

AUSTRALIAN OLIVE OIL STANDARD – WHERE TO FOR NEW ZEALAND

The decision by New Zealand not to accept the draft standard has left the New Zealand olive industry in an interesting position. Australia has implemented the Standard with a two year voluntary compliance period to allow importers time to rejig their labels. We would assume that Australian produced olive oil will comply from day one. The IOC has written to the Australian government seeking to have the standard over turned based on two points.

- 1) That the IOC already have an International Trade Standard for olive oil and given that it is the International body for olive producing countries, even though Australia is not a full member of the IOC, no further standards are necessary.
- 2) That the standard adopted by Australia is a nontariff trade barrier and therefore should be repelled immediately.

Had New Zealand adopted the Standard, our government would be under the same pressure, and given that the New Zealand olive industry is in its infancy government would probably have caved in. This is one fight that we can leave to Australia to fight on our behalf.

For New Zealand then, what is likely to happen.

- 1) All oil from Australian producers sold in New Zealand will comply with the Australian standard. As presently Australia sends EVOO to New Zealand in bottles we will not notice anything different.
- 2) Over time we will notice that importers who supply both Australia and New Zealand will make the necessary changes to their labels, assuming that Australia does not delete the standard. One would not expect that new labels will appear on New Zealand supermarket shelves for at least another year as importers will wait until it is clear that Australia will not delete the standard.
- 3) House Brand oils for Countdown will comply by the time the transition period ends.
- 4) House brands for Foodstuffs supermarkets may not comply by the time the transitional period ends
- 5) One off importations of olive oil brands or brands solely imported by non-supermarket chains are unlikely to comply by the time the transitional period ends.

At this point in time it would be extremely unwise to approach New Zealand government agencies or members of parliament given the Australian position and the uncertainty that the IOC have created.

The Executive will continue to monitor the position.