8616	6477	7062	12855	8022	5579	8802
CHILE	4507	5144	5401	6986	6997	6132	6839
MOROCCO	4257	9459	10521	3682	4387	8594	6348
LEBANON	1231	1071	1414	1285	1473	1394	1603
ISRAEL	205	298	549	478	550	458	980
AUSTRALIA	940	952	308	529	790	981	731
NETHERLANDS	252	290	429	304	334	494	383
PERU	81	173	173	208	555	192	206
SYRIA	64	91	278	87	134	74	167
FRANCE	168	67	105	369	135	83	133
Others	1112	1406	1061	2409	1202	625	404
Total	312341	311174	331370	316759	322199	356183	396919

Major Olive Oil Exporters to the U.S. 2013-2020 MT (000) (source, International Olive Council)

4. Size of Companies

In 2022, there were 515 importers of record that were identified by name, with the top 16 companies accounting for 55% of total imports by volume. Of the 515 identified importers of record in 2022, 441 would have met or exceeded the 5,000-gallon threshold recommended in the Proposed Order.¹⁷

¹⁷ On a significant number of entry reports, accounting for 25% of total imports, the importer of record is not identified by name, but instead listed as "to the order of shipper." It is not known how many if any of the 515 identified importers may have been designated by the shipper as importer of record among these entries, and the extent of the volume for each.

B. Domestic Olive Oil Production

Starting before the turn of the 21st century, consumer awareness of California olive oil grew substantially, and many domestic producers began to build goodwill around the "made in California" brand to successfully grow their businesses. The distribution of California olive oil products at retail and foodservice spread around the country. In turn, more and more investments were made in the production of California olive oils. The California Olive Oil Council ("COOC"), a trade group which was founded in 1997 with 45 members, grew to close to 400 members by the period 2014-19.¹⁸

In 2014, the State of California established the OOCC with the primary goal of promoting the sale of olive oil grown in California by setting strict quality standards for domestic producers. Today, geared to the production of highly quality-controlled extra virgin olive oil, domestic producers satisfy a small, but competitively significant part of total U.S. demand. This year, the Olive Oil Times reported that companies from five U.S. states won awards at the New York International Olive Oil Competition. While states like Georgia, Arizona, Florida, Texas, and Oregon have seen some growth in mostly small-scale olive oil production, they still represent a niche segment within the broader domestic producer industry centered in California which is estimated to produce 99% of U.S. production.

It is significant to note that despite its relatively low share of global production, California olive oil had the second-highest favorability rating (after Italian olive oil) among American consumers according to the National Attitude and Usage Study conducted by the NAOOA and AOOPA in 2018. See Exhibit 3 at p. 37. Indeed, the domestic industry has succeeded in its consistent efforts to build a reputation for high quality olive oils under the "made in California" brand.

¹⁸ There are far fewer members of the COOC today, as the organization has recently undergone substantial changes and reorganization.

1. Geographic Distribution

The production of olive oil in the U.S. is concentrated in California (which on information and belief accounts for approximately 99%), with production in several other states including Georgia, Texas, Arizona, Oregon, and Florida comprising the balance.

2. Volumes

The following data on California olive oil production is derived from the annual budget reports of the OOCC for the crop years from 2017/18 to 2022/23.¹⁹

CALIFORNIA OLIVE OIL PRODUCTION			
Harvest	Volume		
Season	Gallons	Metric Tons	
2022-23	1,873,239	6,466	
2021-22	3,088,357	10 <mark>,</mark> 661	
2020-21	1,907,475	6,585	
2019-20	3,628,528	12,526	
2018-19	1,624,464	5,608	
2017-18	3,377,129	11,658	

3. <u>Value</u>

The OOCC does not issue value reports. However, California Agriculture Statistics Review, 2021-22 published by the California Department of Food and Agriculture,²⁰ provides the following information:

¹⁹ NAOOA lacks data on the 1% of domestic production that comes from other states.

²⁰ CDFA 2022 Ag Report at pg. 77.

Non Citrus Fruit Utilized Production and Average Grower Return, 2012-2021					
	Construction Construction		Juice or	Crushed	
	Crop	Crop Year	Quantity	Value	
			Tons	\$/Ton	
			Crushed fo	r Oil	
Olives		2012	74,000	550.00	
		2013	75,000	582.00	
		2014	57,700	614.00	
		2015	101,000	723.00	
		2016	97,700	706.00	
		2017	101,000	810.00	
		2018	35,500	566.00	
		2019	77,710	698.00	
		2020	44,190	791.00	
		2021	54,390	764.00	

4. Size of companies

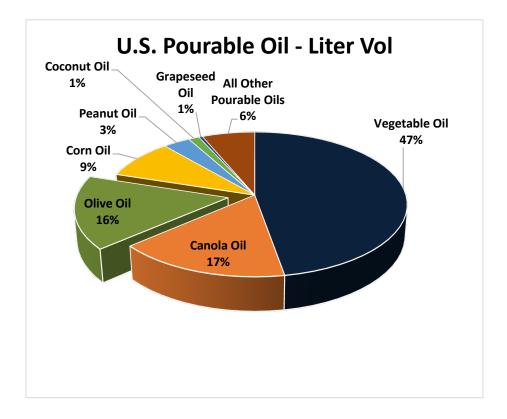
Public data regarding the number and size of domestic first handlers is currently unavailable. As noted above, it is believed that there are a few hundred producers and/or first handlers in the United States. It is estimated that only approximately 12-15 of these domestic first handlers—i.e., the <u>members of the OOCC which constitute the largest first handlers in the State</u>—will meet the 5,000-gallon threshold in the Proposed Order. Based on internal information and belief, the production of these first handlers make up 90% or more of total U.S. production volume, with the top 4 or 5 producers potentially accounting for as much as 80% of the total production.

C. Retail Olive Oil Market Data

The following data, based on an April 20, 2024 report covering the prior 52 weeks, including sales from all outlets (source, A.C. Nielsen), provide context on the olive oil retail market.²¹ For the period, total U.S. pourable oils sales were \$5.1 billion, comprising 985 million liters in volume. Olive oil's share of the total pourable oil sales was approximately \$2 billion and 165 million liters. Private label sales (not including the significant volume sold by Costco and Trade Joe's) accounted for 33% of the market by sales dollars. In terms of branded sales, a total of 13 brands accounted for approximately 57% of olive oil sales dollars (which together with private

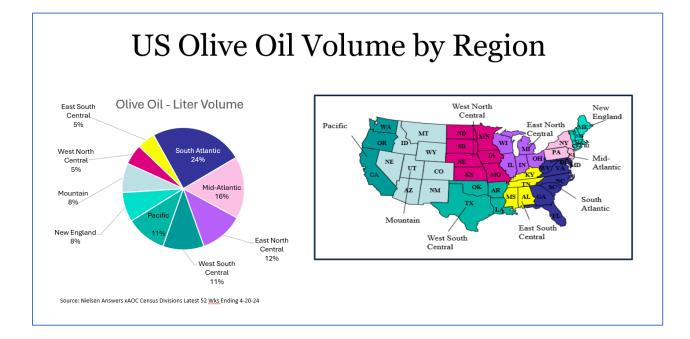
²¹ The numbers do not, however, represent the entire retail market, as the data from some important olive oil retailers, such as Costco and Trader Joe's, are not included.

label share, accounts for 90% of sales). Reflecting the fragmented nature of the olive oil industry, approximately 481 brands account for the remaining 10% of olive oil sales dollars.



In terms of geographic distribution, 63% of total olive oil sales volume was in the markets comprising the East and West Coasts, states which account for approximately 52% of the U.S. population.²²

²² <u>US States by Population - WorldAtlas</u>



IV. MARKET CHALLENGES AND SOLUTIONS

As noted above, according to A.C. Nielsen consumer panel data, the percentage of American households purchasing olive oil has been flat for nearly 10 years despite olive oil's widely recognized health and culinary benefits. Thus, increasing household penetration is one of the industry's principal challenges. Further, there is work to be done in increasing the usage of olive oil among the households that are purchasing it. Estimates of per capita annual consumption in the U.S. are between one and two liters while in some of the other largest consuming countries, per capita consumption is higher by a factor of ten or more; in Spain, for instance, per capita consumption is 12 liters per year.²³ Finally, as indicated above, East and West Coast states that make up 52% of U.S. population account for a disproportionate amount of olive oil purchased at retail.

A. Olive Oil Industry Impediments to Growth

From the industry discussions over the past several years, a consensus has arisen on the key factors that are impeding growth in olive oil household penetration and consumption: lack of

²³ Spain Reclaims Top Spot as Largest Olive Oil Exporter to U.S. - Olive Oil Times

knowledge, widespread misinformation, lack of available marketing data, and the lack of research and information on health, culinary applications and sustainability.

1. Lack of Knowledge.

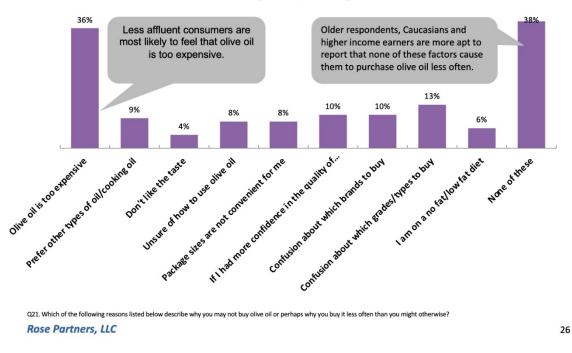
As discussed above, olive oil is relatively new to the American pantry. Consequently, olive oil knowledge is lacking among the American consumers and trade buyers who are now purchasing it, the media that are reporting on it, and the health professionals who are providing guidance on its use as part of recommended healthy eating patterns.

The Olive Oil Cooperative will be able to focus on raising awareness of the desirable characteristics and values of olive oils to justify its higher price compared to other cooking oils. In the 2018 National Attitude and Usage study commissioned by the NAOOA and AOOPA, price was considered the number one reason consumers don't purchase more olive oil.

"Price" is the primary reason consumers don't purchase more olive oil – as 36% played this back.

Notably, nearly 4 in 10 have no reason for purchasing olive oil less often.

Reasons for Purchasing Olive Oil/Purchasing Less



See Exhibit 2 at p. 26.

To help consumers better appreciate the value olive oil offers, the Olive Oil Cooperative would focus on what consumers have demonstrated are the most important factors in their buying decisions: taste and quality, healthiness, natural characteristics, culinary versatility and sustainability. The Cooperative would also need to help consumers understand why there is such a wide range of prices among different grades and types of olive oils.²⁴ The same type of information must be conveyed also to the trade, including culinary professionals.²⁵

²⁴ Olive oil is a category where there are "good, better and best" qualities—and pricing reflects this, with some extra virgin olive oils being sold for multiples of lower priced options.

²⁵ The NAOOA recently contracted with The Culinary Institute of America to conduct research among culinary professionals to better understand what this sector knows and doesn't know about olive oil. From the twenty-two interviews that were conducted, it became clear that this target group of professionals also demonstrated a surprising lack of knowledge about the different grades and qualities of olive oil available, how they are made, how they

i. Taste and quality. According to recently reported consumer research (hereafter, the "OnePoll Research"), more than half of consumers say that taste is the single most important factor on which they base food choices (55.15%). Extra virgin olive oils are like wines in that they have a wide range of taste and quality, which can depend on factors such as the variety of olive from which it was produced, the geographic region and climate in which the olives were grown, and the time and manner of harvest and milling. While all extra virgin olive oils must have some fruitiness flavor, they can run from mild and buttery gentle oils to bitter and peppery robust ones that can even make a consumer cough when swallowed without food.

Consumers and the trade should also be taught how olive oil taste is associated with its potential health benefits. Indeed, the flavor of an extra virgin olive oil such as its pungency is related to its content of micronutrients such as polyphenols that are unique to olives such as oleuropein and oleocanthal, and which are associated with additional health benefits beyond those attributed to olive oil's healthy lipid profile.

Examples of how the Olive Oil Cooperative would educate around taste can take many forms, beginning with creating generic content assets such as those discussed above. From the many industry discussions that led to this Proposed Order, other possibilities were discussed as well, such as conducting or facilitating olive oil tasting events in person and online (including sponsoring more formal training sessions for employees, the trade and professional tasters), organizing a fleet of educational food trucks that travel to parts of the country where olive oil awareness is low in order to offer samples and information, and establishing technological resources (such as apps) that can be used by both experts and consumers to critique and rate olive oils.

perform and how sustainable olives and olive oil production are relative to each other and to other oil crops. In fact, many culinary professionals cling to the discredited and unfounded belief that you shouldn't or can't cook with extra virgin olive oil and fail to appreciate the differences between extra virgin olive oil and refined olive oil product. A copy of the CIA Cooking with Olive Oil Project 2022-23 Survey Summary is attached as Exhibit 4. To address these issues, this year the NAOOA has pledged a grant to The Culinary Institute towards the creation of an olive oil curriculum to help train faculty and future chefs and other foodservice professionals about what they need to know about the use of olive oil in their kitchens. The Olive Oil Cooperative could build upon and expand this work to include other culinary educational institutions.

ii. **Health Benefits**. According to the OnePoll Research, the percentage of U.S. consumers saying health was an important factor in choosing what foods to eat was a close second to taste (54.50%). Olive oil is rich in monounsaturated fats, antioxidants, polyphenols, and other bioactive compounds (e.g., unique olive polyphenols) that research has shown can have positive effects on cardiovascular health, inflammation, cognition, insulin regulation, and overall well-being. Evidence from NAOOA research shows however, that while many consumers believe olive oil to be a heart healthy choice, they don't understand why that is, nor do they appreciate the many other healthful properties of olive oil.

The Olive Oil Cooperative will work within the regulations of the Food and Drug Administration and Federal Trade Commission to increase consumer awareness of olive oil's health benefits. There can be little doubt that U.S. consumers would buy more olive oil if they better understood the extent of research on olive oil and olive oil's role as the cornerstone of the Mediterranean diet, which as noted above is the foundation for one of the dietary eating patterns recommended by the DGA — and which <u>U.S. News and World Report</u> has voted the best diet for 7 years running.

iii. **Culinary Versatility.** Olive has been a staple in Mediterranean countries for millennia, where it is the primary fat used for food preparation, including sauteing, roasting, baking and even frying, and as the base for sauces and as condiment for prepared foods. It even is routinely used cosmetically to treat skin and hair.

Americans' lack of knowledge of how to use olive oil is apparent from the same Wakefield Research poll mentioned above: high percentages of consumers (even among those already using olive oil) are eager for more information such as how to use olive in recipes, the extent to which olive oil can be used like other cooking oils they may be more familiar with, and whether different olive oils have different uses—all topics that can be addressed effectively by the Olive Oil Cooperative. Greater familiarity with olive oil (including among culinary professionals) will lead to higher usage among current olive oil users and make it easier for new consumers to enter the category. In addition, by educating consumers about the ways olive oil can be used, they will come to appreciate how olive oil flavors can impact culinary experiences and improve the palatability of other healthy foods. Antonia Trichopolou, MD Ph.D., Professor Emeritus of the University of Athens School of Medicine and Adjunct Professor of Epidemiology at Yale University School of Public Health (sometimes referred to as the "godmother" of the Mediterranean diet) has observed that the reason those who follow the Mediterranean dietary eating pattern consume a lot of vegetables is because vegetables are more delicious when cooked in olive oil. "We [Greeks] don't like vegetables any more than you Americans do," Dr. Trichopolou remarked, tongue-incheek.

iv. **Natural Characteristics**. Today, consumers are demonstrating that they prefer products that are produced naturally over those that are not. The OnePoll Research found 61% of respondents said that they actively sought out foods with fewer preservatives or processed ingredients within the last year, and 42% reported they have been buying more "natural" foods. Indeed, after taste and health, consumers ranked how natural a product is as the most important factor in food choice.

What constitutes a "natural" cooking oil product can encompass many characteristics, such as: a product's minimal use of pesticides, chemicals, and preservatives; being produced from non-GMO ingredients; and the extent of processing. Consumers are largely unaware of the extent to which olive oils—especially extra virgin olive oils—possess these natural characteristics, and knowledge of this would enhance how they value olive oils when making purchase decisions.

v. **Sustainability.** Research shows that sustainability is fast becoming another important factor on which consumers base food choices.²⁶ There is a compelling need to provide information about the minimal impact that producing olive oil, especially extra virgin

²⁶ See, e.g. <u>https://sentientmedia.org/climavore/</u>

olive oil has on the environment. Olive oil's sustainability story begins with the fact that all olive oils—all grades and qualities—are the product of a permanent crop, which according to the Food and Agriculture Organization of the United Nations typically has many sustainability advantages over non-permanent crops, such as:

- Year-round soil protection and lack of soil disturbance;
- Deep rooting systems, stable soil structure and soil health;
- Increased nutrient availability & efficiency with deeper roots;
- Yields not consistently high but consistent, but overall farm income is higher from diverse sources such as multi-purpose crops;
- Increased water infiltration & more effective water cycle;
- Greater potential to capture and store carbon;
- Greater biological diversity above and below ground;
- Reduced labor & reduced inputs; and
- Greater flexibility in adopting novel farming systems which can increase diversity, reduce risk & redirect labor to livelihoods.²⁷

Just as other competing commodities are addressing the sustainability of their products, the Olive Oil Cooperative will be able to educate all target audiences about olive oil's sustainability values, as well as supporting research to improve the sustainability practices of producers.

2. Widespread Misinformation.

In addition to the lack of information, the proliferation of misinformation about olive oil is another important impediment to growth. Accordingly, the Olive Oil Cooperative will want to focus on eradicating the false and misleading information that is regularly reported in both traditional and social media that discourages consumers from choosing olive oils for their cooking oil needs. To address this problem, NAOOA instituted a reputation management program to counter negative false and misleading coverage with accurate information to dispel consumer misconceptions. Each year, NAOOA's compiles a compendium of correction requests and results. (A copy of 2023 compendium is attached as Exhibit 4.) The most prevalent types of misinformation that damage consumers' appreciation of olive oil are those relating to olive oil's

²⁷ https://www.fao.org/fileadmin/templates/agphome/documents/scpi/PerennialPolicyBrief.pdf

suitability for cooking,²⁸ the claims of widespread distribution of "fake" adulterated products and the idea that olive oils can be detrimental to health and lead to weight gain.

The important but limited success that NAOOA has had in countering misinformation as demonstrated in Exhibit 4 highlights the necessity for a well-funded comprehensive education program established by the Olive Oil Cooperative under the Proposed Order.

3. Lack of Market Intelligence and Marketing Strategies.

The Olive Oil Cooperative can actively gather market intelligence by analyzing consumption trends, import/export volumes, and consumer preferences for healthier cooking alternatives to enable it and the industry to better understand and leveraging the increasing popularity of the specialty olive oil category. Research will enable the Olive Oil Cooperative to employ geographically focused campaigns to achieve measurable outcomes. Research can also allow the Cooperative to assess and if needed improve how the supply chain in the U.S. is able to maintain product quality from the manufacturer to the shelf. Through market intelligence, the Cooperative will be able to bolster industry credibility, present measurable results within a defined time, strengthen industry standing, and drive adoption in targeted areas.

The Olive Oil Cooperative will also be able to leverage existing validated research to immediately launch impactful marketing endeavors. Notably, messaging that emphasizes olive oil's non-GMO status, minimal processing, as well as certain potential health benefits has been found to be particularly influential in motivating increased olive oil purchases, especially among lower-income households.

The information that the Olive Oil Cooperative could develop would also enable olive oil companies, including smaller companies that do not have access to such information, to bolster their own sales and marketing. Sharing information on market dynamics could serve as a valuable

²⁸ A key resource for countering this misinformation was a white paper on the culinary uses of olive oil recently produced by the Culinary Institute of America which surveyed the appropriate uses of olive oil, including how to fry with olive oil.

 $[\]frac{https://static1.squarespace.com/static/5c5482a394d71a98976ca5a6/t/5d13931a5e3ccf00013df68e/1561563931589/C}{IA+Olive+Oil+and+the+Plant-Forward+Kitchen.pdf}$

resource for the industry to make informed decisions, optimize trade relationships, and enhance marketing initiatives.

4. Lack of Research on Health, Culinary Applications and Sustainability.

The establishment of an Olive Oil Cooperative is crucial for funding research initiatives that are needed in the U.S. market, particularly with respect to health, culinary applications and sustainability. For sustainability, through additional research, the industry can learn how better to mitigate its environmental impact, align with global sustainability goals, and contribute to a greener and more responsible future.

Regarding health, the Olive Oil Cooperative could conduct research and create assets with the assistance of scientists, health professionals and dietitians which may lead to information that might support an industry effort, apart from the Cooperative, to establish additional qualified health claims in accordance with FDA regulations and guidance. As an example, such research could further study the role of olive oil consumption as part of the Mediterranean diet eating pattern in the reduction of the incidence of type 2 diabetes (such as in the case-cohort nested within randomized trial known as the PREDIMED²⁹) among other chronic diseases. It could also research the association between positive health outcomes and the minor nutrient components of olive oils like olive-specific polyphenols and squalene, a lipid which is abundantly present in all grades of olive oils.

The Olive Oil Cooperative holds the potential to make a substantial contribution to advancing nutrition and health research, which could greatly benefit progress in this field. Olive polyphenols have been shown to have multiple health benefits on which the European Food Safety Agency based an authorized health claim (such as the promotion of cholesterol health including

²⁹ Ruiz-Canela, M., Guasch-Ferré, M., Toledo, E. *et al.* Plasma branched chain/aromatic amino acids, enriched Mediterranean diet and risk of type 2 diabetes: case-cohort study within the PREDIMED Trial. *Diabetologia* 61, 1560–1571 (2018). <u>https://doi.org/10.1007/s00125-018-4611-5</u>

protection from LDL³⁰ More research is needed on squalene, a relatively unknown antioxidant for which olive oil is one of the few natural sources, and which has been associated with several beneficial health properties.³¹

B. Efforts to Address Impediments to Growth Have Been Inadequate.

The impediments to growth of the olive oil industry are well understood, but adequately addressing them has proven to be difficult for two reasons that the Proposed Order can remedy: lack of adequate funding and a fragmented industry that often results in inconsistent and potentially confusing messaging.

1. Lack of Adequate Funding.

As noted, most importers and domestic producers are small companies that operate on shoe-string budgets that are too small to meaningfully address the impediments to growth. The relatively few olive oil companies that have appreciable marketing budgets are most likely to spend their funds promoting their own brands—and not promoting the generic values and benefits of olive oils since doing so also benefits their competitors.

The lack of sufficient funding to address the impediments to growth is thus the principal reason to establish the Olive Oil Cooperative. Associations such as NAOOA have historically

³⁰ Scientific Opinion on the substantiation of health claims related to polyphenols in olive and protection of LDL particles from oxidative damage (ID 1333, 1638, 1639, 1696, 2865), maintenance of normal blood HDL cholesterol concentrations (ID 1639), maintenance of normal blood pressure (ID 3781), "anti-inflammatory properties" (ID 1882), "contributes to the upper respiratory tract health" (ID 3468), "can help to maintain a normal function of gastrointestinal tract" (3779), and "contributes to body defences against external agents" (ID 3467) pursuant to Article 13(1) of Regulation (EC) No 1924/2006 EFSA Panel on Dietetic Products, Nutrition and Allergies (NDA) First published: 08 April 2011, https://doi.org/10.2903/j.efsa.2011.2033. See also, Tsolaki M, Lazarou E, Kozori M, Petridou N, Tabakis I, Lazarou I, Karakota M, Saoulidis I, Melliou E, Magiatis P. A Randomized Clinical Trial of Greek High Phenolic Early Harvest Extra Virgin Olive Oil in Mild Cognitive Impairment: The MICOIL Pilot Study. J Alzheimers Dis. 2020;78(2):801-817. doi: 10.3233/JAD-200405. PMID: 33044178.

³¹ José J. Gaforio, Cristina Sánchez-Quesada, Alicia López-Biedma, M del Carmen Ramírez-Tortose, Fernando Warleta, Chapter 26 - Molecular Aspects of Squalene and Implications for Olive Oil and the Mediterranean Diet, Editor(s): Victor R. Preedy, Ronald Ross Watson, The Mediterranean Diet, Academic Press, 2015, Pages 281-290, ISBN 9780124078499, <u>https://doi.org/10.1016/B978-0-12-407849-9.00026-9</u> (https://www.sciencedirect.com/science/article/pii/B9780124078499000269)

undertaken efforts to address some issues at least on a small scale. The NAOOA's reputation management program, discussed above, is one such effort. In addition, NAOOA has for each of the past few years conducted limited market and consumer research, including some of the research results which have been described above. But the resources available for this are also limited; in 2023, the NAOOA, which is by far the largest olive oil trade association in the U.S., had a budget of only \$300,000 for promotional activities and research and strategic communications. Other olive oil associations and trade groups are smaller and have much smaller budgets than NAOOA.³²

Based on import and production records from 2022, it is estimated that the Cooperative would collect over \$8 million in assessments. Even if administrative functions accounted as much as 10% of assessments, the industry would have well over \$6 million annually for funding research and promotion activities consistent with the Proposed Order—an amount that would be more than twenty times the NAOOA's 2023 budget for such activities. The Petitioner believes that the amount of funding available would be very effective in achieving the objectives of the Proposed Order.

2. Industry Fragmentation.

In addition to the lack of funding, however, industry fragmentation makes addressing the impediments to category growth even more challenging. Fragmentation exists because the olive oil industry has historically been comprised of stakeholders who tend to be extremely passionate about the products that they produce and/or market. Consequently, there are partisan divisions among domestic producers and foreign producers and/or their importers. Partisan divisions also exist among foreign producers from various regions around the world—even among different regions within single countries. Furthermore, there are commercial divisions between small artisanal producers and larger industrial producers. Finally, there are sharp differences among some of those who produce and/or market different grades of olive oil.

Partisan and commercial divisions within the olive oil industry promote competition and a healthy exchange of ideas among market participants. Too often, however, these same divisions

³² The OOCC is entirely precluded by law from spending any assessments it collects on marketing and promotion.

lead to competing voices proliferating mixed and conflicting messages (some of which may even be inaccurate) when promoting one product or one olive oil segment over others.³³ Conflicting messages create confusion among consumers which makes it more difficult to grow the category.

The establishment of the Olive Oil Cooperative will give the various segments of the industry an opportunity to work together, avoiding confusing mixed messages to expand the market for the benefit of all, and to do so with confidence knowing that USDA oversight of the Cooperative will ensure fiscal responsibility, program efficiency, and fair treatment of participating stakeholders.

V. INDUSTRY SUPPORT

As noted above, the key stakeholders in the olive oil industry began exploring the creation of a national Olive Oil Cooperative in 2018 following the NAOOA and AOOPA's collaboration on a consumer research project. In 2019, to explore the idea of a research and promotion order further, AOOPA arranged a meeting at USDA headquarters in Washington, D.C. to which it invited representatives of the NAOOA and the OOCC. Discussions ensued over the next few years among these and other industry associations and stakeholders, including the COOC, who took part in several meetings and webinars. As a result, support for the proposal gradually began to gain traction across the many sectors of the industry.

A timeline of discussions follows:

³³ Examples of cases where the messaging from different segments of the olive oil industry may be inaccurate or misleading include labeling or other advertising that suggests that some olive oils that are lighter in taste contain less fat or calories, or that olive oils that are blends of oils from different origins are inferior oils with lower or no health benefits compared to oils sourced from a single estate, region or country.

Olive Oil Cooperative Timeline

Mar 2018	\rightarrow	Completion of A&U Study with AOOPA
April 2018	→	NAOOA meeting at USDA
Sept 2018	→	NAOOO meeting with COOC in Dixon CA
Feb 2019	\rightarrow	NAOOA presentation to AOOPA members
June 2019	\rightarrow	Discussions with AOOPA at NAOOA meetings in New York
Sept 2019	→	Meeting at USDA in DC among NAOOA, AOOPA and OOCC
Jan 2020	→	Presentation to AOOPA and COOC members at NAOOA meeting in SF
Mar 2020	→	NAOOA shared outline proposal of R&PO with AOOPA
Sept 2020	→	AOOPA provides suggested changes to outline proposal
Oct 2020 – Apr 2021	\rightarrow	NAOOA continues internal discussions and with USDA
April 2021	\rightarrow	NAOOA accepts most AOOPA changes to proposal
June 2021	\rightarrow	Meeting of NAOOA and AOOPA/COOC Task Force (SOI priority discussed)
Feb 2022	→	AOOPA/ NAOOA webinar for industry
June 2022	→	NAOOA webinar meeting with USDA and other R&PO heads
Oct 2022	→	COPIA meeting with AOOPA, COOC, and OOCC
Feb 2023	→	NAOOA and AOOPA Task Force Meeting
Sept 2023	>	NAOOA Presentation at OOCC meeting

During the long arc of this process, a common vision emerged: that a properly organized and managed Olive Oil Cooperative could foster growth in consumption by increasing awareness and appreciation of olive oil. As a result, there is now significant support among both importers and domestic first handlers who support the establishment of an olive oil research and promotion order and urge the USDA to commence a rulemaking by publishing the Proposed Order for public comment. Further, although they would not themselves be paying assessments under the Proposed Order, there is similar widespread support among other companies and groups who are themselves stakeholders in the olive oil industry, including smaller domestic first handlers and large U.S. retailers.

A. The Proposed Order Maximizes Support and Minimizes Opposition

The Proposed Order seeks to address all the significant concerns that were raised during the given and take on the topic over the past several years:

• For those domestic first handlers who expressed concern about adequate representation, efforts were made to maximize the potential representation of domestic first handlers on the Olive Oil Cooperative board, with 4 of the 12 industry seats—i.e., 25% even though domestic production constitutes less than 5% of the olive oil consumed in the United States.

- An assessment credit is proposed to minimize the "assessment fatigue" expressed by some domestic first handler / producers in California, where those who first handle 5,000 gallons or more annually pay \$0.16/gallon to support the research activities of the OOCC.
- For those who expressed hesitation about working together with companies they view as competitors (e.g. those selling other grades of olive oil instead of only extra virgin olive oil or oils from different origins), the Proposed Order provides for a "trial period" by deferring the enabling referendum. This will enable the Olive Cooperative to show that it can function harmoniously and effectively prior to asking the industry to vote on whether to support the continuation of the Cooperative. The Proposed Order also expressly provides that one or more companies can petition the Secretary to modify the Order (or obtain an exemption from having to pay assessments) if it is being operated in a manner inconsistent with the Act or remove a member from the Cooperative if such member's continued service would be detrimental to the achievement of the purposes of the Order or the Act.
- The Proposed Order also seeks to address the concerns of those who believe Cooperative should only be concerned with extra virgin to the exclusion of other olive oil grades. Restricting the scope of the Proposed Order to just extra virgin olive oils is not a viable option; unless the assessment rate were to be raised substantially, the Cooperative would be ineffective due to insufficient funding (approximately 25% of olive oils consumed in the U.S. are not extra virgin). Further it would serve to increase the price difference between extra virgin and other grades and allow companies marketing other grades to benefit from the Cooperative's work as "free riders" since many qualities of olive oil, though not all, apply to all grades. Nonetheless, to alleviate these concerns, the Proposed Order provides the express right to petition the Secretary to modify the program if it is being operated in a manner inconsistent with the Act and gives the Olive Oil Cooperative the authority to modify and/or suspend the assessments on particular grades.
- Finally, the Proposed Order also addresses concerns expressed by some that the establishment of an Olive Oil Cooperative should wait until a mandatory national olive oil standard of identity (SOI) is promulgated.³⁴ The existence of an SOI is not a prerequisite to a research and promotion order; The National Honey Board is a good example of how a program can be effective even without one. But to address the concern that the Cooperative could not educate consumers in a consistent manner about the different grades of olive oils in the absence of an olive oil SOI,

³⁴ In 2022, to help educate buyers and to protect consumers, leading stakeholders in the industry petitioned the U.S. Food and Drug Administration to establish an olive oil SOI. <u>https://www.regulations.gov/docket/FDA-2022-P-1457</u>. In March 2024, Congress passed an appropriations bill urging FDA to move forward on the petition, finding that the "establishment of a uniform set of standards would better inform and protect consumers." <u>https://www.congress.gov/118/crpt/hrpt124/CRPT-118hrpt124.pdf</u> A mandatory standard, however, would not automatically educate people itself. Therefore, if the SOI petition is successful, the Olive Oil Cooperative will be able to use the information in the SOI as part of its education efforts. the Proposed Order expressly provides that until an SOI is promulgated, the Olive Oil Cooperative should use the grade definitions and labeling conventions laid out in the USDA's voluntary standards for olive oils and olive-pomace oils in its promotional and informational programs.

Having addressed these various concerns in anticipation of the public comment period, Petitioner believes the Proposed Order strikes an effective balance between the accommodation of diverse perspectives and the creation of an Olive Oil Cooperative that will be able to meet the needs of the industry.

B. Evidence of Support.

As a result of the long process with frequent open exchanges of ideas leading up to this application, there is now significant support across both importer and domestic first handler sectors to start a rulemaking by having the USDA publish the Proposed Order for public comment.

Industry Support. —The NAOOA itself provides evidence of the breadth of industry support for the Proposed Order. The NAOOA is by far the largest olive oil trade association in the United States, representing well over half of all olive oil sold here. Although eight of the top ten olive oil importers in the U.S. are NAOOA members, the NAOOA reflects among its members the diversity of the entire sector (and the industry fragmentation discussed above). Among NAOOA's 58 olive oil company members are large, medium and small members which include five of the top ten retail brands as well as many member companies that operate in the much smaller specialty segment.³⁵ Nearly half of NAOOA members market extra virgin olive oils to the exclusion of other grades³⁶ and more than ten percent (10%) of NAOOA members are domestic olive oil producers and/or first handlers.

Prior to submitting this Petition, the NAOOA conducted an internal survey, and the results were conclusively in support of the Proposed Order. Of the 37 regular NAOOA members

³⁵ In fact, NAOOA recently created a distinct "specialty" olive oil section within the NAOOA, for which it licensed the use of the Extra Virgin Alliance ("EVA") name. Nearly twenty (almost a third) of NAOOA members have products that have qualified for the EVA section.

³⁶ These companies' interests are substantially aligned with many domestic producers and first handlers that also only market extra virgin olive oils.

that responded to the survey, 34 voted in favor and three abstained. There were no votes in opposition. The 34 members who voted in favor included all eight of those NAOOA members among the top ten importers, as well as 13 members who exclusively sell extra virgin olive oils.

Further, all six NAOOA members that are or are affiliated with domestic producers and/or first handlers also support the Proposed Order. The three largest ones are McEvoy Ranch, O Olive Oil (which is owned by NAOOA member Colavita USA) and Sunrise (which is an affiliate of NAOOA member Pompeian), each of which handle over 5,000 gallons of domestic olive oil and part of the COOC. In addition to those three, NAOOA's producer / first handler members who support the Proposed Order include Bondolio Olive Grove, CVRanches, and Emblem Olive Oil.³⁷

There is also significant support for the Proposed Order coming from non-NAOOA member domestic producers and first handlers. These include two that are also COOC members, Cobram Estate Olives Ltd. ("CBO") and Sciabica Family California Olive Oil.* Leandro Ravetti, joint CEO of CBO, which is one of the largest producers of olive oil in the United States and belongs to AOOPA, the COOC and OOCC, sent an email letter of support to USDA Under Secretary Jennifer Moffitt on December 1, 2023, stating:

For the past few years, the North American Olive Oil Association (NAOOA) has been engaging with our company and other domestic producers, seeking to collaborate on a research and promotion order for olive oil by arranging conferences, webinars and meetings including several that representatives of USDA have attended. The process has come to the point where NAOOA has drafted a proposed order based on input from those various discussions and circulated it among the various stakeholders including domestic producers like CBO....

.... Our company recognizes the value that a R&PO could bring to the industry if properly executed and, in principle, supports the process of establishing one. Through our interactions with the industry, we believe that many other domestic producer/handlers are supportive of the concept, too.

³⁷ Chasity Pritchett, who is the owner and principal of Emblem Olive Oil, is a contractor for the USDA Agricultural Marketing Services FNS.

^{* [}UPDATE: Sciabica Family California Olive Oil Company became a member of NAOOA on 09/25/24.]

I believe that the process to this point has been inclusive and constructive and has resulted in a proposal which deserves to be published for comment among the broader industry. It is only then that USDA will understand the scope of support that exists both among domestic producer/handlers and importers.³⁸

Sciabica Family Olive Oil, founded in 1936 and the oldest continuously operating olive oil miller in the United States, has also informed the NAOOA that it supports the Proposed Order. Other smaller companies (not COOC members) have as well, and these include The Groves on 41, Mooney Farms and Durant at Red Ridge Farms.

NAOOA has further reason to believe that there is or will be additional significant support for the Proposed Order among other domestic producers and first handlers. Although AOOPA as an association has not endorsed the Proposed Order, in February 2023, it conducted an anonymous survey of its members, which include many of the largest producers in the country, seeking feedback on the draft of the proposal for Olive Oil Cooperative that was being discussed at that time. The results of the survey, according to the copy provided to NAOOA, indicate that among the fourteen companies that responded, 70% stated that they believed a properly organized and managed Olive Oil Cooperative either probably (65%) or definitely (5%) would increase consumption. When asked how they felt about the terms of the proposal being discussed, over 55% either said they "supported," "strongly supported," or were "neutral" (20% said they were neutral), with an additional 20% saying that they were "unsure." Significantly, of those surveyed, only 25% "opposed" or "strongly opposed" the proposal.³⁹ (It also is important to consider that the results of the AOOPA survey were based on an early draft of the Proposed Order that did not yet include all the provisions incorporated to maximize support and minimize opposition that were outlined above.)

³⁸ In his email to USDA, Mr. Ravetti responded to reports that "statements have been made to USDA implying that there is no support among domestic producers for establishing a research and promotion order for olive oil in the United States" by saying the CBO believed that was not "an accurate generalization" of the sentiment of the domestic industry.

³⁹ Among the eight AOOPA members responding to the survey who did not either support or strongly support the draft proposal, four companies said their biggest concern with the proposal was that it was an all-olive oil order (as opposed to extra virgin olive oil only), two believed that the revenue would be too little to be effective, one believed that the assessment rate was too high, and one needed more information. (A copy of the AOOPA survey is attached as Exhibit 6.)

<u>Support by Third Party Stakeholders and Consumers</u>. —The benefits that will be derived from the Olive Oil Cooperative will also inure to third party stakeholders, including retailers and consumers. Costco, the largest olive oil retailer the United States, which annually moves between 1,000 and 2,000 metric tons of its Kirkland California Extra Virgin Olive Oil alone, has expressed its support to Petitioner. It is therefore likely that there also would be widespread support among other retailers and other third-party stakeholders that operate in or otherwise support the olive oil industry in the U.S. (including others like Costco that handle domestic olive oils).

Consumers will also appreciate having an Olive Oil Cooperative. In a poll of 2,000 U.S. consumers conducted by Wakefield Research in 2023, *66% of olive oil users* said they were anxious to learn more topics the Cooperative will provide information about, such as olive oil's health benefits, usage tips, brand and oil type differences and ways to preserve freshness.

% WHO ARE VERY OR EXTREMELY INTERESTED IN LEARNING MORE ABOUT AMONG BUYERS	OVERALL		
	2023 N= 2,000	2021 N= 3,000	2020 n= 1,000
Heath benefits	66%	71%	71%
Which type to use	66%	69%	69%
Recipes use olive oil	66%		-
Differences between types	62%	64%	67%
Ways to substitute it for other oils	61%	62%	63%
Differences between brands	56%	60%	61%
Where oil is from	56%	-	-
Quality certification seals	55%	55%	58%
Tips for storing	55%	58%	60%
How it is made	54%	52%	55%

WAKEFIELD

VI. IMPACT ON SMALL BUSINESS

The Proposed Order will have a minimal impact on small business from a cost perspective, but a large impact when it comes to relative benefits.

The Small Business Administration (SBA) defines "small agricultural service firms" as those having annual receipts of less than \$30 million. The Proposed Order would mandate that qualifying olive oil domestic first handlers and importers pay an assessment of \$0.08 per gallon of olive oil sold into the U.S. stream of commerce. The Proposed Order will follow procedures similar to those of other checkoff programs: qualifying domestic first handlers will submit assessments to the Cooperative through a reporting process, and importers will pay assessments through the U.S. Customs Control and Border Protection (CBP) on gallons imported into the U.S.

The Proposed Order minimizes the impact on small businesses by setting a threshold for paying assessments at 5,000 gallons. Further, the Proposed Order minimizes paperwork burdens by requiring that importers and domestic first handlers report volume handled (and for domestic first handlers, pay assessments) only once a year.

Among importers, assessments will be collected by U.S. Customs upon entry from all importers, regardless of size. Entities that do not reach the annual 5,000-gallon threshold would be entitled to file a report requesting a refund by the end of February in the next year, using information readily available from U.S. Customs regarding their imports and assessments paid. The maximum amount that any small company would have to lay out in paid assessments over the course of year before obtaining their refund would be under \$400.

An effort was made to minimize the burden on small businesses that are domestic first handlers as well. The time and manner that domestic first handlers would need to report and pay under the Proposed Order is consistent with the requirements of the OOCC. As a result, Californian small businesses will not have to lay out the assessment (and later seek a refund) if they did not meet the threshold for the prior year.

On the benefits side, the many small businesses that operate in the olive oil industry alongside the larger companies—including hundreds who will not be liable for paying assessments—will benefit from the efforts of the Olive Oil Cooperative, and from having access to valuable marketing assets and research that it creates, enabling them to better promote their own sales.

CONCLUSION

The Petition sets forth the olive oil industry's justifications for the establishment of the Cooperative for Olive Oil Promotion, and the substantial support that exists for it among stakeholders from all sectors of the industry. The Proposed Order would enable the olive oil industry to expand existing markets and advance demand for olive oil. This will be achieved by developing and promoting information to increase awareness of olive oil's characteristics and values among key target audiences, i.e., U.S. consumers, the trade, health and culinary professionals, and the media. In furtherance of the objectives of the Act, the Proposal Order would inure to the benefit of consumers, industry, and the general welfare of the United States.

Respectfully submitted,

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July 29, 2024

Exhibit 1

Proposed Order to Establish an Olive Oil Research, Promotion and Information Order

PART 1225-OLIVE OIL PROMOTION, RESEARCH, AND INFORMATION ORDER Subpart A-Olive Oil Promotion, Research, and Information Order Definitions § 1225.1 Act. § 1225.2 Conflict of interest. § 1225.3 Cooperative for Olive Oil Promotion. § 1225.4 Crop Year. § 1225.5 Customs or CBP. § 1225.6 Department. § 1225.7 Domestic First Handler. § 1225.8 Domestic Olive Oil. § 1225.9 Fiscal Period. § 1225.10 Handle or Handler. § 1225.11 Import or Importer. § 1225.12 Information or Consumer Information or Industry Information. § 1225.13 Market or Marketing. § 1225.14 Olive oil. § 1225.15 Order. § 1225.16 Part and subpart. § 1225.17 Person. § 1225.18 Produce or Producer. § 1225.19 Programs, plans and projects. § 1225.20 Promotion. § 1225.21 Public member.

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Promotion, Research, and Information

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- § 1225.70 Reports.
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- § 1225.72 Confidential treatment.

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- § 1225.80 Right of the Secretary.
- § 1225.81 Referenda.
- § 1225.82 Suspension and termination.
- § 1225.83 Proceedings after termination.
- § 1225.84 Effect of termination or amendment.
- § 1225.85 Personal liability.
- § 1225.86 Separability.
- § 1225.87 Amendments.
- § 1225.88 OMB control numbers.

Subpart B-Referendum Procedures

- § 1225.90 General.
- § 1225.91 Definitions.
- § 1225.92 Voting.

- § 1225.93 Instructions.
- § 1225.94 Subagents.
- § 1225.95 Ballots.
- § 1225.96 Referendum report.
- § 1225.97 Confidential information.
- § 1225.98 OMB Control Numbers.

Subpart C-Administrative Provisions

§ 1225.100 Late payment and interest charges for past due assessments.

Subpart A-Olive Oil Promotion, Research, and Information Order

Definitions

§ 1225.1 Act.

Act means the Commodity Promotion, Research, and Information Act of 1996 (7 U.S.C. 7411-7425), and any amendments thereto.

§ 1225.2 Conflict of interest.

Conflict of interest means a situation in which a member or employee of the Cooperative has a direct or indirect financial interest in a person who performs a service for, or enters into a contract with, the Cooperative for anything of economic value.

§ 1225.3 Cooperative for Olive Oil Promotion or Cooperative.

Cooperative for Olive Oil Promotion or Cooperative means the administrative body established pursuant to § 1225.40.

§ 1225.4 Crop Year.

Crop Year means the twelve months from September 1 of one calendar year to August 31 of the next.

§ 1225.5 Customs or CBP.

Customs or *CBP* means United States Customs and Border Protection, an agency of the United States Department of Homeland Security.

§ 1225.6 Department or USDA.

Department or USDA means the U.S. Department of Agriculture, or any officer or employee of the Department to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in the Secretary's stead.

§ 1225.7 Domestic First Handler.

Domestic First Handler means a handler who is the first to handle Domestic Olive Oil. The term Domestic First Handler includes a Producer who handles or markets olive oil of the Producer's own production but excludes common or contract carriers.

§ 1225.8 Domestic Olive Oil.

Domestic Olive Oil means olive oil that is produced in the United States.

§ 1225.9 Fiscal Period.

Fiscal Period means the 12-month period beginning January 1 ending December 31, or such other 12-month period as shall be recommended by the Cooperative and approved by the Secretary.

§ 1225.10 Handle or Handler.

Handler means a person who engages in the operation of marketing Domestic Olive Oil that he or she has produced, or purchased or acquired from a Producer, or that he or she is marketing on behalf of a Producer, whether as owner, agent, employee, broker, or otherwise. A person who produces olive oil solely for his or her home use is not a handler for the purposes of the Order.

§ 1225.11 Import or Importer.

Importer means any person who imports olive oil from outside the United States for sale in the United States as a principal or as an agent, broker, or consignee of any person.

§ 1225.12 Information or Consumer Information or Industry Information.

Information means information and programs that are designed to employ information through education and other means to achieve the Purpose of the Order, including:

(a) Consumer information, which means any action taken to provide information to and broaden the awareness, understanding and appreciation of the general public regarding the consumption, use, nutritional and culinary attributes, sustainability and care of olive oil; and (b) Industry information, which means any action taken to provide information to and broaden the awareness, understanding and appreciation of industry stakeholders including Producers, Domestic First Handlers, Importers, those operating in foodservice and retailer channels of commerce and all others within the olive oil supply chains in the United States regarding the consumption, use, nutritional and culinary attributes, sustainability and care of olive oil.

With respect to both consumer information and industry information, in the absence of a mandatory U.S. national standard of identity for olive oils, whenever providing information on the definitions of olive oil grades and labeling conventions, the Cooperative shall rely on the most current version of the United States Standards for Grades of Olive Oil and Olive-Pomace Oil published by the U.S. Department of Agriculture, 75 FR 22363 (April 28, 2010), or any superseding promulgated nationally mandatory regulations.

§ 1225.13 Market or Marketing.

(a) To market means to sell or otherwise dispose of olive oil in interstate, foreign, or intrastate commerce.

(b) *Marketing* means the sale or other disposition of olive oil in any channel of commerce.

§ 1225.14 Olive oil.

Olive oil means the oil extracted solely by mechanical means and without the use of solvents from the fruit of the olive tree (Olea europaea sativa Hoffm. Et Link). As used herein, in the absence of a mandatory national standard of identity, the term "olive oil" shall include unless otherwise expressly limited the grades of olive oil defined as Virgin, Extra Virgin, Refined, and Olive Oil (consisting of a blend of virgin and refined olive oils) as defined in the most the current version of the United States Standards for Grades of Olive Oil and Olive-Pomace Oil published by the U.S. Department of Agriculture, 75 FR 22363 (April 28, 2010), or any superseding promulgated national mandatory regulations. The term "olive oil" excludes olive-pomace oils.

§ 1225.15 Order.

Order means an order issued by the Secretary under § 514 of the Act that provides for a program of generic promotion, research, and information regarding agricultural commodities.

§ 1225.16 Part and subpart.

Part means the Olive Oil Promotion, Research, and Information Order and all rules, regulations, and supplemental orders issued pursuant to the Act and the Order. The Order shall be a subpart of such part.

§ 1225.17 Person.

Person means any individual, group of individuals, partnership, corporation, association, cooperative, or any other legal entity.

§ 1225.18 Produce or Producer.

(a) Produce means to extract olive oil from the fruit of the olive tree.

(b) Producer means any person who engages, either directly or indirectly, in the production and sale of olive oil in the United States and who owns, or shares the ownership and risk of loss of, the olive oil.

§ 1225.19 Programs, plans and projects.

Programs, plans and projects mean those research, promotion and information programs, plans, studies, or projects established pursuant to this Order.

§ 1225.20 Promotion.

Promotion means any action, including but not limited to paid advertising, public relations, and other dissemination of information for the purpose of improving the competitive position of olive oil in the marketplace and stimulating sales in the retail, food service, and industrial markets.

§ 1225.21 Public member.

Public member means a member of the Cooperative that shall be appointed in accordance with § 1225.42 who shall have no direct financial interest in the commercial production or marketing of olive oil and shall not be a director, stockholder, officer, or employee of any firm so engaged.

§ 1225.22 Purpose of the Order.

Purpose of the Order means to promote and conduct research about olive oil to increase consumption, to develop new markets and marketing strategies, to increase market efficiency, and to enhance the image of olive oil in the United States.

§ 1225.23 Research.

Research means any type of test, study, or analysis designed to generate information to advance the image, desirability, use, and/or marketability of olive oil, including without limitation research relating to product development, shelf life, merchandizing and marketing, and the nutritional value, health benefits, culinary versatility, and sustainability of olive oil.

§ 1225.24 Secretary.

Secretary means the Secretary of Agriculture of the United States, or any officer or employee of the Department to whom authority has heretofore been delegated, or to whom authority may hereafter be delegated, to act in the Secretary's stead.

§ 1225.25 State.

State means any of the States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

§ 1225.26 Suspend.

Suspend means to issue a rule under 5 U.S.C. § 553 to temporarily prevent the operation of an order or part thereof during the particular time period specified in the rule.

§ 1225.27 Terminate.

Terminate means to issue a rule under 5 U.S.C. § 553 to cancel permanently the operation of an order or part thereof beginning on a date certain specified in the rule.

§ 1225.28 United States.

United States or "U.S." means collectively the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

The Cooperative for Olive Oil Promotion

§ 1225.40 Establishment and membership.

(a) Establishment of the Cooperative. There is hereby established the Cooperative for Olive Oil Promotion, herein called the Cooperative, comprised of thirteen (13) members, with twelve (12) industry members and one (1) public member, all appointed by the Secretary from nominations received pursuant to §§ 1225.41 and 1225.42:

(1) Three (3) industry members to represent Domestic First Handlers from California, at least two (2) of whom each cumulatively handled 5,000 gallons or more of olive oil in the most recent Crop Year as certified by the Domestic First Handler and otherwise meets the qualifications outlined in § 1225.41.

(2) One (1) industry member to represent Domestic First Handlers from U.S States other than California that cumulatively handled 2,000 gallons or more of olive oil in the most recent Crop Year as certified by the Domestic First Handler and otherwise meets the qualifications outlined in § 1225.41. Should there not be two nominees that meet the qualification for the seat, the Secretary may appoint a member who represents an additional Domestic First Handler from California from among any other nominees from that State who meets the qualifications outlined in § 1225.41.

(3) Eight (8) industry members to represent Importers that each cumulatively imported 5,000 gallons or more of olive oil during the last completed Fiscal Period as certified by the Importer, that otherwise meet the qualifications outlined in § 1225.41, and that are actively engaged in the marketing of olive oil through one or more channels of trade in the United States.

(4) One (1) Public member.

(b)Representatives from a company that qualifies as both a Domestic First Handler and an Importer may serve as a Cooperative member in either capacity, but not both, and no two Cooperative members shall be employed by a single corporation, company, partnership, or any other legal entity, and any subsidiaries or affiliates thereof.

(c) Adjustment of membership. At least once every five years, the Cooperative will review the geographical distribution of United States production of olive oil and the quantity of imports. If warranted, the Cooperative will recommend to the Secretary that the membership on the Cooperative be altered to reflect any changes in the domestic olive oil production and the quantity of imports, including altering the allocation of seats among Domestic First Handlers or Importers and adding or reducing seats to the Cooperative.

§ 1225.41 Nominations and appointments of industry members.

(a) Nominations for the Initial Cooperative. The initial Cooperative shall be created as soon as practical after the Order's establishment. The publication of the final rule establishing the Order shall solicit nominations for the twelve industry Cooperative seats (those seats described in § 1225.40 except for the public member) from Importers, Domestic First Handlers, and organizations representing Importers and Domestic First Handlers. The notice shall include: a list of the vacancies for which nominations may be submitted and qualifications for the seat, and the date by which the nominations should be received by the Secretary along with an optional background statement outlining the nominee's qualifications. Qualifications of nominees for the initial Cooperative seats shall include that such person represents a company that, for Domestic First Handlers handled olive oil during the last completed Crop Year, and for Importers, imported olive oil during the last completed Fiscal Period in volumes sufficient to meet the threshold requirements for the specific industry seats outlined in 1225.40(a), which company is willing to commit to paying assessments under the Order during each year of the term for the seat to which they are appointed even if the volume of olive oil the company handles or imports should fall below threshold levels in any Crop Year or Fiscal Period year as the case may be. The Secretary will make the nominations it has received for the initial Cooperative available to industry associations which represent a substantial number of either Importers or Domestic First Handlers that would be responsible for paying assessments, and such associations may provide to the

Secretary recommendations concerning the nominees which the Secretary may consider in making appointments.

(b) Nominations for Subsequent Cooperatives. After establishment of the initial Cooperative, in any subsequent year in which an appointment to the Cooperative is to be made, the Cooperative shall conduct outreach to Domestic First Handlers and Importers and organizations representing Importers and Domestic First Handlers, soliciting nominations to be received by the Cooperative at least nine months prior to the expiration of the terms for any seats for which an appointment is to be made. The outreach shall include at a minimum the following information: a list of the vacancies for which nominations may be submitted and qualifications for the seat and the date by which the nominations should be received along with an optional background statement outlining the nominee's qualifications. Qualifications for appointment to subsequent Cooperatives shall include that such person represents a company that for Domestic First Handlers handled olive oil during the last completed Crop Year, and for Importers imported olive oil in the last completed Fiscal Period, in volumes sufficient to meet the threshold requirements for the specific industry seats outlined in 1225.40(a), that they paid assessments to the Cooperative during the most recently completed Fiscal Period, and that the company they represent is willing to commit to paying assessments under the Order for each year of the term of the seat to

which they are appointed even if the volume of olive oil the company handles or imports should fall below threshold levels in any Crop Year or Fiscal Period as the case may be. The Cooperative will evaluate all eligible nominees and at least six months prior to the expiration of the terms for any seats for which an appointment is to be made, recommend to the Secretary the name of one nominee and at least one additional nominee for each open seat. Other qualified nominees interested in serving in the open seats but not recommended by the Cooperative will be designated by the Cooperative as additional nominees and will also be provided to the Secretary for consideration. The Cooperative will provide to the Secretary any background statements it has received with respect to the nominees or additional nominees. When making recommendations for appointments, in addition to considering whether a nominee's qualifications indicate necessary knowledge, skills, abilities and commitment to the purpose of the Order, the Cooperative should consider the objective of fairly and equitably serving persons responsible for paying assessments in an industry that is diverse in terms of size of the operations, methods of production and distribution, and other distinguishing factors.

(c) Appointments by the Secretary to Initial and Subsequent Cooperatives. From the nominations received, the Secretary shall appoint the industry members to the initial and subsequent Cooperatives, considering the nominees' knowledge, skills, and professional experience and the extent to which they may have demonstrated a commitment to the industry and to achieving the purpose of the Order.

(d) If there is an insufficient number of nominees for any expiring seat on the Cooperative, additional nominees shall be obtained in a manner prescribed by the Secretary. Should the Cooperative fail to nominate individuals for appointment, the Secretary may appoint members as appropriate.

(e) The Cooperative may recommend to the Secretary modifications to its nomination procedures as it deems appropriate. Any such modifications shall be implemented through rulemaking by the Secretary.

§ 1225.42 Nominations and appointments of public member.

The public member shall be nominated by the industry members of the Cooperative. The Cooperative shall nominate two (2) individuals for the public member position by holding an election. Voting for public member nominees shall be conducted by a quorum of the Cooperative and shall be on the basis of one vote per Cooperative member. Election of nominees shall be based on a simple majority of those present and voting.

(a) For the initial Cooperative, the election of public member nominees shall be held within thirty (30) days of the appointment of the twelve (12) industry members.

(b) For subsequent appointments, the election of public member nominees shall take place and nominations submitted to the Secretary prior to September 1 during the last year of the current public member's term.

(c) The Cooperative may prescribe such additional

qualifications, administrative rules and procedures for selection and voting for public member nominees as it deems necessary, and the Secretary approves.

(d) Each person nominated for the position of public member of the Cooperative shall qualify by filing a written acceptance with the Secretary within fourteen (14) calendar days of completion of the Cooperative meeting at which public member nominees were selected.

(e) The Secretary will appoint one of the qualified nominees as the public member.

§ 1225.43 Terms of office.

(a) Industry members.

(1) Each term of office for industry members shall begin on January 1 (or such later date on which the member's appointment is made) of the first year of the member's term and end on December 31 of the last year of the term. No industry member may serve more than two consecutive terms, excluding any term of office less than three years.

(2) The industry members appointed to the initial Cooperative will be designated randomly by the Secretary to serve in one of three groups A, B or C, each of which will consist of four members including at least two Importers and one Domestic First Handler. The term of the industry members of the initial Cooperative will depend on the group to which they are appointed: Group A members will serve three years, Group B members will serve two years and Group C members will serve one year, except that in each case, the first year of the applicable term will be a partial year if the appointment is made after January 1.

(3) The industry members appointed after the initial Cooperative appointments shall each serve three-year terms except that the first year of the applicable term will be a partial year if the appointment is made after January 1.

(b) Public member. A public member shall serve terms of up to 1 to 3 years, as designated by the Cooperative when electing nominees, commencing on January 1 (or such later date on which the member's appointment is made) of the first year of the member's term and end on December 31 of the last year of the designated term. The first year of the applicable term will be a partial year if the appointment is made after January 1.

§ 1225.44 Vacancies.

(a) In the event that any industry member of the Cooperative ceases to be affiliated with the company for which the member was affiliated at the time the member was appointed, that member's term shall automatically terminate and the seat in which the member served shall become vacant.

(b) If a member of the Cooperative consistently refuses to perform the duties of a member of the Cooperative, engages in acts of dishonesty or willful misconduct or that are potentially detrimental to the achievement of the purposes of the Order or the Act, the Cooperative may recommend to the Secretary that such a member be removed. If the Secretary finds the recommendation of the Cooperative shows adequate cause, the Secretary shall remove such member from the office.

(c) Without recommendation of the Cooperative, a member may be removed by the Secretary upon showing of adequate cause, including the continued failure by a member to submit reports or remit assessments required under this part, or if the Secretary determines that such member's continued service would be detrimental to the achievement of the purposes of the Order or the Act.

(d) Should the position of a member become vacant, successors for the unexpired terms of such member shall be appointed in the manner specified in §§ 1225.41 and 1225.42, except that the timing of the process may be accelerated to fill the vacancy if appropriate under the circumstances. Nomination and replacement shall not be required if the unexpired terms are less than six months.

§ 1225.45 Procedure.

The organization of the Cooperative and the procedures for the conducting of meetings of the Cooperative shall be in accordance with its bylaws, which shall be established by the Cooperative and approved by the Secretary. The bylaws shall be consistent with the following:

(a) Cooperative meetings and committee meetings may be held in person or, when practical and necessary to facilitate attendance by members or USDA, especially when matters will be subject to a vote, by any means of communication available, electronic, digital, or otherwise, that effectively assembles members and facilitates open communication and voting. At a Cooperative meeting, a quorum will exist when a majority of members are present.

(b) The Cooperative shall manage the establishment or reestablishment of committees, including appointing or removing committee members or committee officers, and/or disbanding committees. Committee members shall be appointed by the Chairperson and approved by the Cooperative. Committees may consist of individuals other than Cooperative members and such individuals may vote in committee meetings. As a committee meeting, a quorum will exist when a majority of those assigned to the committee are present.

All Cooperative and committee members will receive at least ten (10) days' advance notice of all Cooperative and committee meetings unless the chairperson declares an emergency meeting.

(d) Each member of the Cooperative or committee will be entitled to one vote on any matter put to the Cooperative, and the motion will be carried if supported by a majority of those present and voting. The Chairperson shall be a voting member. There shall be no voting by proxy.

§ 1225.46 Compensation and reimbursement.

The members of the Cooperative and any committees shall serve without compensation but shall be reimbursed for reasonable travel expenses, as approved by the Cooperative, incurred by them in the performance of their duties.

§ 1225.47 Powers and duties.

The Cooperative shall have the following powers and duties:

(a) To administer the Order in accordance with its terms and conditions and to collect assessments;

(b) To develop and recommend to the Secretary for approval such bylaws as may be necessary for the functioning of the Cooperative, and such rules as may be necessary to administer the Order, including activities authorized to be carried out under the Order;

(c) To meet, organize, and select from among the members of the Cooperative a chairperson, other officers, committees, and subcommittees at the first meeting of each Fiscal Period, as the Cooperative determines to be appropriate;

(d) To employ persons, other than the Cooperative members, or to enter into contracts, other than with Cooperative members, as the Cooperative considers necessary to assist the Cooperative in carrying out its duties, and to determine the compensation and specify the duties of such persons, or to determine the contractual terms of such parties;

(e) To develop programs, plans, and projects, and enter into contracts or agreements, which must be approved by the Secretary before becoming effective, for the development and carrying out of such programs, plans, or projects, of promotion, research, or information, and the payment of costs thereof with funds collected pursuant to this subpart. Each contract or agreement shall provide that any person who enters into a contract or agreement with the Cooperative shall develop and submit to the Cooperative a proposed activity; keep accurate records of all its transactions relating to the contract or agreement; account for funds received and expended in connection with the contract or agreement; make periodic reports to the Cooperative of activities conducted under the contract or agreement; and make such other reports available as the Cooperative or the Secretary considers relevant. Any contract or agreement shall provide that:

(1) The contractor or agreeing party shall develop and submit to the Cooperative a program, plan, or project together with a budget or budgets that shall show the estimated cost to be incurred for such program, plan, or project;

(2) The contractor or agreeing party shall keep accurate records of all its transactions and make periodic reports to the Cooperative of activities conducted, submit accounting for funds received and expended, and make such other reports as the Secretary or the Cooperative may require;

(3) The Secretary may audit the records of the contracting or agreeing party periodically; and

(4) Any subcontractor who enters into a contract with a Cooperative contractor and who receives or otherwise uses funds allocated by the Cooperative shall be subject to the same provisions as the contractor.

(f) To prepare and submit for approval of the SecretaryFiscal Period budgets in accordance with § 1225.50;

(g) To invest assessments collected under this part in accordance with § 1225.50;

(h) To maintain such records and books and prepare and submit

such reports and records from time to time to the Secretary as the Secretary may prescribe; to make appropriate accounting with respect to the receipt and disbursement of all funds entrusted to it; and to keep records that accurately reflect the actions and transactions of the Cooperative;

(i) To cause its books to be audited by a competent auditor at the end of each Fiscal Period and at such other times as the Secretary may request, and to submit a report of the audit directly to the Secretary;

(j) To give the Secretary the same notice of meetings of the Cooperative as is given to members in order that the Secretary's representative(s) may attend such meetings, and to keep and report minutes of each meeting of the Cooperative to the Secretary;

(k) To act as intermediary between the Secretary and anyDomestic First Handler or Importer;

(1) To furnish to the Secretary any information or records that the Secretary may request;

(m) To receive, investigate, and report to the Secretary complaints of violations of the Order;

(n) To recommend to the Secretary such amendments to theOrder as the Cooperative considers appropriate; and

(o) To work to achieve an effective, continuous, and coordinated program of promotion, research, consumer information, evaluation, and

industry information designed to strengthen the olive oil industry's position in the marketplace; maintain and expand existing markets and uses for olive oil; and to carry out programs, plans, and projects designed to provide maximum benefits to the olive oil industry.

§ 1225.48 Prohibited activities.

The Cooperative may not engage in, and shall prohibit the employees and agents of the Cooperative from engaging in:

(a) Any action that would be or create a conflict of interest;

(b) Any use of funds collected by the Cooperative under the Order to undertake any action for the purpose of influencing legislation or governmental action or policy, by local, state, national, and foreign governments, other than recommending to the Secretary amendments to the Order; and

(c) Any program, plan, or project including advertising that is false or misleading or disparaging to any type, grade, origin or brand of olive oil or any other agricultural commodity.

Expenses and Assessments

§ 1225.50 Budget and expenses.

(a) At least sixty (60) days prior to the beginning of each Fiscal Period, and as may be necessary thereafter, the Cooperative shall prepare and submit to the Secretary a budget for the Fiscal Period covering its anticipated expenses and disbursements in administering this subpart. Each such budget shall include:

(1) A statement of objectives and strategy for each program, plan, or project;

(2) A summary of anticipated revenue, which shall be supported, except for the initial budget, with comparative data for at least one preceding year;

(3) A summary of proposed expenditures for each program,plan, or project; and

(4) Staff and administrative expense breakdowns, which shall be supported, except for the initial budget, with comparative data for at least one preceding year.

(b) Each budget shall provide adequate funds to defray its proposed expenditures and to provide for a reserve as set forth in this subpart.

(c) Subject to this section, any amendment or addition to an approved budget including shifting funds from one program, plan, or project to another must be approved by the Secretary.

(d) The Cooperative is authorized to incur such expenses, including provision for a reasonable reserve, as the Secretary finds are reasonable and likely to be incurred by the Cooperative for its maintenance and functioning, and to enable it to exercise its powers and perform its duties in accordance with the provisions of this subpart. Such expenses shall be paid from funds received by the Cooperative.

(e) With approval of the Secretary, the Cooperative may borrow money for the payment of administrative expenses, subject to the same fiscal, budget, and audit controls as other funds of the Cooperative. Any funds borrowed by the Cooperative shall be expended only for startup costs and capital outlays and are limited to the first year of operation of the Cooperative.

(f) The Cooperative may accept voluntary contributions, but these shall only be used to pay expenses incurred in the conduct of programs, plans, and projects. Such contributions shall be free from any encumbrance by the donor and be consistent with the purpose of the Order, and the Cooperative shall retain complete control of their use.

(g) The Cooperative may also receive funds provided through the Department's Foreign Agricultural Service or from other sources, for authorized activities.

(h) The Cooperative shall reimburse the Secretary for all expenses incurred by the Secretary in the implementation, administration, and supervision of the Order, including all referendum costs in connection with the Order.

(i) For Fiscal Periods beginning three (3) or more years after the date of the establishment of the Cooperative, the Cooperative may not expend for administration, maintenance, and functioning of the Cooperative in any Fiscal Period an amount that exceeds fifteen (15) percent of the assessments and other income received by the Cooperative for that Fiscal Period, except with the approval of the Secretary in the case the first Fiscal Period. Reimbursements to the Secretary required under paragraph (h) are excluded from this limitation on spending.

(j) The Cooperative may establish an operating monetary reserve and may carry over to subsequent Fiscal Periods excess funds in any reserve so established, *provided*, *however*, that the funds in the reserve do not exceed the approximate aggregate of two Fiscal Periods' budgets of expenses. Subject to approval by the Secretary, such reserve funds may be used to defray any expenses authorized under this part.

(k) Pending disbursement of assessments and all other revenue under a budget approved by the Secretary, the Cooperative may invest assessments and all other revenues collected under this part in:

(1) Obligations of the United States or any agency of theUnited States;

(2) General obligations of any State or any political subdivision of a State;

(3) Interest bearing accounts or certificates of deposit of financial institutions that are members of the Federal Reserve

System;

(4) Obligations fully guaranteed as to principal interest by the United States; or

(5) Other investments as authorized by the Secretary.

§ 1225.51 Financial statements.

(a) The Cooperative shall prepare and submit financial statements to the Secretary monthly or at any other time interval requested by the Secretary. Each such financial statement shall include a balance sheet, income statement, and expense budget. The expense budget shall show the expenditures during the period covered by the report, the year-to-date expenditures, and the unexpended budget.

(b) Each financial statement shall be submitted to the Secretary within seventy-five (75) days after the end of the period to which it applies.

(c) The Cooperative shall submit annually to the Secretary an annual financial statement within one hundred twenty (120) days after the end of the Fiscal Period to which it applies.

§ 1225.52 Assessments.

(a) The funds to cover the Cooperative's expenses shall be paid from assessments collected from Domestic First Handlers and Importers and other funds available to the Cooperative. (b) The assessment rate shall be eight cents (\$0.08) per gallon of olive oil handled or imported. The rate of assessment may be increased or decreased as recommended by the Cooperative and approved by the Secretary. Such an increase or decrease may occur not more than once annually. Any change in this assessment rate shall be announced by the Cooperative at least thirty (30) days prior to going into effect.

(c) Assessments on Domestic Olive Oil.

(1) The payment of assessments on Domestic Olive Oil will be the responsibility of Domestic First Handlers. The Domestic First Handler shall maintain a separate record of each Producer whose Domestic Olive Oil is handled, including the Domestic Olive Oil owned by the Domestic First Handler and Domestic Olive Oil that is exported. Such records shall be retained for at least two (2) years.

(2) The payment of assessments on Domestic Olive Oil is to be received by the Cooperative along with the assessment report required by § 1225.70 by the first day of March of the Crop Year unless the Cooperative determines that assessments due from a Domestic First Handler shall be paid to the Cooperative at a different time and manner, with approval of the Secretary. Should a Domestic First Handler need to correct or adjust an assessment report already submitted, a revised assessment report must be submitted to the Cooperative as soon as possible thereafter along with payment of any additional assessments that need to be remitted because of such adjustments.

(d) Assessments on Imported Olive Oil.

(1) Each Importer of olive oil shall pay assessments to the Cooperative through Customs on olive oil imported into the United States.

(2) Because imported olive oil entered into the U.S. will have a quantity associated with it in kilograms, the factor that shall be used to convert one gallon to kilograms is .289687. Therefore, the assessment rate for imported olive oil will be \$0.0232 per kilogram.

(3) The import assessment shall be uniformly applied to imported olive oil identified by heading 1509 in the Harmonized Tariff Schedule (HTS) of the United States, or any other numbers used to identify olive oil.

(4) The assessments due on imported olive oil shall be paid when they are released from custody by Customs and introduced into the stream of commerce in the United States.

(5) The collection of assessment shall commence on or after a date established by the Secretary and shall continue until terminated by the Secretary. If the Cooperative is not constituted on the date the first assessments are to be remitted, the Secretary shall have the authority to receive assessments on behalf of the Cooperative and may hold such assessments in an interest-bearing account until the Cooperative is constituted and the funds are transferred to the Cooperative.

(e) The Cooperative may authorize other organizations to collect assessments on its behalf with the approval of the Secretary.

§ 1225.53 Exemptions.

(a) De minimis. Domestic First Handlers and Importers who handle less than five thousand (5,000) gallons on an annual basis are exempt from the payment of assessments as provided in § 1225.52. Any Importer who paid assessments in the prior Fiscal Period may request a refund based on the *de minimis* exemption by providing such information in the Importer's assessment report to be filed pursuant to § 1225.60, including supporting documentation such as import data and proof of payment of assessments. If the Cooperative grants the exemption, it shall refund such assessments no later than thirty (30) days after an application is granted by the Cooperative. No interest will be paid on such assessment refunds.

(b) Organic. A Domestic First Handler or Importer who either handles or imports olive oil produced under an approved National Organic Program (7 CFR part 205) (NOP) organic production system plan may be exempt from the payment of assessments under this part for such olive oil, provided, that:

(1) only agricultural products certified as "organic" or "100 percent organic" (as defined in the NOP) are eligible for exemption; (2) the exemption shall apply to all certified "organic" or "100 percent organic" (as defined in the NOP) products of a Producer regardless of whether the olive oil subject to the exemption is produced by a person that also produces conventional or nonorganic olive oil;

(3) the Domestic First Handler or Importer obtains a valid certificate of organic operation as issued under the Organic Foods Production Act of 1990 (7 U.S.C. 6501-6522) (OFPA) and the NOP regulations issued under OFPA (7 CFR part 205) from a producer who maintains such valid certificate; and

(4) Domestic First Handlers and Importers that qualify for an exemption under this subsection shall continue to be obligated to pay assessments under this part that are associated with any agricultural products that do not qualify for the exemption.

(c) Application for Exemption by Domestic First Handlers. To apply for exemption under subsection (b) of this section, an eligible Domestic First Handler shall submit a request to the Cooperative on an Organic Exemption Request Form (Form AMS-15) at the time it submits its assessment report pursuant to § 1225.70. A Domestic First Handler request for such exemption shall include the following:

(1) The applicant's full name, company name, address, telephone and fax numbers, and email address;

(2) Certification that the applicant maintains a valid

certificate of organic operation issued under the OFPA and the NOP;

(3) Certification that the applicant first handles organic products eligible to be labeled "organic" or "100 percent organic" under the NOP;

(4) A requirement that the applicant attach a copy of the certificate of organic operation issued by a USDA-accredited certifying agent to the Producer of the product that the applicant handled, if not produced by the applicant itself;

(5) Certification, as evidenced by signature and date, that all information provided by the applicant is true; and

(6) Such other information as may be required by the Cooperative, with the approval of the Secretary.

If a Domestic First Handler complies with the requirements of this section, the Domestic First Handler shall, in the assessment report, deduct the gallonage for which an exemption is requested. The Cooperative will have thirty (30) calendar days to review the exemption request. If the application is disapproved, the Cooperative will notify the applicant of the reason(s) for disapproval within the same timeframe, and request that the Domestic First Handler submit an adjusted assessment report along with any required additional payments.

(d) Application for Exemption by Importers. An Importer who imports olive oil that is eligible to be labeled as "organic" or

"100 percent organic" under the NOP or certified as "organic" or "100 percent organic" under a U.S. equivalency arrangement established under the NOP, may be exempt from the payment of assessments. Such Importer may submit documentation to the Cooperative and request an exemption from assessment on certified "organic" or "100 percent organic" olive oil on an Organic Exemption Request Form (Form AMS-15) at any time initially, and annually thereafter on or before the beginning of the Fiscal Period, provided the Importer continues to be eligible for the exemption. This documentation shall include the same information required of a Domestic First Handler in paragraph (b)(1) of this section. If the Importer complies with the requirements of this section, the Cooperative will grant the exemption and issue a certificate of exemption to the Importer within the applicable timeframe. The exemption will apply immediately following the issuance of the certificate of exemption. If Customs collects the assessment on exempt product that is identified as "organic" by a number in the Harmonized Tariff Schedule, upon request of the Importer who has a certificate of exemption the Cooperative must reimburse the Importer following receipt of such assessments from Customs. For all other exempt organic product for which Customs collects the assessment, the Importer may apply to the Cooperative for a reimbursement of assessments paid, and the Importer must submit satisfactory proof to the Cooperative that the Importer

paid the assessment on exempt organic product.

§ 1225.54 Assessment Credit.

(a) For any given Fiscal Period, the Cooperative may provide subject to the approval of the Secretary an assessment credit for Domestic First Handlers who contributed during the prior Fiscal Period to organizations established by local, regional, or State governments to engage in generic promotion, research, and information programs in the United States similar to those the Cooperative has the authority to conduct, which credit may be used as partial fulfillment of assessment due to the Cooperative under the Order. Assessment credit may be obtained only by following the procedures prescribed in this section and any regulations recommended by the Cooperative and prescribed by the Secretary.

(1) No credit shall be given for funds expended by such local, regional, or State organizations to the extent they were for administrative purposes or expenses. Credit may only be given for funds expended on promotion, research, and information program activities that were generic, e.g., did not pertained to specific brands or origins of olive oil, and would otherwise have been permissible for the Cooperative to engage in under the Order.

(2) The aggregate credit allowable in any Fiscal Period shall be limited to an amount determined by the Cooperative subject to the approval of the Secretary and shall be equal to not more than the determined percentage rate of the total assessments paid by any Domestic First Handler in a year to any State, regional, or local program.

(3) A Domestic First Handler who owes or will owe assessments for a given Fiscal Period shall make a written request to the Cooperative by January 15 of that Fiscal Period for any credit it is claiming for payments made to local, regional, or State programs in the prior Fiscal Period. Such written request shall include:

(A) The Domestic First Handler's name and address;

(B) The name and address of the person who collected the assessment in the prior Fiscal Period for which credit is requested;

(C) The total amount of credit requested;

(D) The date or dates during the prior Fiscal Period on which the assessments were paid along with evidence of payment;

(E) A description of the generic activities that were conducted or are being conducted by the local, regional, or State organization with funds paid in the prior Fiscal Period, along with activity and financial reports from such organization that support the claim and demonstrate the percentage of assessments collected that were spent on administrative expenses of the organization; and

(F) The individual's signature or properly witnessed mark.

(4) Credit requests under this subsection will be considered granted

unless rejected or challenged by the Cooperative within 30 calendar days of receipt of the completed request.

(5) A Domestic First Handler that has been granted credit shall include this information in the assessment report required by the Cooperative pursuant to § 1225.60, adjusting the assessment amount that would otherwise be payable.

§ 1225.55 Refund escrow accounts.

(a) The Cooperative shall establish an interest-bearing escrow account with a financial institution that is a member of the Federal Reserve System and will deposit into such account an amount equal to ten percent (10%) of the assessments collected during the period beginning on the effective date of the Order and ending on the date the Secretary announces the results of the required referendum.

(b) If the Order is not approved by the required referendum, the Cooperative shall promptly pay refunds of assessments to all Domestic First Handlers and Importers that have paid assessments during the period beginning on the effective date of the Order and ending on the date the Secretary announces the results of the required referendum in the manner specified in Subpart B of this section.

(c) If the amount deposited in the escrow account is less than the amount of all refunds that Domestic First Handlers and Importers subject to the Order have a right to receive, the Cooperative shall prorate the amount deposited in such account among all Domestic First Handlers and Importers who desire a refund of assessments paid no later than 120 days after the Final Rule terminating the Assessments is published.

(d) Any Domestic First Handler or Importer requesting a refund shall submit an application on the prescribed form to the Cooperative within sixty (60) days from the date the results of the required referendum conducted under § 1225.81 are announced by the Secretary. The Domestic First Handler and Importer shall also submit documentation to substantiate that assessments were p a i d. Any such demand shall be made by the Domestic First Handler or Importer in accordance with the provisions of this subpart and in a manner consistent with regulations recommended by the Cooperative and prescribed by the Secretary.

(e) If the Order is approved by the required referendum conducted under § 1225.81 then:

(1) The escrow account shall be closed; and

(2) The funds shall be available to the Cooperative for disbursement under § 1225.50.

Promotion, Research, and Information

§ 1225.60 Programs, plans, and projects.

(a) The Cooperative shall receive and evaluate, or on its own

initiative develop, and submit to the Secretary for approval any program, plan, or project authorized under this subpart. Such programs, plans, or projects shall provide for:

(1) The establishment, issuance, effectuation, and administration of appropriate programs for promotion, research, and information, including consumer information and industry information, with respect to olive oil; and

(2) The establishment and conduct of research and education with respect to the use, nutritional value, sustainability, sale, distribution, and marketing (including menu development) of olive oil, and the creation of new products thereof, to the end that the marketing and use of olive oil may be encouraged, expanded, improved, or made more acceptable and to advance the image, desirability, or quality of olive oil.

(b) No program, plan, or project shall be implemented prior to its approval by the Secretary. Once a program, plan, or project is approved, the Cooperative shall take appropriate steps to implement it.

(c) Each program, plan, or project implemented under this subpart shall be reviewed or evaluated periodically by the Cooperative to ensure that it contributes to an effective program of promotion, research, or information. If it is found by the Cooperative that any such program, plan, or project does not contribute to an effective program of promotion, research, or information, then the Cooperative shall terminate such program, plan, or project.

§ 1225.61 Independent evaluation.

The Cooperative shall, not less often than every five years, authorize and fund, from funds otherwise available to the Cooperative, an independent evaluation of the effectiveness of the Order and other programs conducted by the Cooperative pursuant to the Act. The Cooperative shall submit to the Secretary, and make available to the public, the results of each periodic independent evaluation conducted under this paragraph.

§ 1225.62 Patents, copyrights, trademarks, information, publications, and product formulations.

(a) Except as provided in paragraph (b) of this section, any patents, copyrights, inventions, trademarks, information, publications, or product formulations developed through the use of funds collected by the Cooperative under the provisions of this subpart shall be the property of the U.S. Government, as represented by the Cooperative, and shall, along with any rents, royalties, residual payments, or other income from the rental, sales, leasing, franchising, or other uses of such patents, copyrights, inventions, trademarks, information, publications, or product formulations, inure to the benefit of the Cooperative; shall be considered income subject to the same fiscal, budget, and audit controls as other funds of the Cooperative; and may be licensed subject to approval by the Secretary. Upon termination of this subpart, § 1225.83 shall apply to determine disposition of all such property.

(b) Should patents, copyrights, inventions, trademarks, information, publications, or product formulations be developed through the use of funds collected by the Cooperative under this subpart and funds contributed by another organization or person, the ownership and related rights to such patents, copyrights, inventions, trademarks, information, publications, or product formulations shall be determined by an agreement between the Cooperative and the party contributing funds towards the development of such patents, copyrights, inventions, trademarks, information, publications, or product formulations in a manner consistent with paragraph (a) of this section.

Reports, Books, and Records

§ 1225.70 Reports.

(a) Domestic First Handlers. Each Domestic First Handler subject to this subpart shall be required to provide an assessment report by March 1 of each year with such information relating to the then current Crop Year as required by the Cooperative, with the approval of the Secretary, which must include but not be limited to the name, address, email address, and EIN number of the person submitting the report (as well as that of persons from whom they purchased olives or olive oil) and the contact information of the person completing the report on his or her behalf, the number of gallons handled, whether and when any assessments relating to that handled olive oil is owed or was paid, whether any gallons handled are subject to exemption or credit, and whether the Domestic First Handler wishes to voluntarily pay assessments that are not otherwise required, and if so, in what amount.

(b) Importers. Each Importer subject to this subpart shall be required to provide an assessment report by March 1 of each year with such information relating to the prior Fiscal Period as required by the Cooperative, with the approval of the Secretary, which must include but not be limited to the name, address, email address, and EIN number of the person submitting the report and the contact information of the person completing the report on his or her behalf, the number of gallons imported, whether and when any assessments relating to that imported olive oil is owed or was paid, whether any gallons imported are subject to exemption, and whether the Importer wishes to voluntarily pay assessments that are not otherwise required, and if so, in what amount.

(c) Payment of any accrued but unpaid assessments is required by March 1 of each year and should accompany the reports required in this section.

§ 1225.71 Books and records.

Each Domestic First Handler and Importer subject to this subpart shall maintain and make available for inspection by employees of the Cooperative or Secretary such books and records as are necessary to carry out the provisions of this subpart and the regulations issued thereunder, including such records as are necessary to verify any reports required. Such records shall be retained for at least two (2) years beyond the Fiscal Period of their applicability.

§ 1225.72 Confidential treatment.

All information obtained from books, records, or reports pursuant the Act, this subpart and §§ 1225.70 and 1225.71 and the regulations issued thereunder shall be kept confidential by all persons, including all employees and former employees of the Cooperative, all officers and employees and former officers and employees of contracting and subcontracting agencies or agreeing parties having access to such information. Such information shall not be available to Cooperative members, or other Importers or Domestic First Handlers. Only those persons having a specific need for such information to effectively administer the provisions of this subpart shall have access to such information. Only such information so obtained as the Secretary deems relevant shall be disclosed by them, and then only in a judicial proceeding or administrative hearing brought at the direction, or on the request, of the Secretary, or to which the Secretary or any officer of the United States is a party and involving this subpart. Nothing in this section shall be deemed to prohibit:

(a) the issuance of general statements based upon the reports of the number of persons subject to this subpart or statistical data collected therefrom, which statements will not identify the information furnished by any person; and

(b) the publication, by direction of the Secretary, of the name of any person who has been adjudged to have violated this subpart, together with a statement of the particular provisions of this subpart violated by such person.

Miscellaneous

§ 1225.80 Right of the Secretary.

All fiscal matters, programs, plans, or projects, rules or regulations, reports, or other substantive actions proposed and prepared by the Cooperative shall be submitted to the Secretary for approval.

§ 1225.81 Referenda.

(a) Required referendum. Not later than 3 years after assessments first begin under the Order, the Secretary shall conduct a referendum among the Domestic First Handlers and Importers eligible to vote as provided in § 1225.91 and § 1225.92 to determine whether such persons favor the continuation, suspension, amendment, or termination of this Order.

(b) Subsequent referenda. The Secretary shall conduct subsequent referenda among the Domestic First Handlers and Importers eligible to vote as provided in § 1225.91 and § 1225.92 to ascertain whether such persons favor the continuation, suspension, amendment, or termination of this Order:

(1) every seven years;

(2) at the request of the Cooperative established in thisOrder;

(3) at the request of 10 percent or more of the number of persons eligible to vote in a referendum as set forth under the Order; or

(4) At any time as determined by the Secretary.

(c) Results of referenda. The referenda conducted under this section shall be considered approved if the Domestic First Handlers and Importers eligible to vote as provided in § 1225.91 and § 1225.92 voting for approval represent a majority of the volume of the olive oil for which assessments were paid during a representative period determined by the Secretary.

§ 1225.82 Suspension, termination and modification.

(a) The Secretary shall suspend or terminate this part or subpart or a provision thereof if the Secretary finds that the subpart or a provision thereof obstructs or does not tend to effectuate the purposes of the Act, or if the Secretary determines that this subpart or a provision thereof is not favored by persons voting in a referendum conducted pursuant to § 1225.81 of the Order.

(b) If, because of a referendum the Secretary determines that this subpart is not approved, the Secretary shall:

(1) Not later than one hundred eighty (180) days after making the determination, suspend or terminate collection of assessments

under this subpart; and

(2) As soon as practical, suspend or terminate activities under this subpart in an orderly manner.

(c) Any person paying assessments under the Order may file with the Secretary a petition stating that the Order or any provision thereof is not in accordance with law and requesting a modification of the Order or an exemption from the Order.

§ 1225.83 Proceedings after termination.

(a) Upon the termination of this subpart, the Cooperative shall recommend not more than three (3) of its members to the Secretary to serve as trustees for the purpose of liquidating the affairs of the Cooperative. Such persons, upon designation by the Secretary, shall become trustees of all the funds and property then in the possession or under control of the Cooperative, including claims for any funds unpaid or property not delivered, or any other claim existing at the time of such termination.

(b) The said trustees shall:

(1) Continue in such capacity until discharged by the Secretary;

(2) Carry out the obligations of the Cooperative under any contracts or agreements entered into pursuant to the Order; (3) From time-to-time account for all receipts and disbursements and deliver all property on hand, together with all books and records of the Cooperative and the trustees, to such person or persons as the Secretary may direct; and

(4) Upon request of the Secretary execute such assignments or other instruments necessary and appropriate to vest in such person's title and right to all funds, property and claims vested in the Cooperative or the trustees pursuant to the Order.

(c) Any person to whom funds, property or claims have been transferred or delivered pursuant to the Order shall be subject to the same obligations imposed upon the Cooperative and upon the trustees.

(d) Any residual funds not required to defray the necessary expenses of liquidation shall be turned over to the Secretary to be disposed of, to the extent practical, proportionately to trade associations representing the interests of either Domestic First Handlers and Importers in the interest of continuing olive oil promotion, research, and information programs.

§ 1225.84 Effect of termination or amendment.

Unless otherwise expressly provided by the Secretary, the

termination of this subpart or of any regulation issued pursuant thereto, or the issuance of any amendment to either thereof, shall not:

(a) Affect or waive any right, duty, obligation or liability which shall have arisen, or which may thereafter arise in connection with any provision of this subpart or any regulation issued thereunder;

(b) Release or extinguish any violation of this subpart or any regulation issued thereunder; or

(c) Affect or impair any rights or remedies of the United States, or of the Secretary or of any other persons, with respect to any such violation.

§ 1225.85 Personal liability.

No member, committee member, agent or employee of the Cooperative shall be held personally responsible, either individually or jointly with others, in any way whatsoever, to any person for errors in judgment, mistakes, or other acts, either of commission or omission, as such member, committee member, agent or employee, except for acts of dishonesty or willful misconduct.

§ 1225.86 Separability.

If any provision of this subpart is declared invalid or the applicability thereof to any person or circumstances is held invalid, the validity of the remainder of this subpart or the applicability thereof to other persons or circumstances shall not be affected thereby.

§ 1225.87 Amendments.

Amendments to this subpart may be proposed by the Cooperative or by any interested person affected by the provisions of the Act, including the Secretary.

§ 1225.88 OMB control numbers.

The control number assigned to the information collection requirements for this subpart pursuant by the Office of Management and Budget pursuant to the Paperwork Reduction Act of 1995 is OMB control number [___], except for the Cooperative nominee background statement, which is assigned OMB control number [___]. Subpart B-Referendum Procedures

§ 1225.90 General.

Referenda to determine whether eligible Domestic First Handlers and Importers favor the issuance, continuance, amendment, suspension, or termination of the Order shall be conducted in accordance with this subpart.

§ 1225.91 Definitions.

For this subpart's purposes, the definitions of subpart A are incorporated by reference.

(a) Administrator means the Administrator of the Agricultural Marketing Service, with power to delegate, or any officer or employee of the U.S. Department of Agriculture to whom authority has been delegated or may hereafter be delegated to act in the Administrator's stead.

(b) Eligible Domestic First Handler means any Domestic First Handler that paid assessments therefore during the representative period. (c) Eligible Importer means any Importer person who imported five thousand (5,000) gallons or more of olive oil into the United States and paid assessments therefore during the representative period.

(d) Referendum agent or agent means the individual or individuals designated by the Secretary to conduct the referendum.

(e) Representative period means the period designated by the Department.

§ 1225.92 Voting.

(a) Each Eligible Domestic First Handler and Eligible Importer shall be entitled to cast only one ballot in the referendum.

(b) Proxy voting is not authorized, but an officer or employee of an Eligible Domestic First Handler or Eligible Importer, or an administrator, executor, or trustee of an eligible entity may cast a ballot on behalf of such entity. Anyone voting in a referendum shall certify that they are an officer or employee of the eligible entity, or an administrator, executive, or trustee of an eligible entity and have the authority to take such action. Upon request of the referendum agent, the individual shall submit adequate evidence of such authority.

(c) A single entity who qualifies both as an Eligible Domestic First Handler and Eligible Importer may cast one vote in the referendum.

(d) All ballots are to be cast by mail or other means, as instructed by the Department.

§ 1225.93 Instructions.

The referendum agent shall conduct the referendum, in the manner provided in this subpart, under the supervision of the Administrator. The Administrator may prescribe additional instructions, consistent with the provisions of this subpart, to govern the procedure to be followed by the referendum agent. Such agent shall:

(a) Determine the period during which ballots may be cast;

(b) Provide ballots and related material to be used in the referendum. The ballot shall provide for recording essential information, including that needed for ascertaining whether the person voting, or on whose behalf the vote is cast, is an eligible voter; (c) Give reasonable public notice of the referendum:

(1) By using available media or public information sources, without incurring advertising expense, to publicize the dates, places, method of voting, eligibility requirements, and other pertinent information. Such sources of publicity may include, but are not limited to, print and radio; and

(2) By such other means as the agent may deem advisable.

(d) Mail to eligible domestic manufacturers and importers whose names and addresses are known to the referendum agent, the instructions on voting, a ballot, and a summary of the terms and conditions of the proposed Order. No person who claims to be eligible to vote shall be refused a ballot;

(e) At the end of the voting period, collect, open, number, and review the ballots and tabulate the results in the presence of an agent of a third party authorized to monitor the referendum process;

(f) Prepare a report on the referendum; and

(g) Announce the results to the public.

§ 1225.94 Subagents.

The referendum agent may appoint any individual or individuals necessary or desirable to assist the agent in performing such agent's functions of this subpart. Each individual so appointed may be authorized by the agent to perform any or all the functions which, in the absence of such an appointment, shall be performed by the agent.

§ 1225.95 Ballots.

The referendum agent and subagents shall accept all ballots cast. However, if an agent or subagent deems that a ballot should be challenged for any reason, the agent or subagent shall endorse above their signature, on the ballot, a statement to the effect that such ballot was challenged, by whom challenged, the reasons therefor, the results of any investigations made with respect thereto, and the disposition thereof. Ballots invalid under this subpart shall not be counted.

§ 1225.96 Referendum report.

Except as otherwise directed, the referendum agent shall prepare and submit to the Administrator a report on the results of the referendum, the manner in which it was conducted, the extent and kind of public notice given, and other information pertinent to the analysis of the referendum and its results.

§ 1225.97 Confidential information.

The ballots and other information or reports that reveal, or tend to reveal, the vote of any person covered under the Order and the voter list shall be strictly confidential and shall not be disclosed.

§ 1225.98 OMB control number.

The control number assigned to the information collection requirement in this subpart by the Office of Management and Budget pursuant to the Paperwork Reduction Act of 1995, 4 U.S.C. is OMB control number [].

Subpart C-Administrative Provisions

§ 1225.100 Late Payment and Interest Charges

(a) A late payment charge shall be imposed on any Domestic First Handler or Importer who fails to make timely remittance to the Cooperative of the total assessments for which they are liable. The late payment will be imposed on any assessments not received within 30 calendar days of the date they are due. This one-time late payment charge shall be 10 percent of the assessments due before interest charges have accrued.

(b) In addition to the late payment charge, one point five percent (1.5%) per month interest on the outstanding balance, including any late payment and accrued interest, will be added to any accounts for which payment has not been received by the Cooperative within sixty (60) calendar days after the day assessments are due. Interest will continue to accrue monthly until the outstanding balance is paid to the Cooperative.

(c) Persons failing to remit total assessments due in a timely manner may also be subject to actions under federal debt collection procedures.

Exhibit 2

National Attitude and Usage Report, Rose Partners, LLC, March 2018

NAOOA "LABELING" DOMESTIC STUDY REPORT



Prepared by: rose research, llc March, 2020



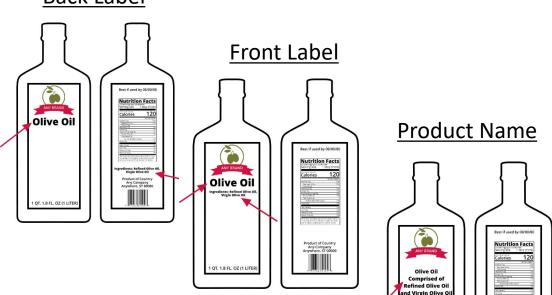
STUDY BACKGROUND & PURPOSE

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The North American Olive Oil Association (NAOOA) has commissioned this survey to inform and support its petition to the FDA for the promulgation of an olive oil standard of identity. As such, the NAOOA would like to obtain general input on labeling decisions for olive oils sold on the American market, plus a specific inquiry on how to label the product commonly known as "olive oil" which is a blend of refined and virgin. As such, consumers will be randomly exposed to one of three potential ways of labeling the ingredients that are present in a bottle of olive oil. NAOOA believes that it is important to inform consumers about the grades and/or categories in such a blend. As such, consumers will be randomly exposed to one of three potential ways of labeling the ingredients that are present in a bottle of olive oil: back label ingredient statement; front label ingredient statement; and product name ingredients.

Accordingly, the following three (3) statements accompanied with pictures were evaluated utilizing a monadic methodology (e.g. 500 respondents saw each labeling option): Ba<u>ck Label</u>

- Back Label In this scenario, the manufacturer has used the product name "olive oil" and has disclosed the grades in the product in an ingredient statement on the back label of the product.
- Front Label In this scenario, the manufacturer has used the product name "olive oil" and has disclosed the grades in the product in an ingredient statement on the front label of the product.
- Product Name In this scenario, instead of simply using the term "olive oil", the manufacturer has disclosed all of the grades of olive oil present in the bottle in the product name on the front label.



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STUDY BACKGROUND & PURPOSE

After exposure the respondents were asked the following regarding each scenario:

- Acceptability of listing the ingredients in this manner
- Consistency of how the ingredients are expected to be provided
- Consistency of how the ingredients are expected to be displayed compared to other cooking oil products (e.g. vegetable oils)
- Confusion when listing the ingredients in this manner
- Agreement with the following statements:
 - The use of the word "refined" in describing one of the ingredients would discourage me from purchasing the product
 - The use of (back/front ingredient statement or product name) to state the ingredients would make it more likely that I would purchase the product
- Ranking

Furthermore, additional areas of investigation included:

- Types of oil used
- Oils that are refined prior to bottling
- Oils that are considered healthy
- Awareness of the definitions of "virgin" and "refined" with respect to cooking oils
- Likelihood of purchasing cooking oils based on various statements
- True/False statements regarding olive oil

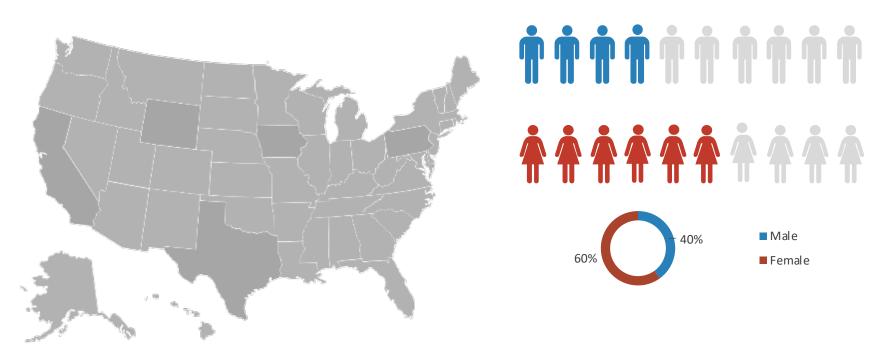


METHODOLOGY

Methodology

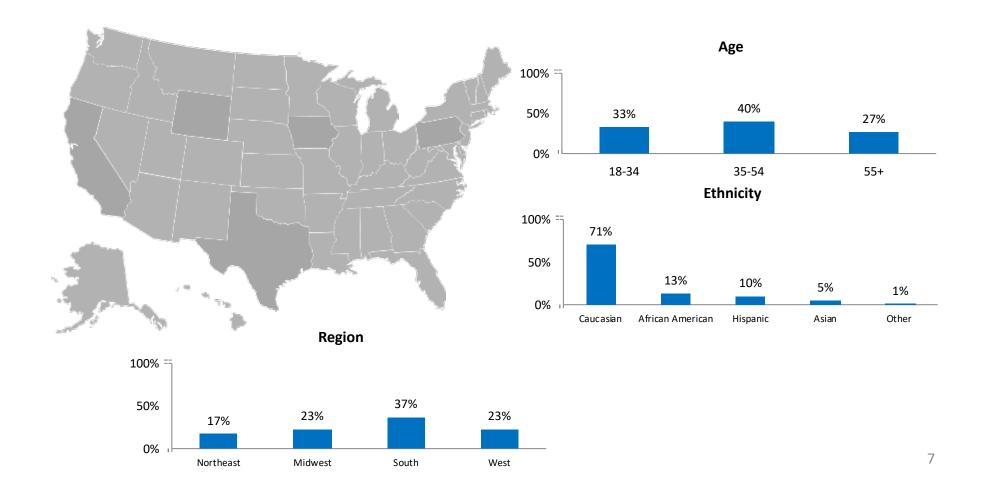
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A total of 1,500 interviews were completed online among a nationally representative sample of respondents residing in the U.S., who are 18 years of age and older, 60% women, 40% men, who conduct at least half of the shopping for their household. Interviewing was conducted from March 4th – March 17th, 2020.



Methodology

The following is a breakdown of the ages and ethnicities of the respondents who participated in the survey:







Comparisons of the Three "Olive Oil" Ingredient Statement Options:

Survey results showed that in terms of acceptability, appropriateness and consistency with other labels, all three ingredient statement options performed well, although on some measures some options performed significantly better than one or both of the others. None of the options were seen by respondents as a significant deterrent to a purchasing decision, however, a significant number of consumers indicated the use of the word "refined" on the label would be an olive oil purchase deterrent.

- At least 63% of respondents found that the option they were shown was an "acceptable" way of indicating olive oil ingredients. Notably, a significantly higher percentage of respondents found the front ingredient statement and product name ingredients acceptable (75% each) compare to 63% of those who found the back label ingredients acceptable.
- All three options for labeling "olive oil" ingredient statements were considered "consistent" with how other products are labeled by at least 63% of respondents, and all three options were considered "consistent" with how other cooking oils are labeled by approximately 60% of respondents.
- All three options for labeling "olive oil" ingredient statements were considered "not at all confusing" or "not very confusing" by approximately 60% of respondents (or more). Comparatively, only about 30% of respondents found the front label ingredient statement to be "somewhat, very or extremely" confusing, compared to approximately 40% for the back label ingredient statement and product name ingredients.



- When asked to rank the "most appropriate" way to label olive oil ingredients, the front label ingredient statement and product name statement were tied as best, significantly higher than the back label ingredient statement (1.90 mean each vs. back label – 2.21 mean). When combined, however, the two options that include a traditional ingredient statement for labeling olive oil ingredients (i.e. front label and back label) far out-performed the product name option.
- Over 50% of respondents who chose either the front label ingredient statement or product name ingredient said they did so because they thought it was the best balance between information and clarity.
- 45% of respondents who chose the back label ingredient statement as their first choice said this was due to the fact that it is more consistent with the way other products are labeled, compared to 31% of respondents whose first choice was front label ingredient statement and 26% for product name.
- None of the three options were seen as a deterrent to respondents' likelihood of purchasing the product. A small percentage of respondents (at most, 16% for back label ingredient statement) would be less likely to purchase the product given the way it is labeled. Respondents appear to be more likely to purchase an olive oil product if the ingredients were stated on the front of the bottle, as two-thirds of the consumers played this back (front label & product name 67%), while only 53% felt likewise regarding the back label ingredient statement.
- A substantial number of respondents (approximately 45%) agreed that the use of the word "refined" in the ingredient statement will discourage them from purchasing the product. 10



Extent of Consumer Knowledge about Olive Oil:

Consumer confusion is apparent in responses to many of the questions posed to respondents, and in the fact that nearly four-fifths of the respondents consider it to be important (78% - extremely or very) to always provide information on an olive oil label that identifies the grade or grades that are in the bottle, suggesting consumers would be unaware of this information if it was not specifically provided for them.

- Over one-fourth of respondents do not believe or are unsure if "extra virgin olive oil" is made from olives, compared to three-tenths who don't believe or are unsure if "olive oil" is. Approximately 10% of all respondents do not believe either one is made from olives.
- By far and away respondents played back that extra virgin olive was the healthiest type of cooking oil.
- But three-fifths of respondents acknowledge they either do not know or are unsure of the meaning of the word "virgin" with respect to cooking oils (and comments show that many who believe they do know actually do not). Over two-thirds of respondents believe or are unsure if extra virgin olive oil has been refined.
- Respondents were clearly confused about what oils are refined, as 33% believe that EVOO is refined (when it is not) and only 22% believe that soybean oil is.



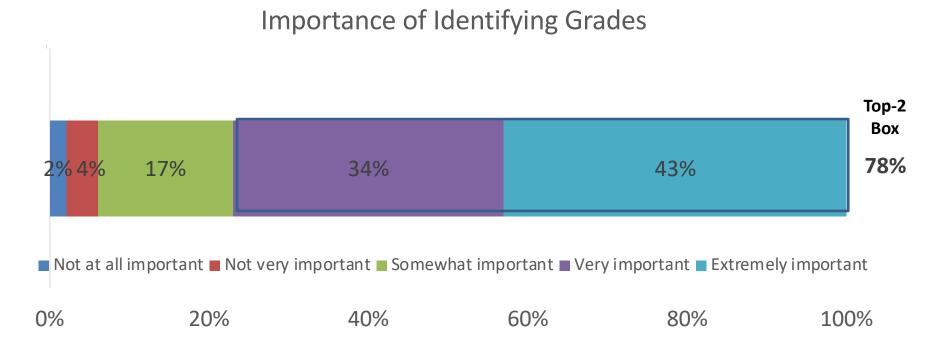
- Respondents are confused about difference between refined and virgin and the health implications, as they selected avocado oil (which is refined) as more healthy than virgin avocado oil (which is not).
- Three fifths of respondents acknowledge they either don't know or are unsure of the meaning of the word "refined" with respect to cooking oils (and comments show that many who believe they do know actually do not).
- Nearly half of all respondents believe that the inclusion of the word "pure" on an olive oil label indicates that the bottle contains the best quality of olive oil.
- After being shown a picture of "light" olive oil, at least three-fifths of the respondents believed that the oil has less fat than other olive oils and has fewer calories than other olive oils.



DETAILED FINDINGS

IMPORTANCE OF PROVIDING INFORMATION ON LABEL THAT IDENTIFIES GRADES

Nearly four-fifths of the respondents consider it to be important (78% - extremely or very) to always provide information on an olive oil label that identifies the grade or grades that are in the bottle.



Q1. In your opinion, how important is it to always provide information on an olive oil label that identifies the grade or grades that are in the bottle?



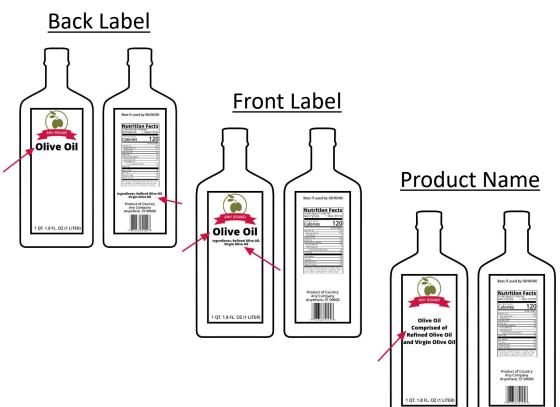
DETAILED FINDINGS REACTION TO THE OVERALL OLIVE OIL "LABELING" CONCEPTS



MONADIC DISPLAY OF LABELING OPTIONS

The following three (3) statements accompanied with pictures were evaluated utilizing a monadic methodology (e.g. 500 respondents saw each labeling option):

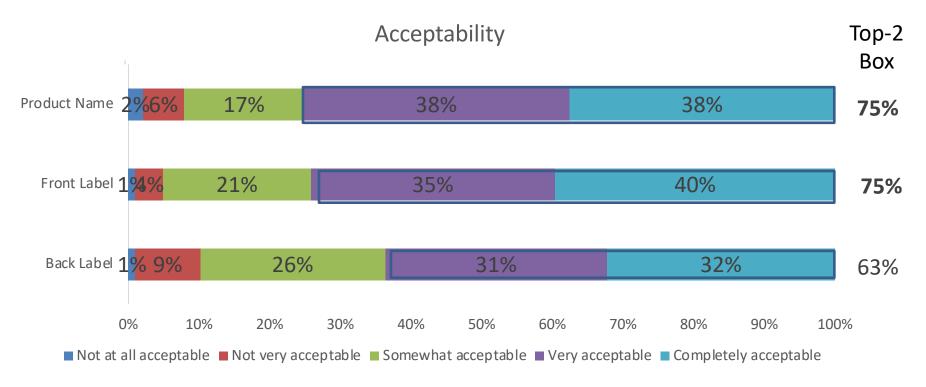
- Back Label In this scenario, the manufacturer has used the product name "olive oil" and has disclosed the grades in the product in an ingredient statement on the back label of the product.
- Front Label In this scenario, the manufacturer has used the product name "olive oil" and has disclosed the grades in the product in an ingredient statement on the front label of the product.
- Product Name In this scenario, instead of simply using the term "olive oil", the manufacturer has disclosed all of the grades of olive oil present in the bottle in the product name on the front label.





ACCEPTABILITY OF THE THREE INGREDIENT STATEMENT OPTIONS

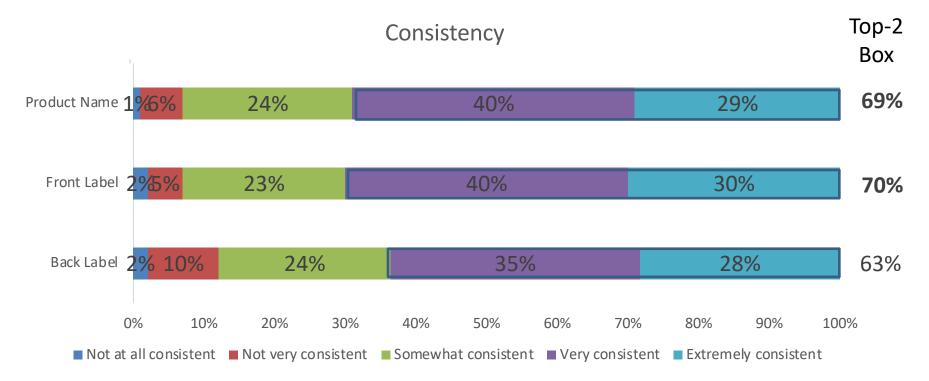
Here, respondents were shown only one option and asked whether the option was an "acceptable" way to list the ingredients.



Q1a-c. Would you say using the (back/front label) ingredient statement/product name to list the ingredients is...?

CONSISTENCY RELATIVE TO OTHER PRODUCT LABELS OF THE THREE INGREDIENT STATEMENT OPTTIONS

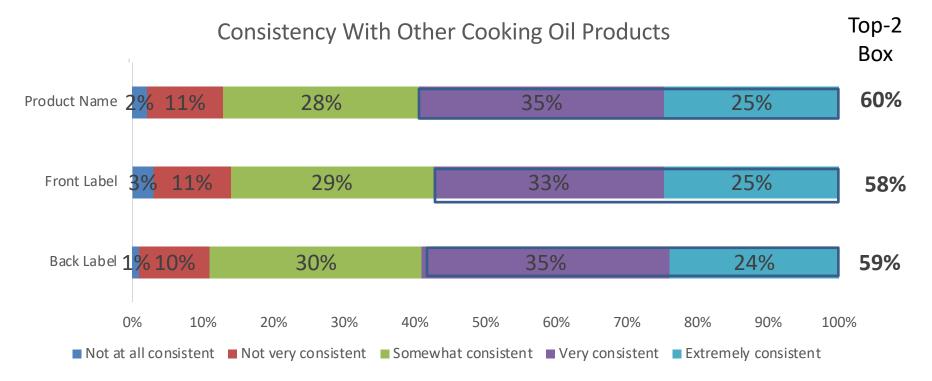
Here, respondents were shown only one option and asked the extent to which this way of listing ingredients was "consistent" with their expectations for how such information is provided on product labels.



Q2a-c. How consistent would you say using (back/front ingredient statement/product name) to list the ingredients is with how you expect such information to be provided on product labels?



Here, respondents were shown only one option and asked the extent to which this way of listing ingredients was "consistent" with their expectations for how such information is provided on cooking oil product labels in particular.

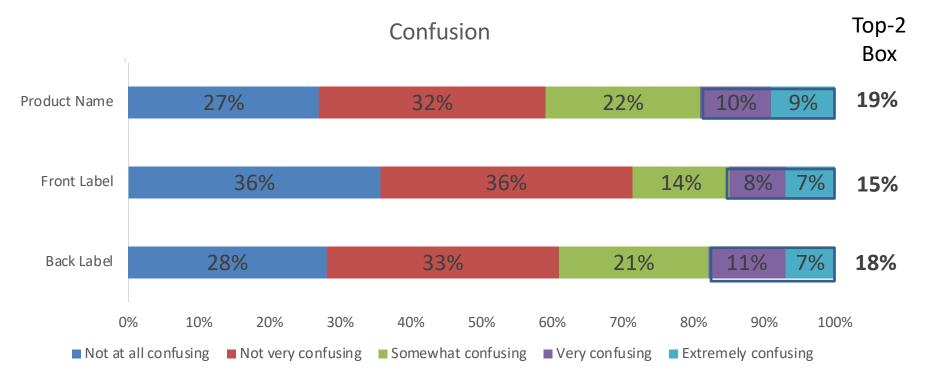


Q3a-c. And, how consistent would you say using (back/front ingredient statement/product name) to list the ingredients is with how such information is disclosed in other cooking oil products (e.g. vegetable oils)?



LEVEL OF CONFUSION CUASED BY THE THREE INGREDIENT STATEMENT OPTIONS

Here, respondents were shown only one option and asked the extent to which this way of listing ingredients was "confusing".

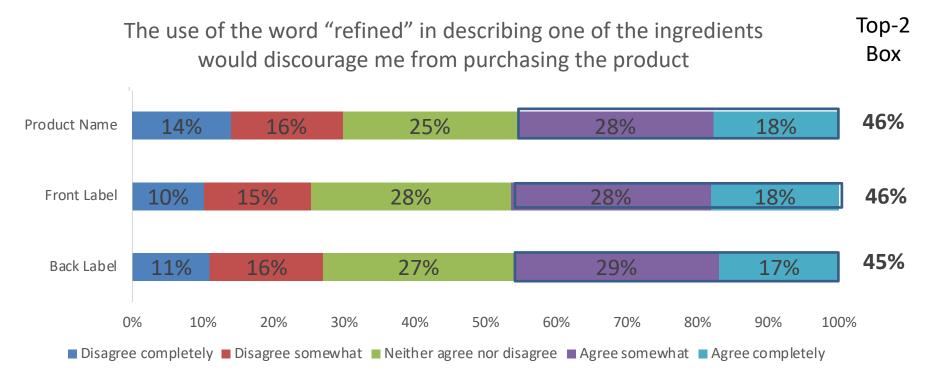


Q4a-c. How confusing would you say using (back/front ingredient statement/product name) to list the ingredients is?



AGREEMENT WITH STATEMENTS

Here, respondents were shown only one of the three ingredient statement options and were asked how much they agreed with the statement that "the use of the word 'refined' in describing the ingredients would discourage the purchase of the product".



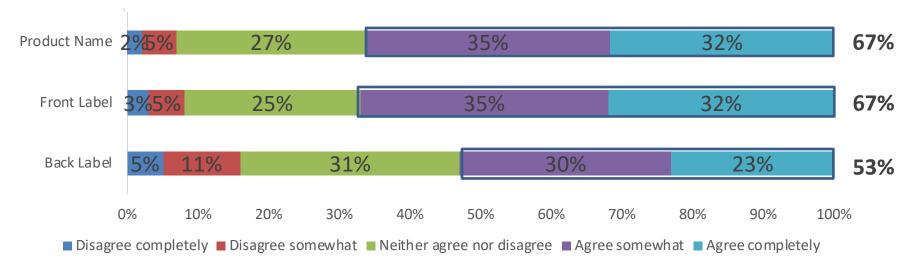
Q6a-c. How much do you agree or disagree with the following statements?



AGREEMENT WITH STATEMENTS

Here, respondents were shown only one of the three ingredient statement options and were asked how much they agreed with the statement that this type of "ingredient statement to state the ingredients would make it more likely that I would purchase the product".

The use of the back label/front label/product name ingredientTop-2statement to state the ingredients would make it more likely that IBoxwould purchase the productBox



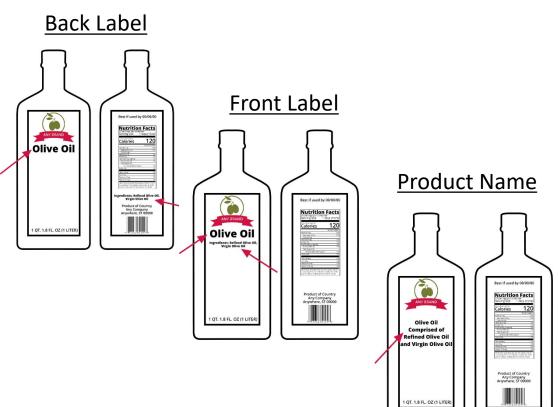
Q6a-c. How much do you agree or disagree with the following statements?



ALL THREE LABELING OPTIONS

Respondents were then exposed to all three labeling options:

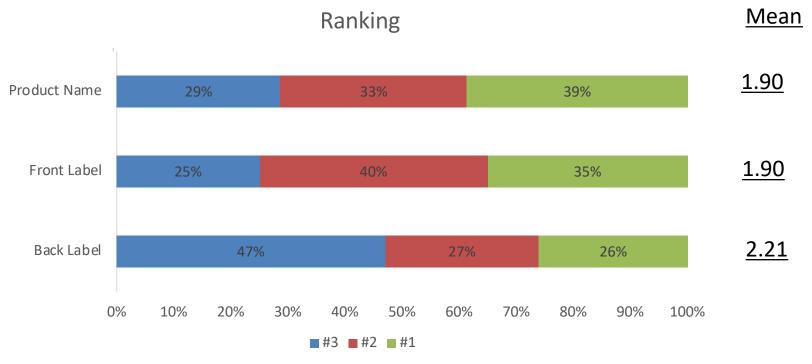
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- Front Label In this scenario, the manufacturer has used the product name "olive oil" and has disclosed the grades in the product in an ingredient statement on the front label of the product.
- Product Name In this scenario, instead of simply using the term "olive oil", the manufacturer has disclosed all of the grades of olive oil present in the bottle in the product name on the front label.





Here, respondents were asked to rank the three different options in terms of "the best overall approach" to identifying the ingredients.

 Notably, when combined the two options that include the traditional ingredient statement (i.e. front label and back label) greatly out-performed the "product name option".



8. Thinking about the most appropriate way of presenting which grades are present in an olive oil product, please rank the following three options. Please rank the best overall approach #1, second best approach #2 and the third #3.



Reasons for preference were similar for the front label and product name, as more than half chose them for "providing a better balance between information and clarity", while directionally more selected the front label for being "less confusing" and "more consistent with how other products are labeled".

	Product Name %	Front Label %	Back Label %
It provides a better balance between information and clarity than the other two choices	54	53	34
There is a more appropriate way to show the ingredients than the other two	44	43	36
It is less confusing than the other choices	43	47	33
It is more consistent with how other product are labeled than the other two	26	31	45

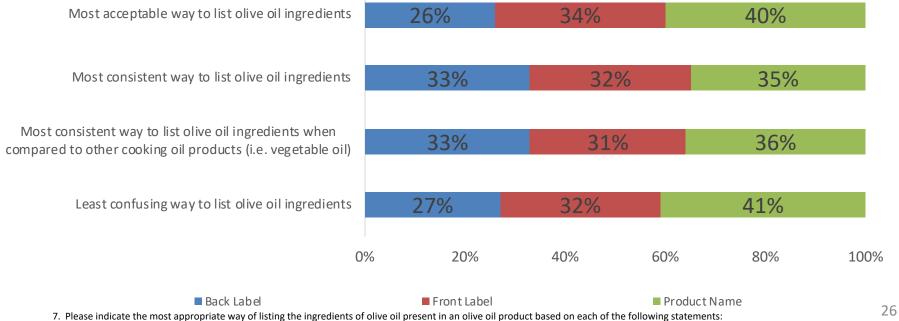
9. You mentioned that (back/front ingredient statement/product name) was the best approach to presenting which grades are present in an olive oil product, please select all of the reasons you feel this way.



MOST APPROPRIATE WAY OF LISTING INGREDIENTS

Here, respondents were asked to indicate which of the three ingredient statement options were most appropriate with respect to attributes concerning acceptability, consistency and confusion.

When combined, the two options that include the traditional ingredient statement • (i.e. the front label and the back label options) greatly outperformed the "product name" options on all attributes.



Most Appropriate Way of Listing Ingredients

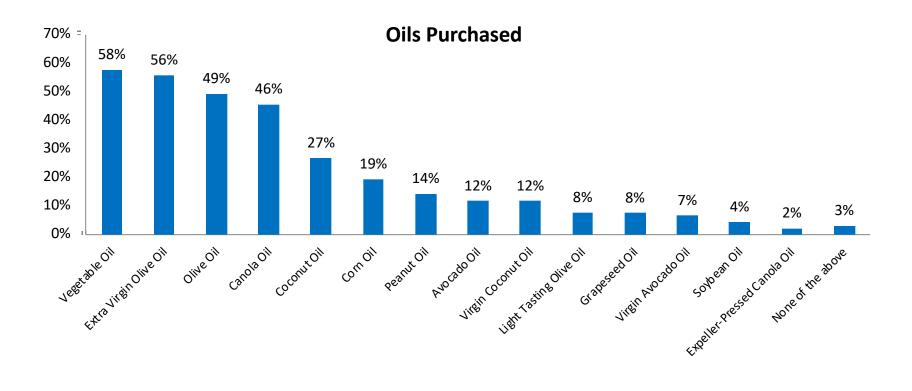


BACKGROUND DATA



OILS PURCHASED

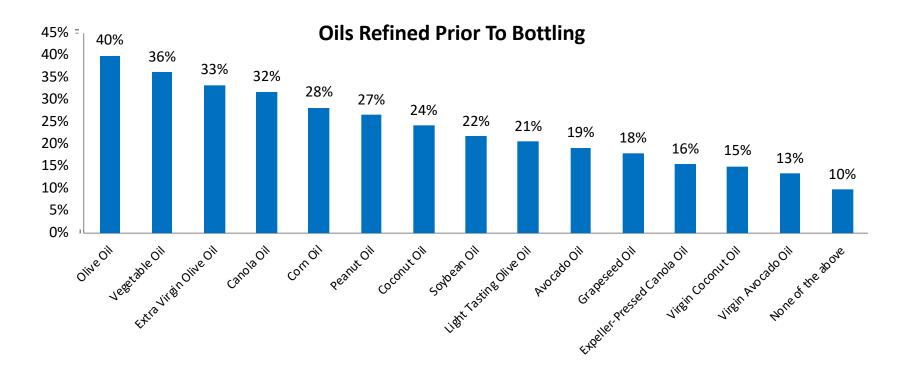
The majority of the respondents have purchased vegetable oil and extra virgin olive oil in the past year, followed closely by just under half who mentioned olive oil and canola oil, with about one-quarter also indicating coconut oil.





OILS REFINED PRIOR TO BOTTLING

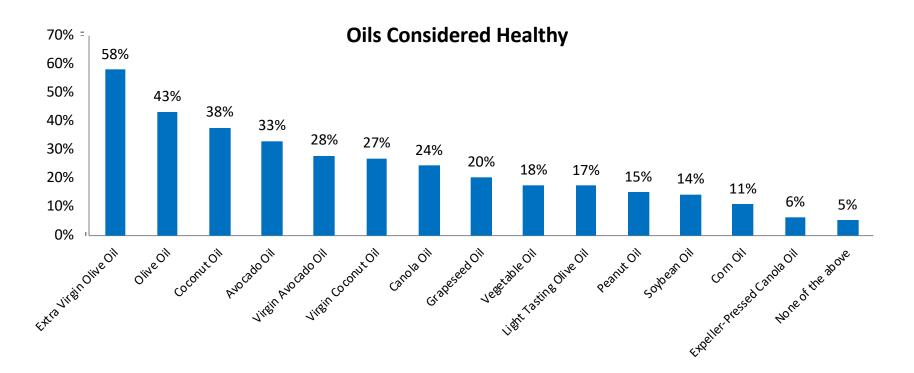
Indicative of consumer confusion, only about 4 in 10 are aware that olive oil and vegetable oil are refined, while on the other hand, one-third of the consumers believe that extra virgin olive oil is refined prior to bottling.





OILS CONSIDERED HEALTHY

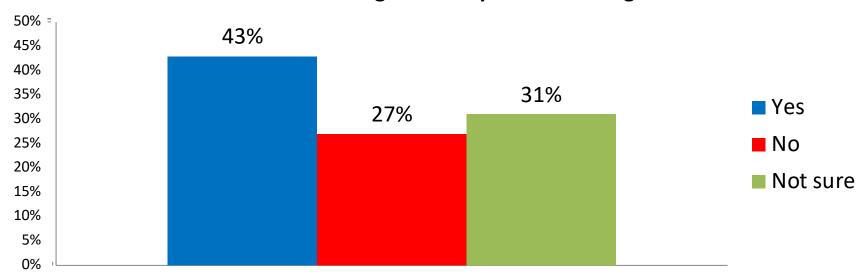
By and far, extra virgin olive oil is considered to be the healthiest type of oil – as nearly three-fifths mentioned it, followed at significantly lower levels by about two-fifths who indicated olive oil and coconut oil, with more than one-quarter also reporting avocado oil, virgin avocado oil and virgin coconut oil.





AWARENESS OF "VIRGIN" IN RESPECT TO COOKING OILS

While about two-fifths of the respondents are reportedly aware of what the word "virgin" means in respect to cooking oils, nearly three-fifths either don't know or are unsure.

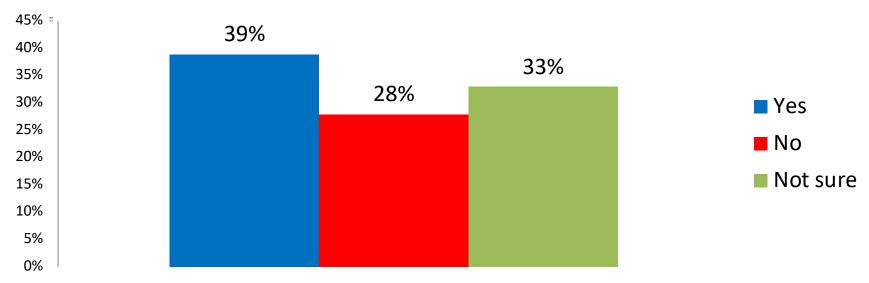


Awareness of "Virgin" in Respect to Cooking Oils



AWARENESS OF "REFINED" IN RESPECT TO COOKING OILS

Three-fifths of the respondent acknowledged they either don't know or are unsure of the meaning of the word "refined" with respect to cooking oils and comments show that many who believe they do know, actually do not.

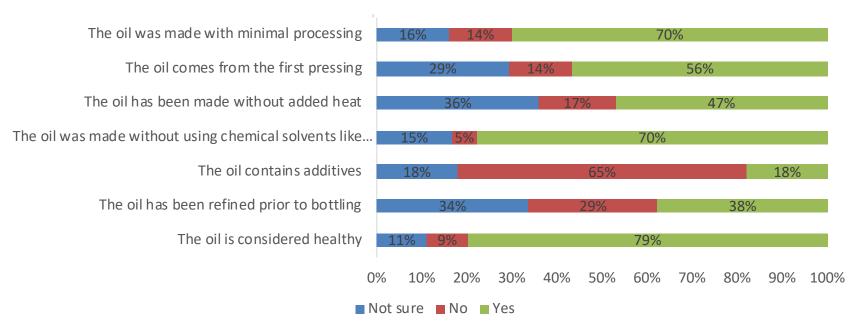


Awareness of "Refined" in Respect to Cooking Oils



LIKELIHOOD OF PURCHASING COOKING OILS

Being considered healthy is the attribute that would make the consumers most likely to purchase a cooking oil – as nearly four-fifths played this back, followed by 7 in 10 who mentioned if the oil was made with minimal processing and if the oil was made without using chemical solvents like hexane, while on the other hand, containing additives was considered the least motivating.



Likelihood of Purchasing Cooking Oils

Q15. Please indicate if the following statements about a cooking oil makes you more likely to want to purchase it or not...



Respondents were exposed to the following bottle of Extra Virgin Olive Oil:

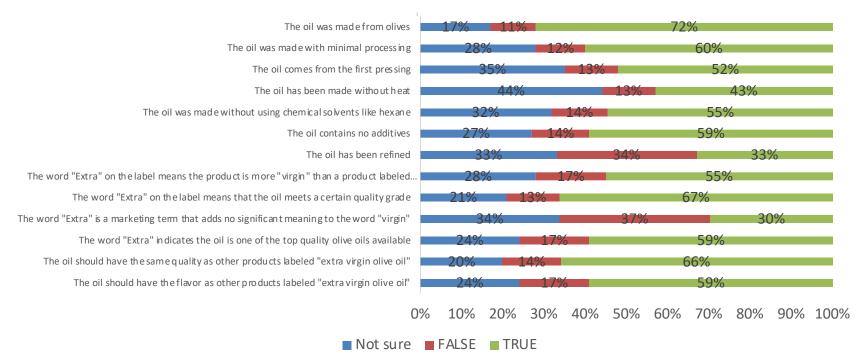


Q16. Based on what is shown on the label, which of the following statements do you believe to be true about this product?



PERCEPTION OF STATEMENTS – EVOO BOTTLE

After being shown a picture of a bottle of extra virgin olive oil, more than 7 in 10 of the respondents believed that the product was made from olives, while at least three-fifths also felt the word "extra" on the label means that the oil meets a certain quality grade, the oil should have the same quality as other products labeled "extra virgin olive oil" and the oil was made with minimal processing, while one-third or less felt the product was refined or that the word "extra" is a marketing term that adds no significant meaning to the word "virgin".

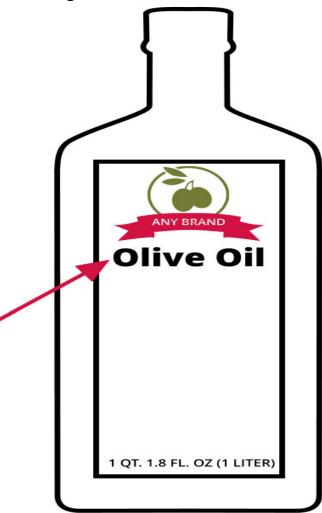


Perception of Statements – EVOO Bottle

Q16. Based on what is shown on the label, which of the following statements do you believe to be true about this product?



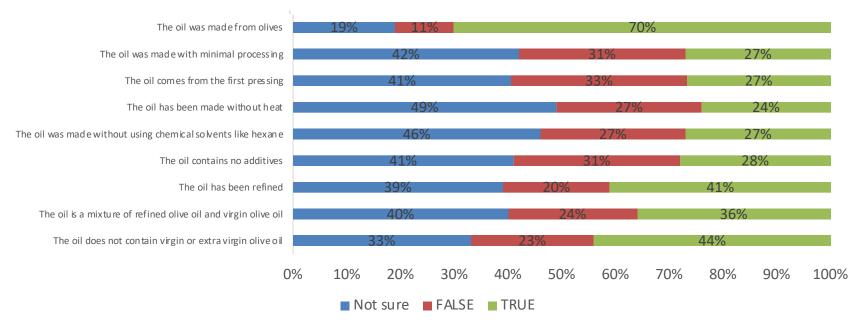
Respondents were exposed to the following bottle of Olive Oil:



Q17. Based on what is shown on the label, which of the following statements do you believe to be true about this product?



By and far, after being shown a picture of an olive oil bottle, the respondents were most likely to believe that the oil was made from olives – as 7 in 10 played this back – significantly higher than second tier responses where about two-fifths found the following two statements credible – the oil does not contain virgin or extra virgin olive oil and the oil has been refined, with consumers least likely to understand whether or not the oil has been made without heat.



Perception of Statements – Olive Oil Bottle

Q17. Based on what is shown on the label, which of the following statements do you believe to be true about this product?



PERCEPTION OF STATEMENTS – "LIGHT" OR "LITE"

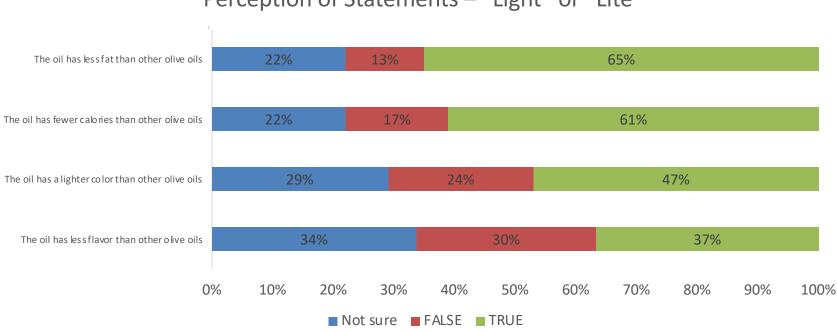
Respondents were exposed to the following bottle of olive oil indicating "Light" or "Lite":



Q18. If an olive oil is described as "Light" or "Lite" on the label, which of the following statements do you believe to be true about this product?



After being shown a picture of "light" olive oil, at least three-fifths of the respondents believed that the oil has less fat than other olive oils and it has fewer calories than other olive oils, while about half felt it had a lighter color than other olive oils, with about one-third of the respondents unsure of whether or not it had less flavor than other olive oils.



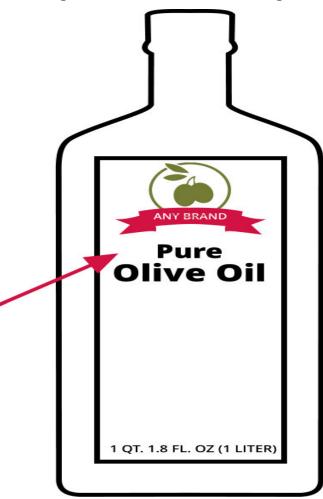
Perception of Statements – "Light" or "Lite"

Q18. If an olive oil is described as "Light" or "Lite" on the label, which of the following statements do you believe to be true about this product?



PERCEPTION OF STATEMENTS – "PURE"

Respondents were exposed to the following bottle of olive oil indicating "Pure":



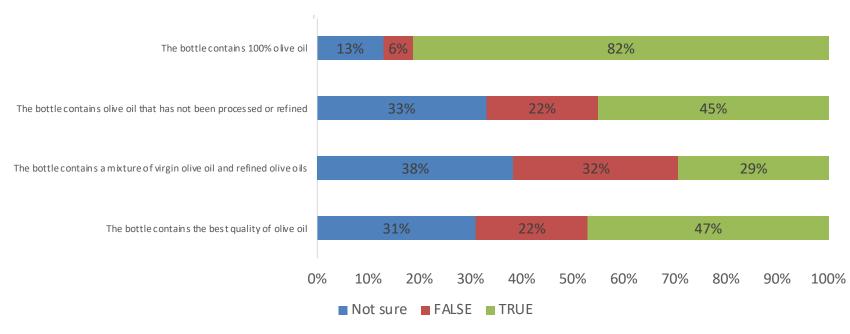
Q20. If an olive oil is described as "Pure" on the label, which of the following statements do you believe to be true about this product?



PERCEPTION OF STATEMENTS – "PURE"

After being shown a bottle of "pure" olive oil, more than four-fifths of the consumers felt the bottle contains 100% olive oil, significantly higher than just under half who believed that it contains the best quality of olive oil or olive oil that has not been processed or refined, with nearly four-fifths of the consumers who were unsure of whether or not the bottle contains a mixture of virgin olive oil and refined olive oils.

Perception of Statements - "Pure"



Q20. If an olive oil is described as "Pure" on the label, which of the following statements do you believe to be true about this product?

Exhibit 3

NAOOA National Labeling Study, Rose Partners, LLC, March 2020

National Attitude & Usage Study Report

Presented to:



American Olive Oil Producers Association

March, 2018



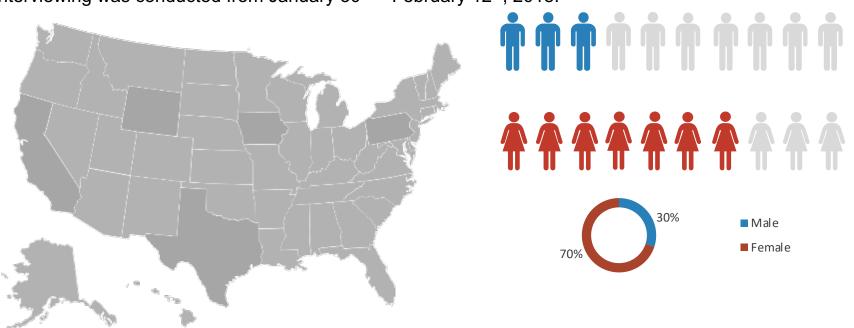
The primary objective of this study is to analyze the olive oil industry's current status in terms of consumer attitudes and behavioral practices toward the product. Accordingly, the industry would like to determine consumer awareness of olive oil types (Pure, Extra Virgin and Extra Light Tasting) as well as to understand olive oil usage and purchasing habits.

In addition, findings from this study will be broken down by olive oil types and segmented by various usage and demographic segments for further analysis including:

- □ Gender
- Region
- □ Age
- Ethnicity
- □ Income
- Frequency by type of olive oil used

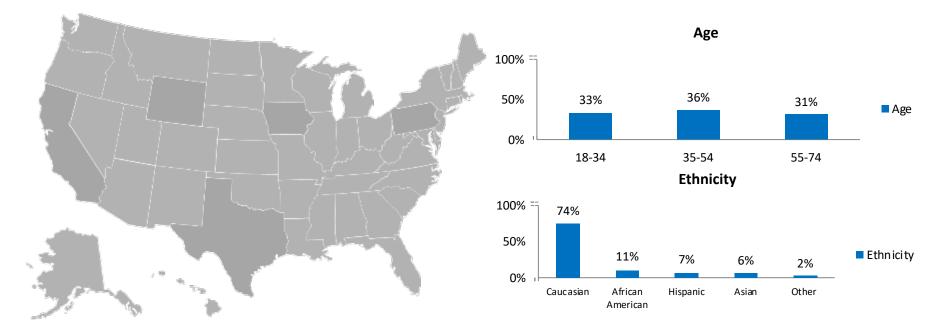
Methodology

A total of 2,000 interviews were completed online among a nationally representative sample of respondents residing in the U.S., who are 18-74 years of age, 70% women, 30% men, who conduct at least half of the shopping and half of the cooking for their household and have purchased olive oil in the past 6 months. Interviewing was conducted from January 30th – February 12th, 2018.



Methodology

The following is a breakdown of the ages and ethnicities of the respondents who participated in the survey:



Positively, the olive oil industry has a very favorable outlook among consumers in the United States. First and foremost, overall consumer satisfaction with all three types of olive oil (Extra Virgin, Pure and Extra Light Tasting) is strong – as better than four-fifths of the respondents indicated they are pleased with the type they are using – higher than our norm 70% for this key measure. In addition, virtually all of the respondents reported that buying olive oil is a "planned purchase" (not an impulse buy) where consumers either plan on buying olive oil ahead of time or buy it just to have it in the house – indicative of a established product in the consumer mindset. Furthermore, with the exception of "price", about two-fifths of the respondents were unable to play back a deterrent for purchasing olive oil less often than they might otherwise.

"Health" is a primary purchase motivator for olive oil consumers – as at least three-fifths of the respondents agree that olive oil (all three types) is either the healthiest or one of the healthiest oils you can buy. In addition, nearly half of the consumers would purchase more olive oil if they learned that it had more health benefits than they were previously aware of – particularly those living in the Southern region of the United States, younger to middle aged respondents 18-54 years of age) and non-Caucasians. Again with the exception of "price", knowing more about health benefits is the primary type of information consumers would like to learn more about in order to buy even more olive oil. As such, the respondents are more likely to be aware of general olive oil health attributes such as "having a good/healthy fat" and "is heart health/good for your heart" as opposed to more specific elements including – "being a good source of antioxidants", "good for joints", "reducing inflammation", etc. Moreover, "quality", "taste" and "health/nutritional value" are the top 3 attributes taken into account when purchasing the product – further illustrating the importance of educating the consumers about the specific health properties of olive oil.

On the other hand, at least half of the consumer would switch the brand or type of olive oil (they normally buy) if they were shopping and the one they were planning on purchasing wasn't available – a sign that brand/type loyalty is not a key element to the olive oil purchase decision. Furthermore, if a recipe calls for a specific type of olive oil, the majority of the respondents would use what they have at home as opposed to what the recipe recommends.

Notably, Extra Virgin Olive Oil generated higher scores compared to the other entries (Pure and Extra Light Tasting) in terms of:

- Awareness
- **D** Frequency of use
- Versatility (ways used & reasons for purchase)
- Last time purchased & frequency of purchase
- Health ratings & health attributes

Social media can play a large role in educating consumers about health properties of olive oil, particularly Facebook – as the majority of the respondents are spending at least 3 hours (or more) a week on the site – particularly frequent olive oil users. In addition, more than 7 in 10 of the olive oil purchasers are interested in connecting with an olive oil association/council via social media – especially respondents in the Southern region of the U.S., younger to middle-aged consumers (18-54 years of age), non-Caucasians and higher income earners (\$55k a year or more) and frequent olive oil users.

All in all, olive oil is poised for growth among consumers in the United States. We would recommend educating respondents on the specific health elements of olive oil prior to the purchase decision – as it is a planned purchase not an impulse buy. In addition, utilizing social media, especially Facebook can be a particularly cost effective tool to accomplish that objective. Furthermore, selecting specific consumer segments, such as those in the Southern region of the United States, younger to middle aged respondents, non-Caucasians, higher income earners – should be considered for targeted promotions, however, all purchasers should be taken into consideration for olive oil health property education.

Frequent User Profile

Olive Oil User Profile

More than Once a Week

Age – 18-34

Income - \$100k+

More likely to have 3+ people in their household

Married

Employed Full-Time

Spend more time on social media

Once a Week or Less

Age – 55+

Income - \$55k or less

More likely to have 1-2 people in their household

Not employed

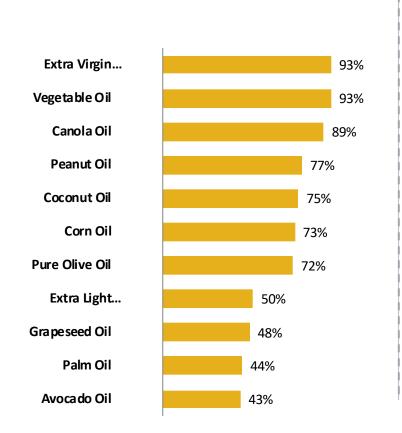
Spend less time on social media

Detailed Findings

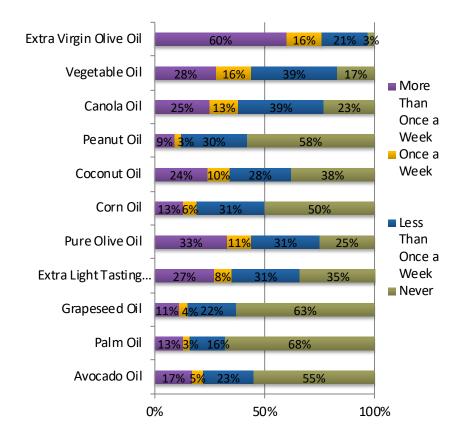
Awareness, Usage and Purchasing

Better than 9 in 10 of the consumers are aware of Extra Virgin Olive Oil and Vegetable Oil, while 72% recognize Pure Olive Oil.

 Extra Virgin Olive Oil is used most frequently, followed at much lower levels by Pure and Extra Light Tasting Olive Oil.



Frequency of Use of Cooking Oils



1. Listed below are several different kinds of cooking oils. Can you tell me which ones you are aware of?

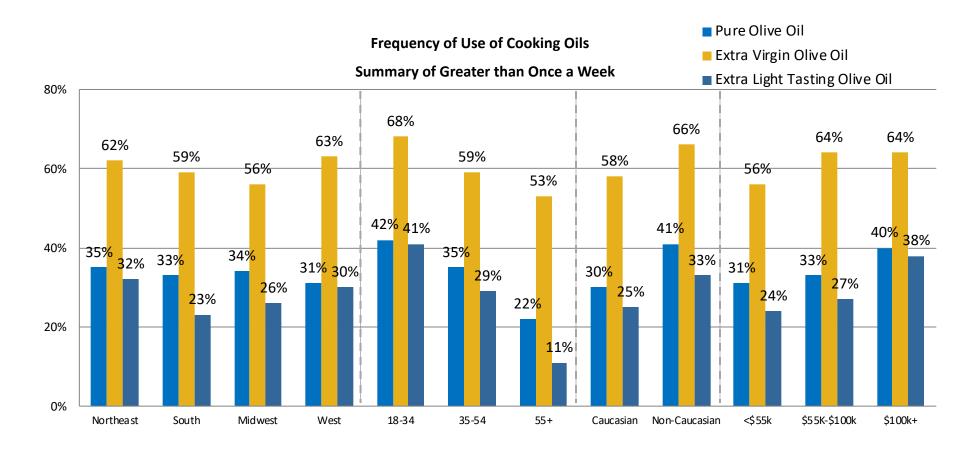
2. And, can you tell me how often each of them are used by anyone in your household?

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Cooking Oils Awareness

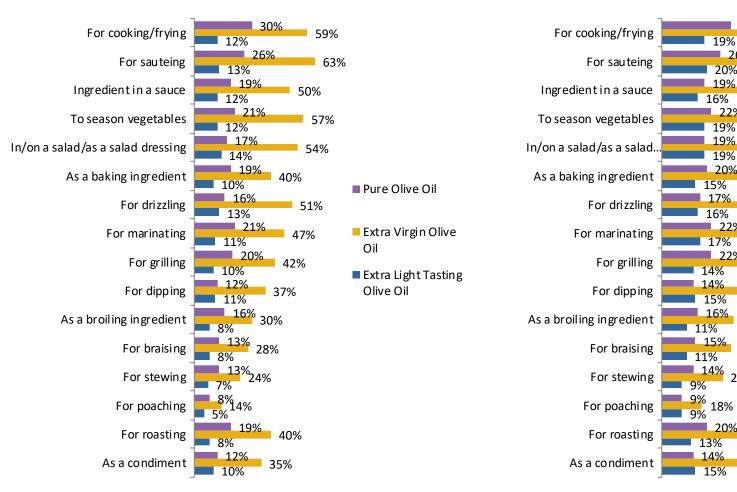
Younger respondents, non-Caucasians and middle to upper income earners are most likely to use olive oil (all 3 types) more often than their respective counterparts.

In addition, consumers residing in the Northeast and West use Extra Virgin Olive Oil and Extra Light Tasting Olive Oil more frequently than those residing in the South and Midwest.



2. And, can you tell me how often each of them are used by anyone in your household?

Extra Virgin Olive Oil is the preferred type of olive oil for all occasions compared to Pure and Extra Light Tasting Olive Oil, as it is primarily used/purchased for sauteing, cooking/frying, seasoning, salads, drizzling and sauces.



Ways Use Olive Oil

Reasons for Buying Olive Oil

31%

38%

19%

20%

19%

22%

19%

19% 20%

22%

22%

26%

57%

53%

59%

56%

52%

51%

44%

40%

41%

37%

32%

31%

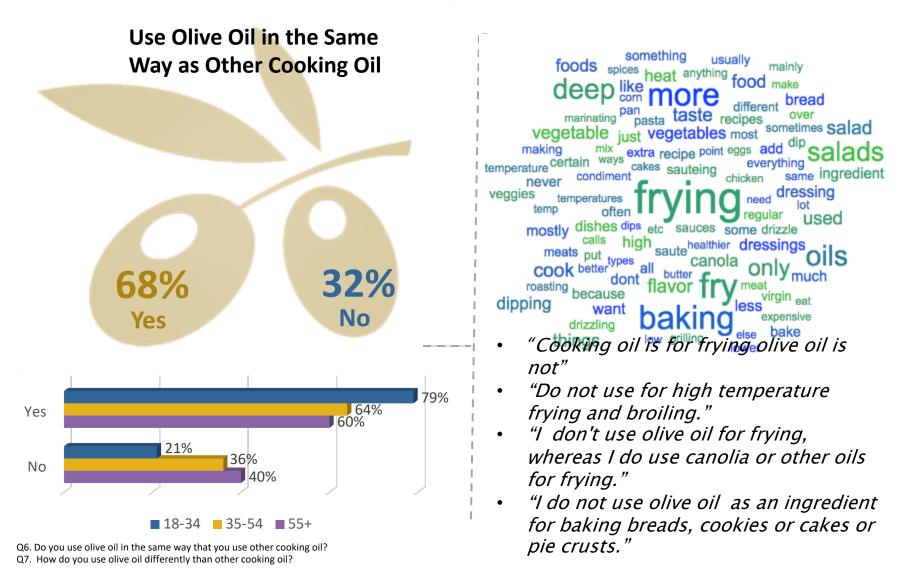
27%

20%

62%

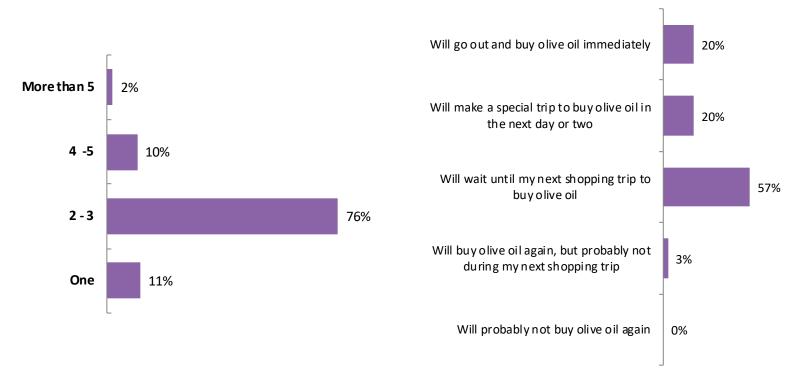
Q5. Using the list below, please indicate the different ways you, or anyone else in your household, have ever used these products while at home. Q10. And for which of the following reasons do you buy olive oil?

While better than two-thirds use olive oil in the same way they use cooking oil (particularly younger respondents), some don't use it for "frying" or "baking".



It is most common to have 2-3 different types of cooking oil at home – as better than three-quarters of the respondents played this back.

When the consumers run out of olive oil at home, nearly three-fifths of them will wait until their next shopping trip to buy more as opposed to going out immediately or making a special trip in the next day or two.



Call to Action: What They Did

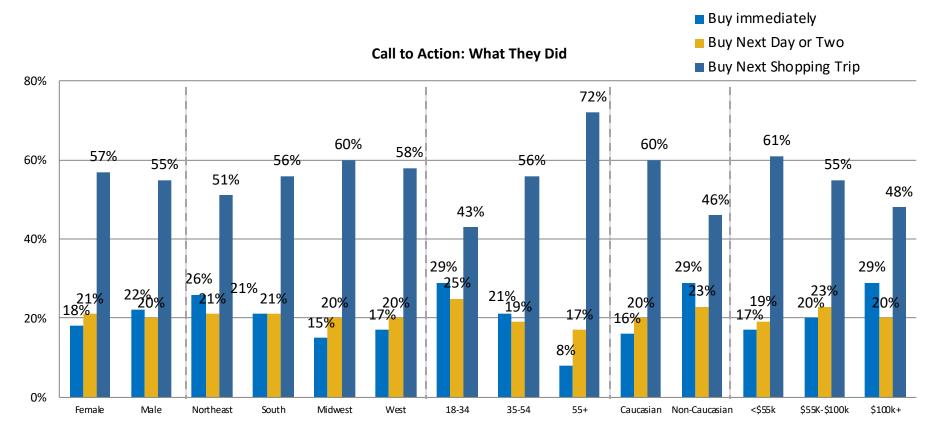
Q11. And, how many different types of cooking oil do you usually have on hand at your home?

Number of Different Types of Cooking Oil at Home

Q12. When your household has used the last of the olive oil available at home, which of the following best describes what you will do?

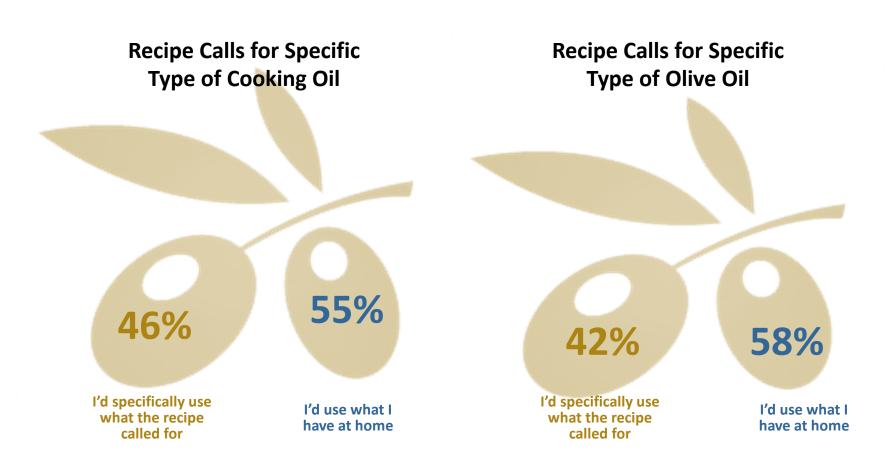
Respondents in the Midwest and West, those 55+ years of age, Caucasians and lower income earners are most likely to wait until their next shopping trip to purchase more olive oil.

On the other hand, while at lower levels, men, those residing in the Northeast, younger respondents, non-Caucasians and more affluent consumers are most likely to purchase olive oil immediately if they ran out at home.



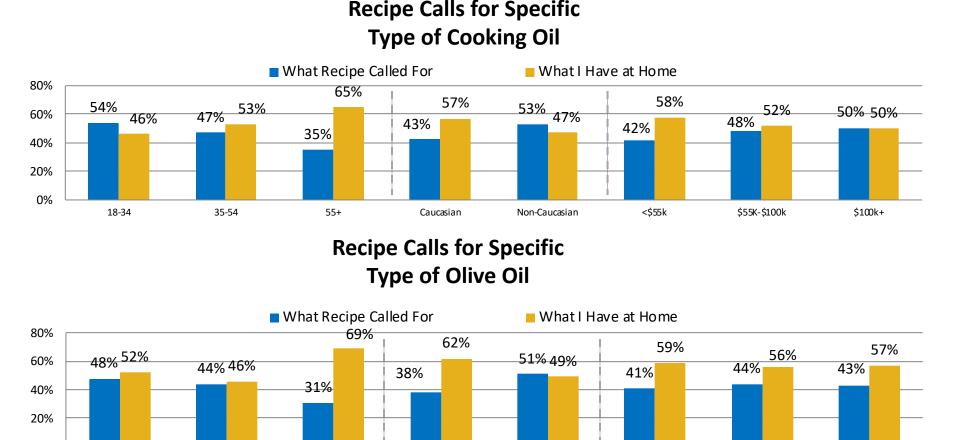
Q12. When your household has used the last of the olive oil available at home, which of the following best describes what you will do?

Regardless of whether the recipe calls for a specific type of "cooking" or "olive" oil, consumers are more likely to use what they have at home as opposed to using what the recipe calls for.



Q15a. If a recipe calls for a specific type of **cooking oil**, would you go out and purchase/use that specific type of cooking oil or would you use what you have at home? Q15b. If a recipe calls for a specific type of **olive oil**, would you go out and purchase/use that specific type of olive oil or would you use what you have at home?

Older consumers, Caucasians and less affluent respondents are most likely to use the oil they have at home, regardless of what the recipe specifies compared to their respective counterparts.



Q15a. If a recipe calls for a specific type of **cooking oil**, would you go out and purchase/use that specific type of cooking oil or would you use what you have at home? Q15b. If a recipe calls for a specific type of **olive oil**, would you go out and purchase/use that specific type of olive oil or would you use what you have at home?

Caucasian

Non-Caucasian

<\$55k

\$55K-\$100k

55+

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18-34

35-54

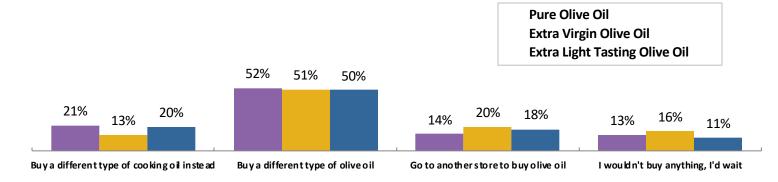
0%

20

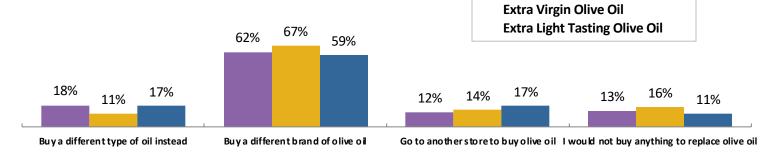
\$100k+

In addition, olive oil purchasers aren't necessarily loyal (brand or type) – as at least half would switch their brand or type if their normal one wasn't available.

Plan If Olive Oil Type Wasn't Available



Plan If Olive Oil Brand Wasn't Available

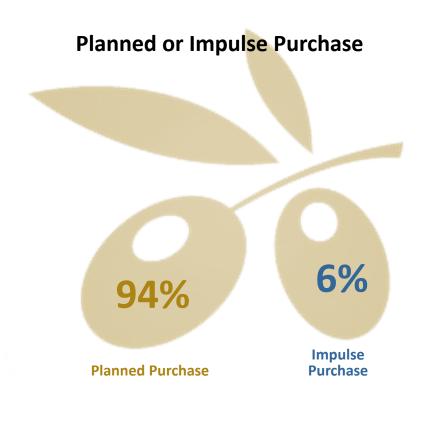


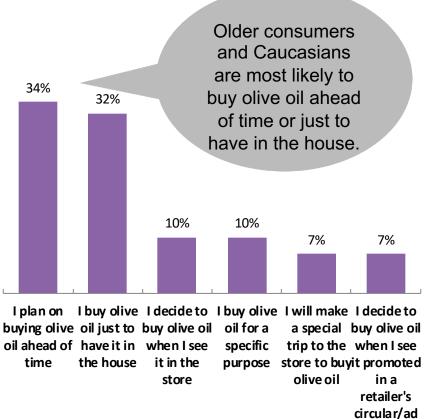
Pure Olive Oil

Q14a. If you went to the grocery store and was planning on purchasing a particular **type** of olive oil and it was not available, what would you be most likely to do? Q14b. If you went to the grocery store and was planning on purchasing a particular **brand** of olive oil and it was not available, what would you be most likely to do?

Virtually all of the respondents reported that buying olive oil is a planned purchase, not an impulse buy.

Accordingly, about one-third of the consumers buy olive oil ahead of time, while a similar amount buy it just to have in the house.

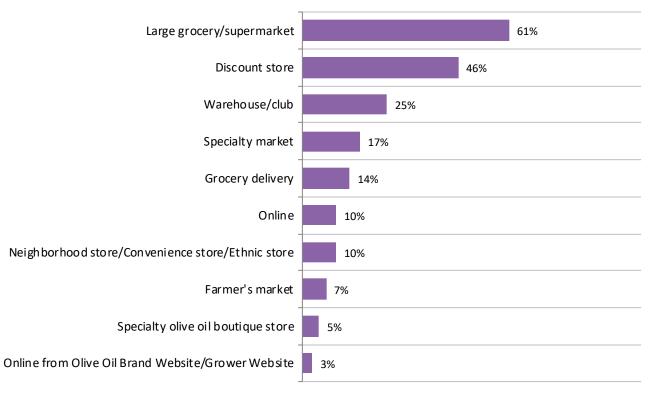




Q13. When you normally buy olive oil is it...? Q8. Which of the following best describes your typical olive oil purchasing habits?

Olive oil is typically purchased at a large grocery store or supermarket, followed by a discount store.

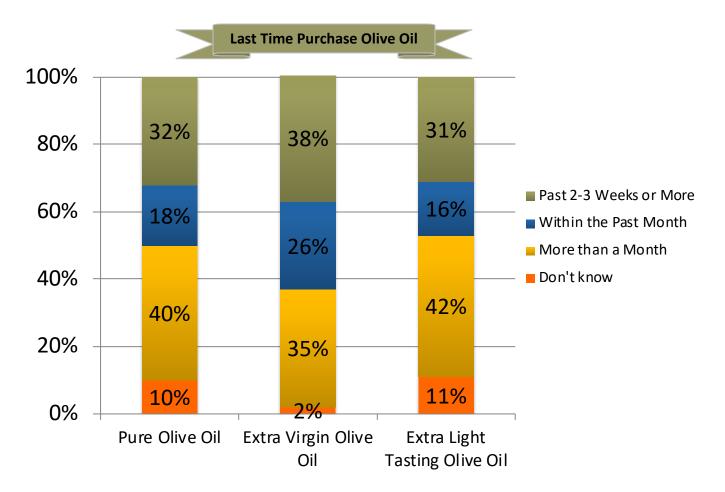
In addition, one-quarter of the consumers buy olive oil at a warehouse/club, followed by at least 1 in 10 who played back the following: specialty market, grocery delivery, online and at a neighborhood/ convenience/ethnic store.



Where Typically Purchase Olive Oil

Q9. At what type of store(s) do you normally buy olive oil?

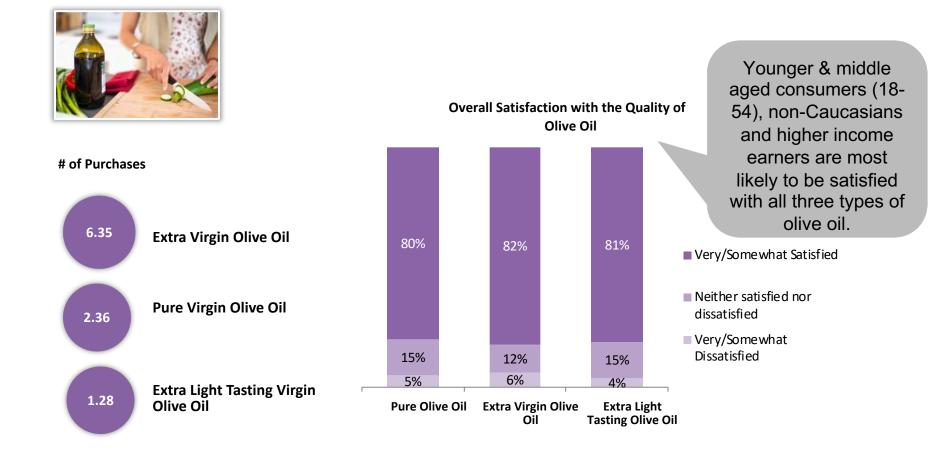
Consumers were more likely to purchase Extra Virgin Olive Oil more recently compared to the Pure and Extra Light types.



Q4. When was the last time you purchased ...?

Satisfaction is strong among all olive oil types – as better than 8 in 10 are very/somewhat satisfied.

Extra virgin olive oil is purchased most often – more than 6 times out of the last 10 purchases.

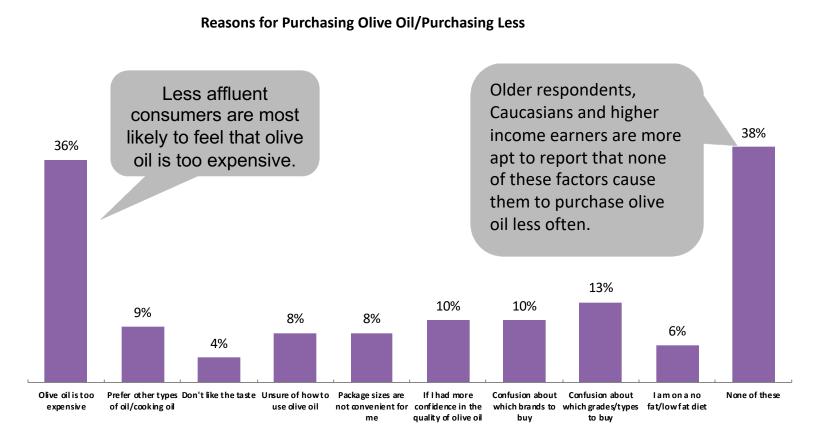


Q16. Overall, how satisfied are you with the quality of the (SPECIFIC TYPE OF OLIVE OIL) you are using?

Q17. Out of your last 10 olive oil purchases, how many have been "Pure Olive Oil", how many have been "Extra Virgin Olive Oil" and how many have been "Extra Light Tasting Olive Oil"?

"Price" is the primary reason consumers don't purchase more olive oil – as 36% played this back.

Notably, nearly 4 in 10 have no reason for purchasing olive oil less often.

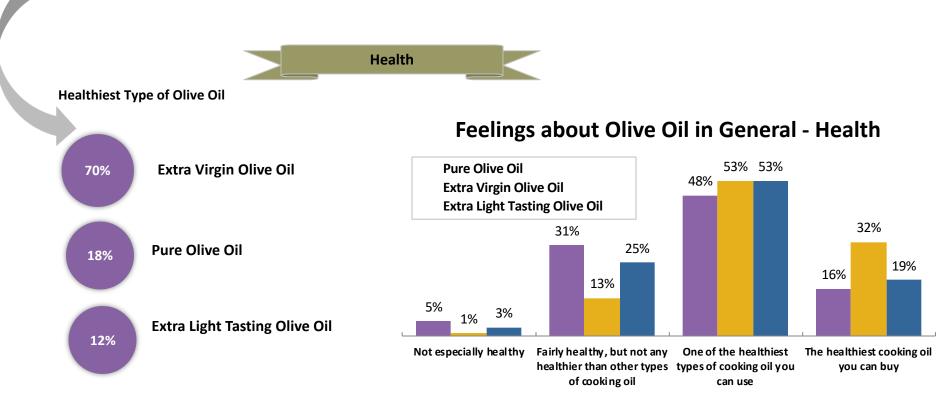


Q21. Which of the following reasons listed below describe why you may not buy olive oil or perhaps why you buy it less often than you might otherwise?

Olive Oil, Health & Additional Attributes

While each of the olive oil types are considered to be "one of the healthiest types of cooking oils you can use", Extra Virgin is singled out as being the healthiest by 7 in 10 of the consumers.

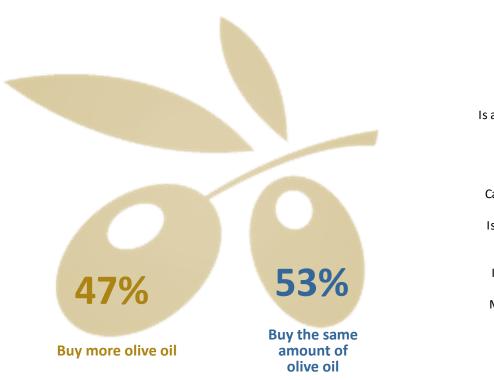
Respondents residing in the Western region of the U.S. and those 35 years of age and older are even more
 apt to feel that Extra Virgin is the healthiest type of olive oil.



Q3b. Which grade/type of olive oil is healthiest? Q18. Which one of the following statements best describes how you feel about Olive Oil in general?

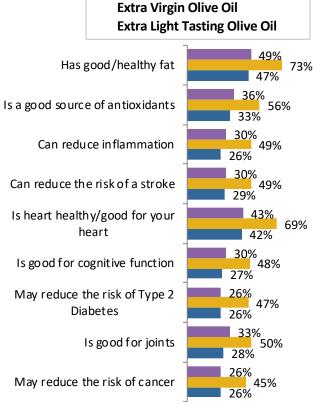
Nearly half of the consumers would buy more olive oil if they knew more about its health benefits.

- In line with previous findings, Extra Virgin Olive Oil users feel the product can help more with health issues compared to Pure and Extra Light users.
- In addition, "having a good/healthy fat" and "is heart healthy/good for your heart" are the top two olive oil health attributes consumers played back.



Health Issues Olive Oil Can Help With

Pure Olive Oil

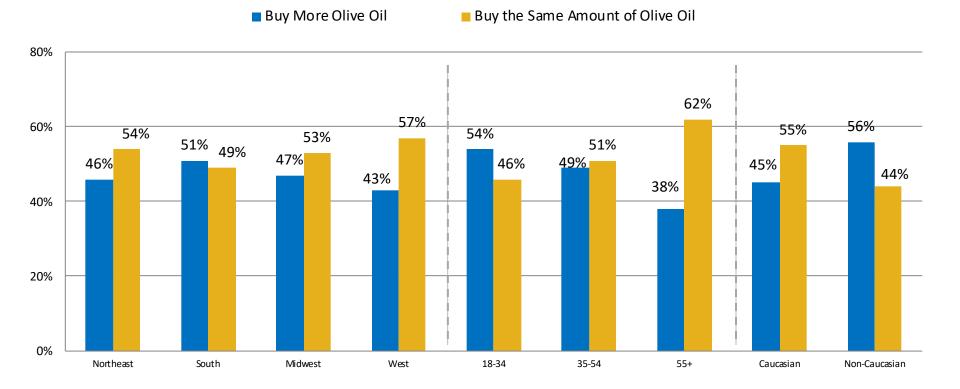


Q19. Can Olive Oil help with any of the following health issues?

Q20. If you learned that olive oil has more health benefits than you previously knew, would you...?

Consumers residing in the Southern U.S., younger respondents and non-Caucasians would be most likely to buy more olive oil if they learned more about its health benefits.

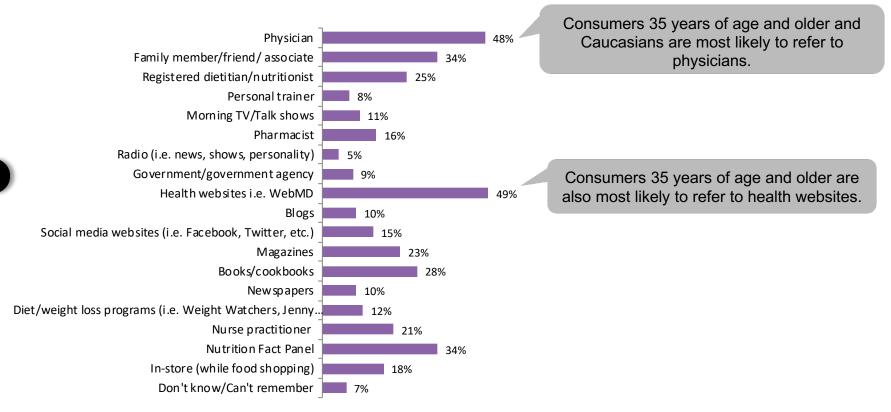
If You Learned Olive Oil Has More Health Benefits...



Q20. If you learned that olive oil has more health benefits than you previously knew, would you ...?

Health websites and physicians are sources consumers are most likely to refer to for health information.

In addition, about one-third of the respondents also reference family/friends and nutritional fact panels for health information, while the radio, personal trainers and government agencies are least likely to be sought after.

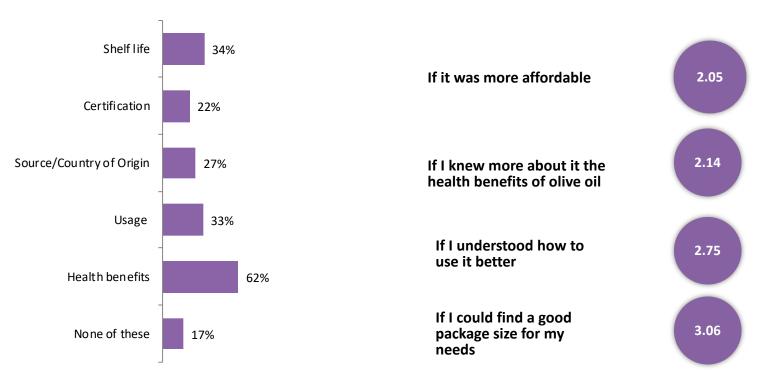


5 Most Referred Sources for Health Information

Q29. Of the following sources of information, which are the 5 you refer to most often for health information?

Health benefits are the primary type of information the respondents would like to learn about olive oil.

- Shelf life, usage and source/country of origin are secondary features consumers would like to know about olive oil.
- Aside from being more affordable, knowing more about its health benefits is the major attribute that would make consumers consider buying more olive oil.



Information Wanted Regarding Olive Oil

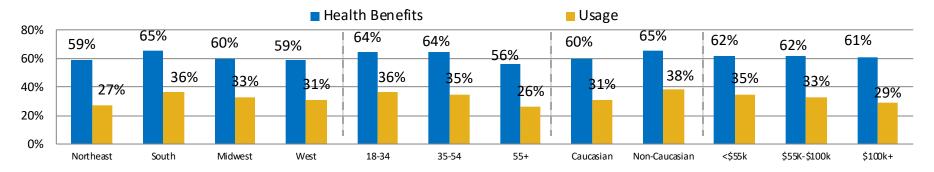
Attributes To Buy Olive Oil More Often

Q22. Which of the following would you like more information about regarding olive oil (including extra virgin olive oil)?

Q23. In your own opinion, which of the following are the top three things that would make you buy olive oil (including extra virgin olive oil) more often? Use a "1" to indicate most important step, a "2" to indicate second most important and a "3" to indicate third most important step from the list below.

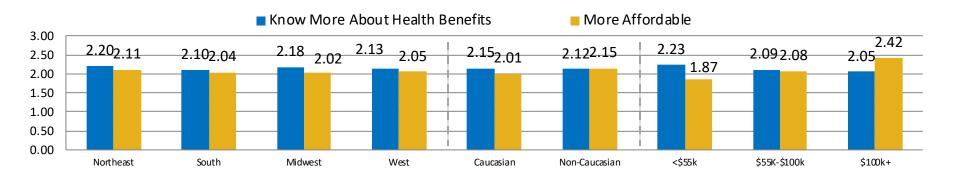
Consumers residing in the South, respondents 18-54 years old and non-Caucasians are even more eager to learn about olive oil health benefits and more ways to use the product.

In addition, while Caucasians and less affluent respondents would purchase more olive oil if it were more affordable, higher income earners would buy more if they knew more about its health benefits.



Information Wanted Regarding Olive Oil

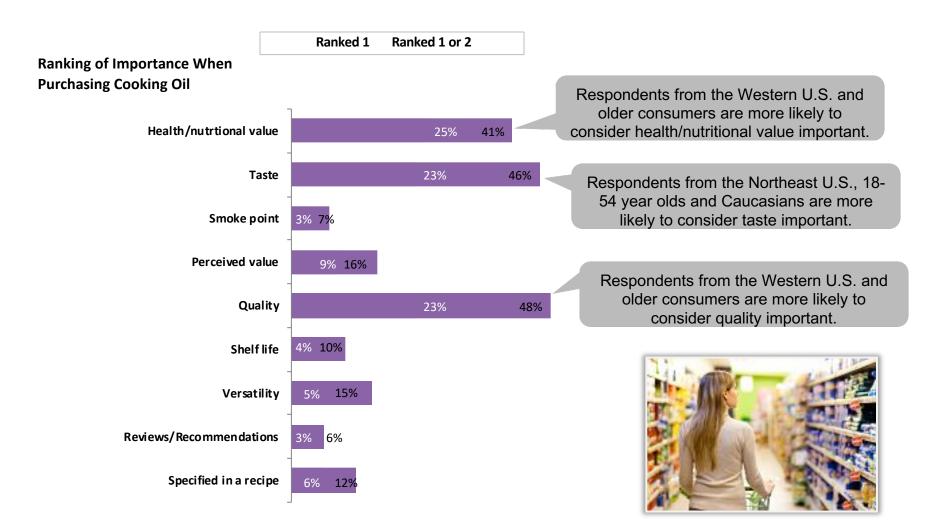
Attributes to Buy Olive Oil More Often - MEAN



Q22. Which of the following would you like more information about regarding olive oil (including extra virgin olive oil)?

Q23. In your own opinion, which of the following are the top three things that would make you buy olive oil (including extra virgin olive oil) more often? Use a "1" to indicate most important step, a "2" to indicate second most important and a "3" to indicate third most important step from the list below.

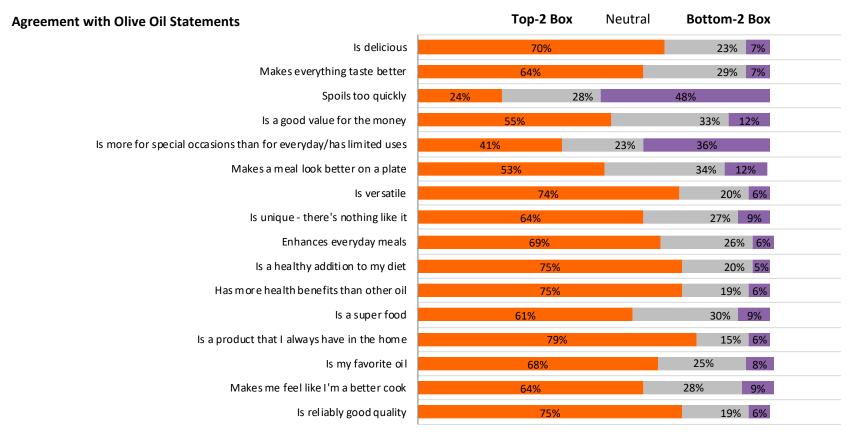
Quality, taste and health/nutritional value are the 3 most important factors taken into account when deciding which type of cooking oil to buy.



Q24. Specifically thinking about cooking oil, please rank the following from the most important to least important factor you take into account when deciding what to buy. The most important factor should be ranked a "2", the next most important a "2", etc.

Nearly four-fifths of the respondents reported that olive oil "is a product that they always have in their home".

- In addition, about three-quarters of the consumers also mentioned that olive oil is "reliably good quality", "has more health benefits than other oil", "a healthy addition to my diet" and "versatile".
- On the other hand, only 24% feel that olive oil "spoils too quickly", while 41% consider it to be "more for special occasions than for everyday/has limited uses".



Q27. I'm now going to to you some statements that can be used to describe olive oil (including extra virgin olive oil). For each statement, please tell me how much you personally agree or disagree with it. Use 5 point scale, where 1 = definitely disagree and 5 = definitely agree.

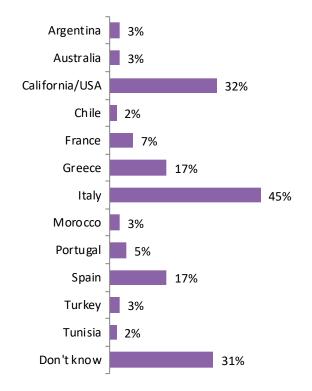
Olive Oil & Country of Origin

Italy is considered to be the country that produces the best olive oil as well as the one where the product is purchased from the most.

At significantly lower levels, about one-third of the respondents also buy olive oil from California/USA, with 13% who consider it the best.







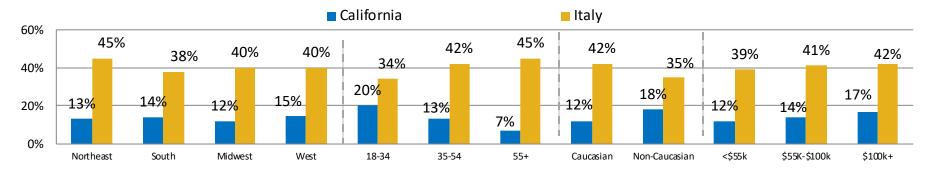
Country Purchase Olive Oil From

Q25. In your opinion, which country produces the best olive oil? Q26. From which country or countries is the olive oil that you buy from?

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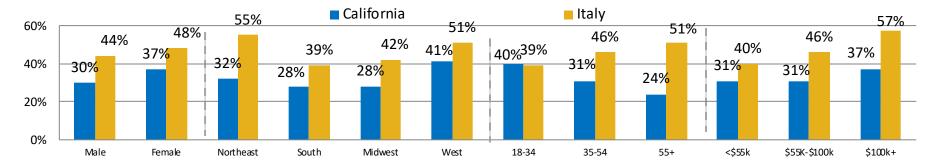
Consumers residing in the Northeast, older respondents and Caucasians favor olive oil from Italy.

At lower levels, younger respondents and those earning at least \$100k are more apt to rate olive oil from California higher than their respective counterparts.



Country that Produces the Best Olive Oil

Country Purchase Olive Oil From



Q25. In your opinion, which country produces the best olive oil?

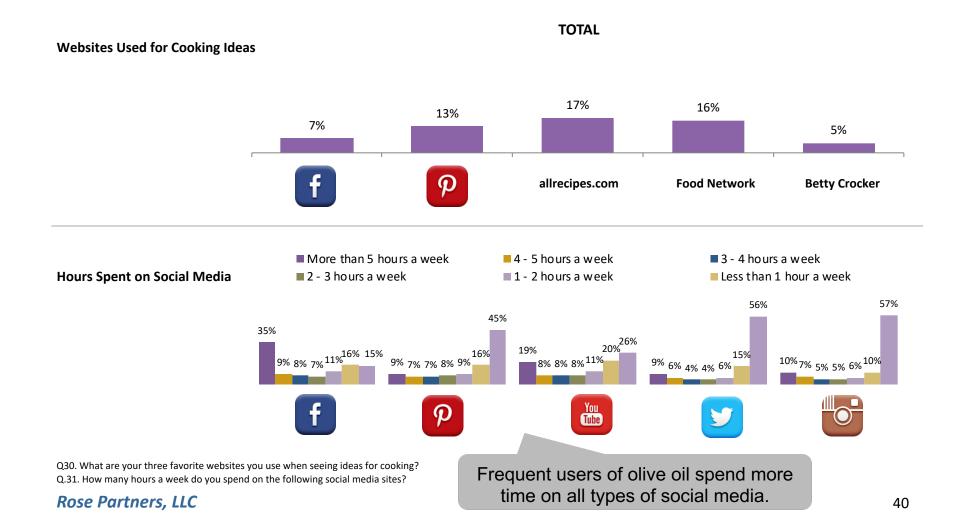
Q26. From which country or countries is the olive oil that you buy from?

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Olive Oil, Websites & Social Media

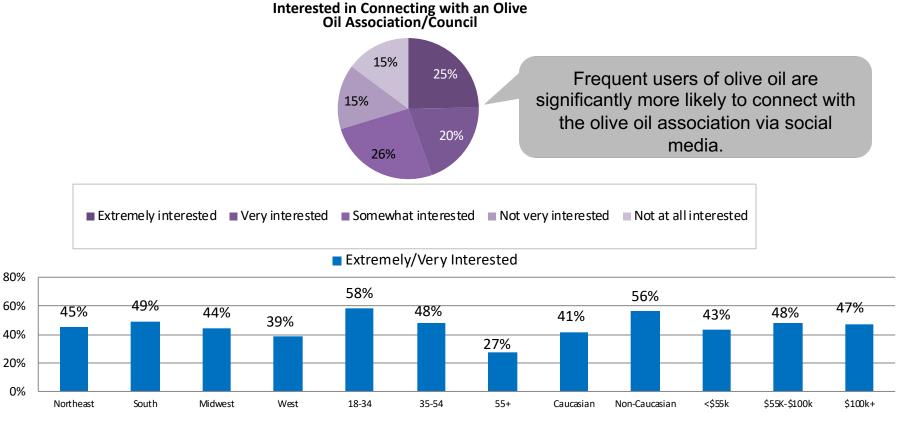
Allrecipes.com and the Food Network are the primary websites used for cooking ideas, followed closely by Pinterest.

Not surprising, Facebook is the social network used the most, followed by YouTube.



Better than 7 in 10 of the consumers are at least somewhat interested (or more) in connecting with the olive oil association on social networking sites.

- Only 30% are reportedly "not very" or "not at all interested" in connection with the olive oil association on social networking sites they belong to.
- Respondents in the Southern U.S., younger consumers, non-Caucasians and higher income earners are most open to connecting with an olive oil association via social media.



Q32. How interested would you be to connect with the olive oil association/council (i.e. the American Olive Oil Producers Association, the California Olive Oil Council, the North American Olive Oil Association, aboutoliveoil.org, etc.) on the social networking sites that you belong to in order to receive new recipes, health information, etc.?

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Background Information

The most influential advertising/promotional mediums for olive oil are "recipe ideas", "cookbooks" and "a sticker/promotion on the olive oil bottle".

 "Mobile apps", "social media sites", "blogs" and "email newsletters" are the least influential mediums to have an impact on the decision to buy olive oil.

Influence of Advertising/Promotional Mediums in Terms of Purchase Decision	Тор-2	2 Box	Neutral	Bottom-2 Box
Recipe i deas that indude olive oil	60%			26% 15%
When it's included with other frequently purchased products (i.e. bagged salads,	40%		31%	29%
Magazine articles	39%		30%	32%
Website a bout olive oil	39%		29%	32%
Blogs	28%	25%		47%
Social media sites	27%	27%		47%
Health/Medical news websites such as WebMD	47%		28%	25%
Food websites like Epicurious	36%		27%	37%
Supermarket websites/apps	30%		29%	40%
In-store demonstrations and samples	45%		27%	27%
Brochures a vailable at grocery store	36%		30%	34%
nformation or a brochure from a medical professional (i.e. doctor, nurse, dietician,	43%		29%	28%
Mobile apps	24%	23%	52	%
Recipe contests	33%	26%		42%
Cookbooks	54%		27%	19%
Cooking shows (i.e. morning TV/talk shows, etc.)	47%		26%	28%
On the olive oil bottle (i.e. a sticker, promotion, etc.)	50%		28	% 22%
Em ail newsletter	28%	28	%	44%
Events (i.e. health fairs, food and wine expos, etc.)	35%		30%	36%

Q28. Using a 5 point scale, where a 5 means it is "extremely influential" and a "1" means it's "not at all influential", how would you rate the following advertising/promotional mediums in terms of it having an impact on your decision to buy olive oil?

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Consumers spend over \$400 per month (more than \$100/week) on groceries for their household.



Q33. On average, how much money do you spend on groceries in a typical week? How about in a typical month?

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Demographics

DEMOGRAPHICS

46

	TOTAL
Marital Status	
Single/never married	23
Married	54
Living with partner	8
Separated	1
Divorced	9
Widowed	4
% of People Living in Household	
One	19
Тwo	35
Three	20
Four	16
Five or more	10

	TOTAL
Total Household Income	
Less than \$15,000	7
\$15,000 but less than \$25,000	8
\$25,000 but less than \$35,000	11
\$35,000 but less than \$45,000	10
\$45,000 but less than \$55,000	11
\$55,000 but less than \$65,000	9
\$65,000 but less than \$85,000	13
\$85,000 but less than \$100,000	9
\$100,000 but less than \$150,000	13
\$150,000 but less than \$200,000	4
More than \$200,000	3
Refused	4

	TOTAL
Employment Status	
Work full time	46
Work part time	13
Not at all	41
Education	
Some high school or less	1
Completed high school	17
Some college	28
Completed college	37
Post graduate	14
Trade/Technical school	3

	THOSE EMPLOYED
Occupation	
Professional	27
Managerial	17
Clerical	15
Sales	8
Technical	6
Business Owner	7
Homemaker	6
Other	15

Exhibit 4

Culinary Institute of America Cooking with Olive Oil Project 2022-23

CIA Cooking with Olive Oil Project 2022-23 Survey Summary

The following represents a tally of key answers from interviews with 22 respondents.

All 22 respondents were asked about these topics. The transcribed and edited interviews do a better job of capturing their views and behaviors on these and other topics that not all were asked. A couple of respondents were answering on behalf of large teams.

By design, not all interviewees were asked all of the questions. This reflected a judgment that the length of the list of questions represented too much of a time imposition for many of these busy professionals. Everyone was asked the priority questions, and all questions (deemed to be of secondary importance) were asked of at least some of the respondents.

In many cases, we have been able to quantify interview results in percentages. In some cases, that has been challenging to do (as answers don't always align), in which case we have shared a sense of the group impressions below.

Summary Observations

- When asked to rank flavor, functionality and price in order of importance in their choice of cooking oils, most chose flavor, while nearly the same number said "flavor and functionality." Price was always last.
- People are reluctant to use EVOO for high-heat cooking.
- Respondents believe that high heat degrades EVOO, compromising health benefits and flavor.
- They reserve their most expensive olive oils for raw uses.
- Many like the flavor of EVOO but consider it too strong for some dishes.
- They value the health benefits of EVOO and understand that refined olive oil does not have the same benefits.
- The range of views about refined olive oil products is wide. While some embrace it fully for certain uses, many say, some with disdain, that they never use it, and use other refined oils instead when choosing a neutral tasting oil.
- Many respondents who addressed the issue indicated that calling out EVOO as an ingredient on the menu (or as the oil used for frying) added a perception of value.
- Respondents are excited about the potential for EVOO in desserts and baked goods. And they are open to more experimentation around low-temperature cooking with EVOO.
- Label integrity and certification are not top-of-mind issues when purchasing EVOO; most respondents either have trusted suppliers or trusted brands.
- On issues of functionality and performance, chefs and culinary experts who grew up and now live and work in the Mediterranean region are clearly far more comfortable with the near universal use of olive oil in their cooking—including high-heat cooking and deep-frying—than, for the most part, are their American counterparts.
- Sustainability was not mentioned by many of the participants, in part because that was not the main thrust of the interviews. Some expressed strong valuation of sustainability

and it may well be that for many who did not single out the topic that they simply assume a positive degree with sustainability in olive cultivation and olive oil production.

• It is clear that for some respondents, using EVOO in their cooking goes beyond a formulaic choice of flavor, functionality and price, but includes a values choice that will lead them to adapt their cooking methods if necessary to use EVOO.

Bottomline

- While there is tremendous passion for olive oil, and EVOO in particular, among the American industry and professional thought leaders we interviewed, we also observed an abundance of confusion about a number of matters of substantive importance to the wider adoption of olive oil in American kitchens and the continued growth of the olive oil sector. In some cases, there appears to be a lack of knowledge that can be addressed by basic "olive oil 101" education. For instance, there seems to be a misconception that because refined olive oil is inferior in quality to EVOO it is therefore to be shunned as inferior to other refined oils. For some areas of confusion, however, there appears to be a need for additional foundational work to resolve or further clarify questions across multiple areas of research: chemical analysis, sensory analysis, sustainability evaluation, and culinary insight (including flavor and functionality evaluation and menu R&D). To be truly transformative, the results of this research need to be linked across research platforms (versus being conducted in research silos).
- Once this work is underway, careful consideration needs to be made as to how best to use these research results to broaden the understanding about the full potential of the olive oil kitchen among American industry and professional thought/opinion leaders (and as a means to reach and further educate the general public).
- Finally, it's clear that what's behind at least some of the constraining opinions of those interviewed (as to a more expansive use of olive oil) is a set of budget (cost and profit) issues. More innovation needs to be encouraged among restaurant and foodservice industry professionals to move olive oil from a cost center to a profit center in four areas—in the kitchen, in the bake shop/pastry kitchen, on menus, and at the table (or buffet, etc.) during meal service.
- In conclusion, it is clear that industry stakeholders active in educating consumers and the trade such as NAOOA and Olive Oils from Spain have competently and comprehensively addressed many of these misconceptions and issues. However, given the depth and persistence of the myths and misunderstanding in the marketplace holding back the expansion of olive oil use, it is critical that a partnership of academic institutions and independent professionals be tapped *to build on and further verify* the industry/association work that has already been done and conduct any needed, additional research to be able to issue definitive, high-impact guidance that dispels the myths and addresses such areas of concern as sustainability. This then would become the go-to academic/technical reference for the industry, the media and food influencers.

Summary of Insights Around Specific Question Areas:

Principal factors in choosing an oil

Of the ten respondents who addressed this question, 50% ranked flavor first, while another 40% said that flavor and functionality were more or less equal considerations.

Deep frying with EVOO:

25% of respondents do sometimes or often use EVOO for deep frying.

Awareness of EVOO smoke point:

All respondents seemed to understand what smoke point was, although many did not answer in a way that made clear whether they knew the smoke point of EVOO. Very few understood the concept of oxidative stability in terms of cooking times and temperatures as distinct from smoke point. Very few new the difference between smoke point and flash point.

Most expressed a belief that EVOO had a lower smoke point than other oils. Among those who specified a smoke point for EVOO, it ranged from 350F to 375F.

Other uses for EVOO:

25% of respondents use EVOO only for cold uses or for low-temperature cooking. One respondent said he only uses EVOO raw.

80% use EVOO for sautéing.

Several drew a line between using EVOO for sautéing (ok) and using it for stir-frying or deep frying (not ok).

Note: These two percentages don't entirely make sense, taken together, but that's because respondents sometimes contradicted themselves and/or they don't equate sautéing with high/higher heat cooking.

Use of refined olive oil or blended olive/canola oil:

40% use a refined olive oil or blended oil for sauteing or frying. 60% use only extra virgin olive oil (when using olive oil), some expressing disdain for refined olive oil

Use of fats other than olive oil:

90% said they use fats other than olive oil.

Most commonly cited were avocado and grapeseed oil for high-heat cooking and butter for desserts, dishes where butter flavor is expected and/or where butter functions better.

Stocking more than one type/brand of EVOO:

75% regularly keep more than one type of EVOO on hand. Several mentioned having a more affordable EVOO for cooking and a more costly one for finishing. California Olive Ranch was cited (unasked) by several respondents as their everyday oil.

Concerns about label integrity:

60% said they had some concern about label integrity.

Concern seemed to be low level and more like a sense of awareness that they needed to read labels carefully and buy from suppliers they trust.

Support for third-party certification:

55% said third-party certification would be helpful.

Those who were not in favor cited cost, the legitimacy of the certifying organization, or the fact that they trust their suppliers or their own judgment.

Low-temp poaching/confit:

85% said they had done this, although there was a range of frequency. Some had tried it but don't do it often. None of the respondents uses sous-vide techniques.

EVOO in desserts/pastry/baked goods:

Strong consensus here!

95% have either used EVOO in this way or have tried and liked desserts/baked goods with EVOO.

Almost all expressed enthusiasm for olive oil ice cream, with several mentioning it unbidden. There was general enthusiasm for EVOO in cakes and with dark chocolate, even among those who had not tried the latter pairing. Several expressed interest in continuing to experiment with EVOO in desserts and baked goods.

Willing to pay more for dish fried in EVOO:

Only about half the participants were asked this question. (Several said they rarely or never order fried food.)

Almost half of those who were asked said they would pay more. Others seemed to find the hypothetical question perplexing or even annoying. ("Why should I pay more?") "Maybe" was a typical answer.

Calling out EVOO on the menu:

Of the nine respondents who addressed this question, seven had strong feelings that including EVOO on the menu description added a perception of value to the consumer, while one said he would only identify olive oil if it the flavor was perceptible.

Comments related to sustainability

Sustainability was not mentioned in many of the interviews. In nine interviews, it was mentioned by the interviewee (only in response to question #13) and those quotes are below. Most interviewees were asked question #13, in which sustainability was one of several features that they were asked to rate as important in their choice of cooking oil. My impression is that most respondents assume that EVOO is produced by sustainable methods but that is not the reason why they choose to use it.

Interview #1: not mentioned

Interview #2: not mentioned

Interview #3: not mentioned

Interview #4: "Sustainability is part of our DNA. We're always looking at that. I don't know that we've done a deep dive around oils. It would be interesting to take a deeper look."

Interview #5: [relative importance of various features in choice of cooking oils] "All are important. Of those that stick out, that I care deeply about, #1 is sustainability. Olive oil is receptive of that because of the way it interacts with the earth...Knowing that a brand is using non-GMO, minimally processed olives and that they're putting things back in the earth and not using pesticides, that's worth paying more for."

Interview #6: not mentioned

Interview #7: references "not being greenwashed"—this is what the procurement team does. "We dig deep with our suppliers."

Interview #8: "Maybe (I would pay more for sustainability) if the flavor was there."

Interview #9: not mentioned

Interview #10: Relative importance of various features in choice of cooking oils: "Sustainability for sure (she would pay extra for)."

Interview #11: Relative importance of various features in choice of cooking oils: "All of the above are important. I would like to have sustainability." Willing to pay more for sustainability? "Sustainability should be standard practice so I don't know if I would pay more. There shouldn't be a markup for that."

Interview #12: Relative importance of various features in choice of cooking oils: "Sustainability is definitely one that I think about.... Having a good feeling about the types of olives that were used (is a good thing)."

Interview #13: not mentioned

Interview #14: not mentioned

Interview #15: not mentioned

Interview #16: Relative importance of oil various features in choice of cooking oils: "Yes, I would pay more for sustainability."

Interview #17: not mentioned

Interview #18: not mentioned

Interview #19: not mentioned

Interview #20: not mentioned

Interview #21: Relative importance of various features in choice of cooking oils: "Of course EVOO shouldn't be processed with chemical methods but I would be willing to pay more for [sustainabiliy. That adds value.] Making sure the orchards are sustainable, they're using heritage breeds of olives...[is important to her]."

Revised 4-17-23

Exhibit 5

NAOOA Successful Media Corrections, 2023, Hillenby Strategic Communications

[Redacted Version, December 9, 2024]





North American Olive Oil Association (NAOOA) Successful Media Corrections 2023

Please find below a record of all successful media corrections obtained by the NAOOA/Hillenby team in 2023. It is important to note that not all media outlets reflect corrections the same way. Some will correct or clarify the piece point by point, while others will make a note at the top or bottom of the piece, and some simply remove the false or misleading information with no note.

<u>Corrections</u>
Outlet:
Original Headline:
Current Headline: Deleted
Date Published: Jan. 20, 2023
Date Corrected: Jan. 24, 2023
Summary: The original article misinformed readers about olive oil having different flavor
and cooking attributes based on color (i.e., yellow olive oil is good for cooking, but <u>green is</u>
for raw application only). After the NAOOA reached out with corrective information
a digital
editor deleted the post.
Full Itemized List of Corrections

<u>Full Itemized List of Corrections</u>

Outlet: Original Headline: Current Headline: No change Date Published: Jan. 21, 2023 Date Corrected: Jan. 24, 2023

Summary: The original quiz oversimplified smoke point to the extent that it advised readers not to cook with a "low smoke point oil" at high heat at all. After the NAOOA reached out, the inaccurate statements were moderated to say that smoke point is not a "perfect measure."

Full Itemized List of Corrections

Outlet: Original Headline: Current Headline: No change Date Published: Feb. 2, 2023 Date Corrected: Feb. 8, 2023

Summary: The original article made several inaccurate claims about various olive oil grades, including that "light" olive oils are routinely mixed with canola oil. After the NAOOA





reached out, the article was corrected to say that light-tasting olive oils are not mixed with other oils.

Full Itemized List of Corrections

Outlet: Original Headline:

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Current Headline: No change Date Published: Feb. 6, 2023 Date Corrected: Unknown

Summary: The original article described regular olive oil as "highly processed with heat and chemicals" and that it's best to avoid heating olive oil. After the NAOOA reached out, the outlet removed the inaccurate paragraphs from the article.

Full Itemized List of Corrections

Outlet: Original Headline: Current Headline: No change

Date Published: Feb. 13, 2023 Date Corrected: Unknown

Summary: The original article advised readers to use canola or avocado oil for higher temperature cooking, arguing that olive oil's low smoke point means it "loses its helpful qualities" when heated above 350°F. After the NAOOA reached out with research showing olive oil's stability, the blog post was updated to say that recent research supports using olive oil for a wide temperature range.

Full Itemized List of Corrections

Outlet: Original Headline:

Current Headline: Date Published: Jan. 10, 2020

Date Corrected: March 14, 2023

Summary: contacted the NAOOA because it was planning to republish an article from two years prior that quoted Joseph Profaci. The original article included false claims about mislabeled and adulterated olive oil. The NAOOA took the opportunity to educate the journalist about the lack of evidence supporting those claims, and the false information was removed from the article.

Full Itemized List of Corrections



Current Headline: N/A





Date Published: April 11, 2023 Date Corrected: April 11, 2023 Summary: The original article inaccurately described olive oil as a "mineral oil." After the NAOOA reached out to define "mineral oil," the article was corrected. Full Itemized List of Corrections

Outlet:

Original Headline:

Current Headline: N/A

Date Published: May 9, 2023

Date Corrected: April 11, 2023

Summary: The original article, while full of positive olive oil information, lacked context around olive oil's shelf life, potentially leaving readers with the impression that olive oil is more susceptible to going rancid than other oils. After the NAOOA reached out, the author edited the article slightly to clarify that other oils also go rancid.

Full Itemized List of Corrections

Outlet:

Original Headline:

Current Headline: N/A

Date Published: June 4, 2023

Date Corrected: Unknown – No correction or editor's note was issued

Summary: A local olive oil store owner

made false, claiming that

disparaging statements about olive oil authenticity claiming that "fake" olive oil is commonly sold in big box stores. The owner also claimed that the olive oil industry "isn't regulated." After the NAOOA reached out, all disparaging statements about olive oil authenticity were removed.

Full Itemized List of Corrections

Outlet:

Original Headline: Current Headline: N/A

Date Published: May 26, 2023

Date Corrected: July 7, 2023

Summary: The original article — a review of EVOOs only — disparaged other grades of olive oil by recommending readers avoid them altogether, even for cooking. No reason was given. The author of the article was reluctant to update the piece, but after the NAOOA reached out several times and appealed to the deputy managing editor, the piece was finally corrected.

Full Itemized List of Corrections





Outlet: Instagram reel featuring Original Headline: N/A Current Headline: N/A Date Published: N/A Date Corrected: N/A – Post removed without response Summary: In the Instagram reel, Control claimed that olive oil should only be used at room temperature, as it will develop trans fats when heated. pointing out that EVOO produces virtually no trans fats when heated, and that other common cooking oils produce more. The outreach also pointed out that includes recipes like roasted tomatoes and chickpeas using olive oil. did not respond to the outreach, but the Instagram reel has since been removed. Full Itemized List of Corrections

Outlet:

Original Headline:

Current Headline: Date Published: Sept. 19, 2023 Date Corrected: Sept. 23, 2023

Summary: The original article lacked context around smoke point, implying that extra virgin olive oil should be used only for "low" and "slow" cooking. After the NAOOA reached out with studies showing olive oil's performance when heated, the author updated the article to include more context around olive oil's ability to withstand heat. **Full Itemized List of Corrections**

Outlet:

Original Headline: Current Headline: No change Date Published: Oct. 6, 2023

Date Corrected: Oct. 9, 2023

Summary: The original article misquoted Joe Profaci to say that "olive oil fraud goes back a quarter-century." The NAOOA reached out to clarify that he said olive oil **origin** fraud goes back a quarter-century to a time before class-action suits led companies to list countries of origin.

Full Itemized List of Corrections

Outlet:

Original Headline: Current Headline: No change Date Published: Nov. 20, 2023 Date Corrected: Nov. 27, 2023





Summary: The original article included a recommendation to avoid cooking with olive oil on high heat due to its smoke point. After the NAOOA reached out to cite studies finding that EVOO is safe and healthy to cook with and smoke point is not the best indicator of an oil's performance when heated, the editor removed all references to smoke point from the article.

Full Itemized List of Corrections

Outlet:

Original Headline: Current Headline: No change Date Published: Oct. 4, 2023

Date Corrected: Dec. 13, 2023

Summary: The original article recommended EVOO only for low-heat cooking, while recommending avocado oil for high-heat cooking. It also recommended unrefined peanut oil or unrefined sunflower oil instead of EVOO and avocado oil, claiming both would be cheaper. After the NAOOA reached out, the recommendation re: peanut and sunflower oil was removed.

Full Itemized List of Corrections

Outlet:

Original Headline:

Current Headline: No change Date Published: Dec. 9, 2023 Date Corrected: Dec. 21, 2023

Summary: The original article connected recent arrests in Spain and Italy with alleged olive oil adulteration in U.S. markets. After the NAOOA reached out, the article was updated to clarify that the NAOOA believes it "highly unlikely" that adulterated olive oil products would go on sale in the U.S.

Full Itemized List of Corrections

####

Full List of Corrections, Clarifications and Updates by Media Outlets

XXXXXXXXXX (5 Updates)

- Removed the following statement:
 Original: "If you can see through olive oil, if it is yellow in color (not green), keep it in a cool place, (sic) don't expose it to light," X explains."
- 2. *Removed the following statement:* **Original:** "She adds, 'You can cook with (yellow olive oil) on medium to medium-





high heat. You cannot cook with it at (sic) high temperature, and it is not what you would consider 'fruity'."

- 3. *Removed the following statement:* **Original:** "Green EVOO, on the other hand, is not for cooking but drizzling."
- 4. Removed the following statement:

Original: "Green olive oil should have a slight burn after you taste it on bread or in a salad," says noting that it should be used sparingly and kept cold."

5. *Removed the following statement:*

Original: "Most importantly, she says, the green EVOO, which is 'fruitier,' is 'not something you cook with.'

" that green EVOO will just burn when you try to cook with it—definitely not ideal! So, stick with the yellow EVOO for cooking instead."

(1 Update)

1. Updated the following statement:

Original: "True or false? For high-heat cooking, you should use an oil with a low smoke point.

"False. A smoke point is the temperature at which cooking fat begins to break down. When oils reach their smoke points, they begin to release free radicals, which can damage our cells and lead to chronic diseases. Oils with high smoke points that are typically recommended for frying include refined peanut oil (450 degrees), refined avocado oil (500 degrees), grapeseed oil (420 degrees), rice bran oil (490 degrees) and corn oil (450 degrees). Oils with low smoke points include extra virgin olive oil (375 degrees), unrefined virgin coconut oil (350 degrees), unrefined sesame oil (350 degrees) and walnut oil (320 degrees)."

Updated (Emphasis added): "True or false? For high-heat cooking, you should use an oil with a low smoke point.

"False. A smoke point is the temperature at which cooking fat begins to break down. When oils reach their smoke points, they begin to release free radicals, which can damage our cells and lead to chronic diseases. Oils with high smoke points that are typically recommended for frying include refined peanut oil (450 degrees), refined avocado oil (500 degrees), grapeseed oil (420 degrees), rice bran oil (490 degrees) and corn oil (450 degrees). Oils with low smoke points include extra virgin olive oil (375 degrees), unrefined virgin coconut oil (350 degrees), unrefined sesame oil (350 degrees) and walnut oil (320 degrees). **That being said, smoke point is not a perfect measure for how healthy an oil is for high-heat cooking. Other factors,**





such as the water content of your food, will influence how an oil will break down."

(4 Updates)

1. Updated the following statement:

Original: "Light olive oils and light extra-virgin olive oils (EVOO) are often more processed and mixed with canola oil to achieve a neutral flavor and high smoking point, This makes them perfect for frying and baking."

Updated (Emphasis added): "Light-tasting olive oils and light-tasting extra-virgin olive oils (EVOO) are often more **refined** to achieve a neutral flavor and high smoke point, This makes them perfect for frying and baking."

Note: The NAOOA explained to the author that neither "light" nor "light-tasting" extra virgin olive oil exists, but the inaccuracy remains in the article.

2. Added the following correction:

Updated: "Correction 2/8/23: An earlier version of this story stated that light-tasting olive oil may be mixed with canola oil. 'Light' refers to olive oil's color and flavor, not dilution with other types of oil."

3. Updated the following statement:

Original: "Varying oils can have different smoking points or temperatures at which they can be cooked. A reports that this is vital to adhere to while in the kitchen. For example, if you used a robust EVOO to fry or sear food at a high temperature, the fats inside the oil would quickly deconstruct. They would begin smoking and, if left unchecked, could reach their flash point. This creates a vaporized, flammable gas that can be extremely dangerous. So, it's best to keep robust EVOO for drizzling, dipping, and dunking and to use lighter oils for frying."

Updated (Emphasis added): "Varying oils have different smoke points, or temperatures to which they can be cooked, per the USDA. we points are vital to adhere to in the kitchen. For example, if you used a robust EVOO to fry or sear food at a high temperature, the fats inside the oil could deconstruct. In this scenario, these fats would then begin smoking and, if left unchecked, could possibly reach their flash point. This can, in some cases, create a vaporized, flammable gas that can be dangerous. (For the record, some publications like warn against using EVOOs for cooking methods like deep-frying, while others like opine that the hubbub over EVOO smoke points has been exaggerated over the last few years.) Keeping this in mind, one option is to keep robust EVOO in your kitchen for things like drizzling, dipping, and dunking, and to use lighter oils for frying."





4. Updated the following statement

Original: "EVOO is superior … Virgin olive oil comes in second … Then, there is pure olive oil, which has been processed and contains more fatty acids. Refined olive oil should be used when baking or roasting. Light olive oils fall to the bottom of the scale because they are not technically 'pure.' Instead, these are the most processed and mixed with canola oils. They can be distinguished by their light color and are best for frying, via Farmers' Almanac."

Updated (Emphasis added): "EVOO is superior … Virgin olive oils **are still relatively unprocessed, except there are higher amounts of oleic acids inside the oil, the Farmer's Almanac notes. They can be used as a dressing similar to EVOO.** Then, there's pure olive oil, which has been processed and contains more fatty acids. Refined olive oils should be used when baking or roasting. Light-tasting olive oils fall to the bottom of the scale because they are not technically "pure." **Instead, these are the most processed and contain a mixture of refined and virgin oils.** They can be distinguished by their light color and are best for frying, per the Farmer's Almanac."

(<u>1 Update)</u>

1. *Removed the following statements:*

Original: ""However, there are differences between regular olive oil and extravirgin olive oil. Where regular oil is highly processed with heat and chemicals, extravirgin oil is pressed from ripe olives without heat. The result is higher levels of natural plant chemicals.

"It's unclear whether or not these technical differences matter for your health, but it's best to avoid heating olive oil. Instead, sprinkle it over your pasta or steamed vegetables, or replace salad dressing with olive oil and lemon juice."

XXXXXXXXX<mark>(1 Update)</mark>

1. Updated the following statement:

Original: "A adds that olive oil has a low smoke point, meaning it loses its helpful qualities when heated above 350 degrees Fahrenheit. He advises using canola or avocado oils when cooking at higher temperatures."

<u>(2 Updates)</u>

1. Updated the following headline: Original: "What Is the Healthiest Olive Oil?"





2. Removed the following section: **Original:**

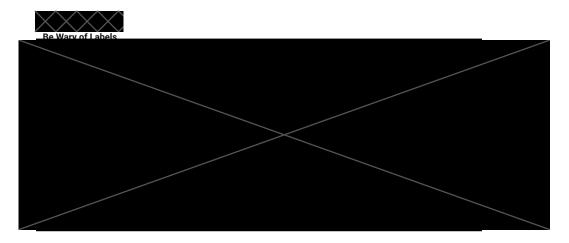
"Be Wary of Labels

"It's important to keep in mind that just because a product is labeled as extra virgin olive oil doesn't mean it is.

"Many products labeled as extra virgin olive oil in retail stores do not meet the definition of that grade of oil, That's because the federal government doesn't closely regulate claims of what extra virgin olive oil is, she says.

"So, if you pick up a bottle of olive oil in a local retail store that's labeled as 'extra virgin,' it may not be,

"Author Tom Mueller wrote an entire book that explored what he described as the high rate of adulterated olive oil: 'Extra Virginity: The Sublime and Scandalous World of Olive Oil.' The book, published in 2011, reveals that some unscrupulous olive oil dealers mix olive oil with vegetable oils, such as soybean or sunflower seed oil."



<u>1 Update)</u>

1. Updated the following statement:

Original: "A 16-ounce drink has as much as 34 grams of fat, which is more than what many find in a meal, registered dietitian nutritionist

And mineral oils like olive oils tend to be used to treat constipation because it helps soften the stool, making it easier to go to the bathroom."





Updated: "A 16-ounced rink has as much as 34 grams of fat, which is more than what many find in a meal, registered dietitian nutritionist And olive oil can help soften the stool, making it easier to go to the bathroom."

2. Added the following statement:

"Correction: An earlier version of this story incorrectly categorized olive oil."



(1 Update)

Updated the following statement:

1. **Original:** "Indeed, olive oil is not immortal. It's an agricultural product, after all, the 'juice' from the fruit of olive trees."

Updated: "Indeed, olive oil (or any oil for that matter) is not immortal. It's an agricultural product, after all, the 'juice' from the fruit of olive trees."

(2 Updates)

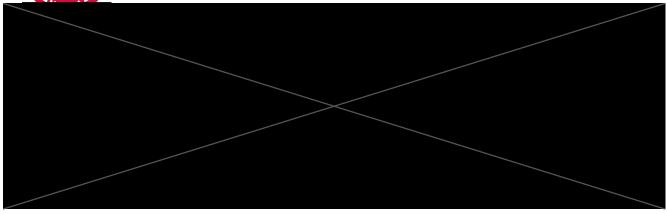
1. Removed the following statement:

"Big box stores are especially prone to inferior oils or 'fakes,' which are mixtures containing high rates of canola or soybean oil — detrimental seed oils. 'If you can buy an enormous bottle for \$8, it's a fake,' warns In sourcing excellent oil, freshly and properly packaged, it is vital to know the supplier."

2. *Removed the following statement:* ""The industry isn't regulated, so customers must be savvy.""





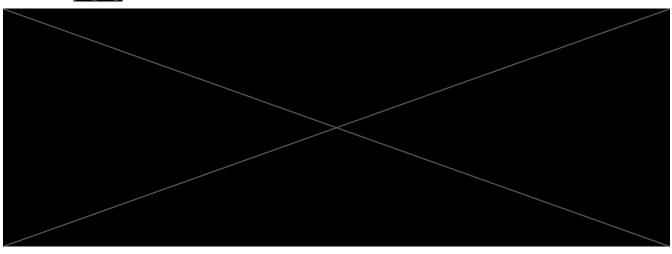


(1 Update)

1. Updated the following statement:

Original: "You may see various olive oils in the grocery store that don't say 'extravirgin' or 'virgin' anywhere on the label, but we'd recommend avoiding them even for cooking. These oils may be labeled as: olive oil, pure olive oil, light olive oil, premium olive oil, or cooking olive oil, and they are often just a <u>blend of refined</u>, <u>virgin, and extra-virgin olive oils</u> (

Updated: "You may see various olive oils in the grocery store that don't say 'extravirgin' or 'virgin' anywhere, and are instead labeled as: olive oil, pure olive oil, light olive oil, premium olive oil, or cooking olive oil. Often, they're ust a blend of refined, virgin, and extra-virgin olive oils



(1 Update)

Note: Specific quotes from the Instagram reel are not available, as it has been removed without comment and is not available via Wayback Machine.





- 1. Removed the following claims (paraphrased):
 - a. Olive oil should only be used at room temperature.
 - b. Olive oil develops trans fats when heated.

Screenshots: N/A

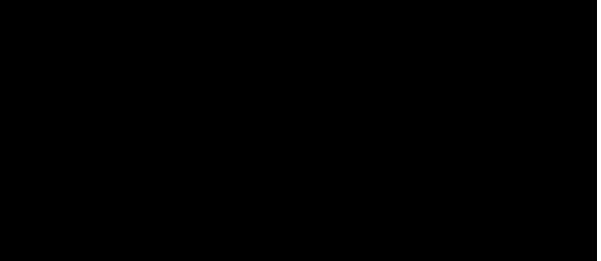
(1 Update)

1. Updated the following statement:

Original: "Extra-virgin olive oil's smoke point typically sits around 400 degrees Fahrenheit, and it can be used to cook almost any protein, vegetable or even herbs. 'Cooked low and slow, olive oil tenderizes and infuses with a ton of flavor,'

Updated: "Extra-virgin olive oil's smoke point typically sits around 400 degrees Fahrenheit, but studies show even above its smoke point, olive oil doesn't degrade to the degree some other oils do, maintaining many of its naturally-occurring protective polyphenols.

"Olive oil can be used to cook almost any protein, vegetable or even herbs. 'Cooked low and slow, olive oil tenderizes and infuses food with a ton of flavor,'



(1 Update)

1. Updated the following statement:

Original: "According to Joseph Profaci, executive director of the North American Olive Oil Association, olive oil fraud goes back a quarter-century..."

Updated: "According to Joseph Profaci, executive director of the North American Olive Oil Association, olive oil origin fraud goes back a quarter-century..."





Screenshots: N/A – URL missing from Wayback Machine

(1 Update)

1. Removed the following statement:

Screenshots: N/A – URL missing from Wayback Machine

(1 Update)

1. Removed the following statement:

"The downside, though, is that both EVOO and avocado oil can be very expensive, so they may not always be a feasible option. If they're not in your budget, aim for unrefined peanut oil or unrefined sunflower oil instead."

(1 Update)

1. Added the following statements:

"According to the North American Olive Oil Association, it's highly unlikely bogus olive oil products would go on sale in the US, with research by the Food and Drug Administration finding no adulteration in samples tested.

"In reality, US consumers should have a high level of confidence in the quality and authenticity of the olive oil they buy,' said Joseph R. Profaci, the NAOOA's executive director.

"Profaci said the NAOOA was undertaking its most comprehensive, rigorous olive oil





testing study to date to ensure adulterated products weren't infiltrating US markets.

"While our routine testing hasn't indicated any rise in intentionally mislabeled or adulterated olive oil in 2023, the current high prices and tight supplies may create an additional incentive for wrongdoing. We hope this study will deter such conduct, and at the same time, give olive oil consumers the assurances that they deserve."

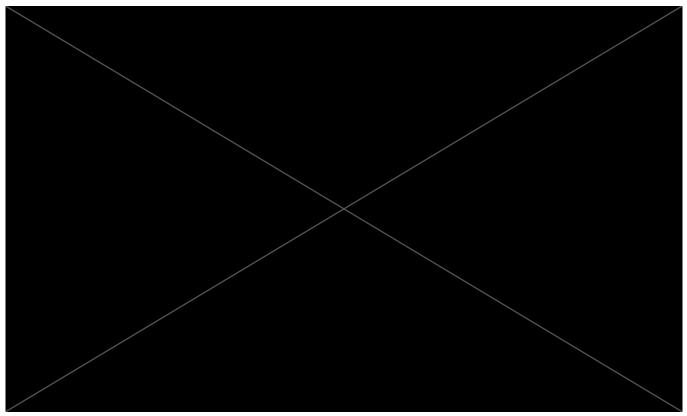


Exhibit 6

AOOPA Research & Promotion Order Member Survey, February 2023

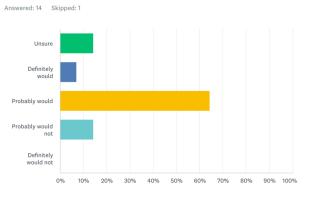
AOOPA RESEARCH & PROMOTION ORDER MEMBER SURVEY (February 2023-Survey Monkey) Q

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Q1

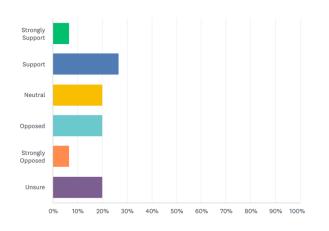
Research and Promotion Orders (check-off programs) can be an effective tool for agriculture products (e.g. beef, mangos, avocados, etc). Do you believe a properly organized and managed olive oil order could increase consumption?



Q2

Based upon the current olive oil R&P order proposal discussed by AOOPA and the NAOOA, how would you rate your support of an olive oil order?

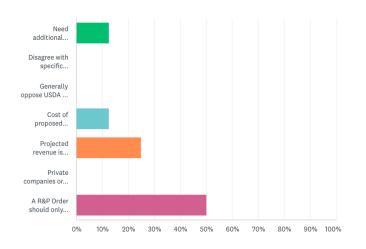
Answered: 15 Skipped: 0



Q3

If you did not answer Strongly Support or Support, please indicate why.

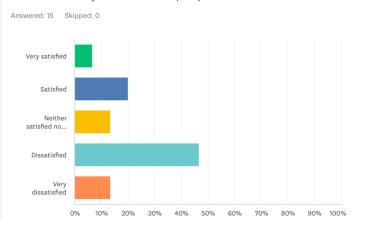
Answered: 8 Skipped: 7



ANSWER CHOICES	RESPONS	SES
Need additional information	12.50%	1
Disagree with specific area(s) of the proposal	0.00%	0
Generally oppose USDA R&P programs	0.00%	0
Cost of proposed assessment (.08/gallon) is too high	12.50%	1
Projected revenue is inadequate to effectively carry out research and promotion activities (\$7M all olive oil or \$4M EVOO only)	25.00%	2
Private companies or a volunteer promotion organization would be more effective	0.00%	0
A R&P Order should only include extra virgin olive oil (approximate revenue collected: \$4M)	50.00%	4
TOTAL		8

Q4

USDA R&P rules and regulations indicate that a R&P board must be reflective of the industry make-up of domestic and importers participating in the U.S. marketplace. Therefore, the current proposal is a 12 member board that includes 4 domestic producers and 8 importers. How satisfied are you with this proposal?



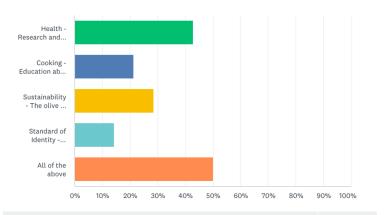
Q5

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A number of potential research and promotion activities have been discussed in meetings and presentations. Please check what you believe should be the top three R&P priorities or All of the above if you agree with those listed.





ANSWER CHOICES	RESPONS	SES
Health - Research and education about the unique benefits of olive oil in our diet and the role of evoo in the prevention and treatment of chronic disease; potential research that can facilitate FDA health claim(s)	42.86%	6
Cooking - Education about the use and benefit of olive oil as a cooking and finishing oil for all consumers from home cook to food service	21.43%	3
Sustainability - The olive oil industry has an incredible environmental story to share from limit inputs and water usage, to carbon sequestration, to overall smart climate agriculture practices. Educational activities could help increase consumption with consumers that are increasingly interested in and demanding sustainable products.	28.57%	4
Standard of Identity - Education and Monitoring: Education of consumers, retailers, and food service about the SOI, the different grades of olive oil, and potential quality monitoring/auditing program	14.29%	2
All of the above	50.00%	7
Total Respondents: 14		