



OLIVE OIL



CONTENTS

1. INTRODUCTION
2. STRUCTURE OF THE SECTOR
3. MARKET MECHANISM–PRODUCER ORGANISATIONS
4. SUPPORT MECHANISM
5. LEGISLATION AND MARKET CONTROLS
6. LABORATORIES
7. IMPORT / EXPORT ARRANGEMENTS
8. PREFERENTIAL TRADE AGREEMENTS
9. COMPARISON WITH EU



1 . INTRODUCTION



- Main olive growing areas: Marmara, Aegean, Mediterranean and South-Eastern Anatolia regions.
- Approx. 200,000 growers.
- Turkey;
1st in table olive (black) production,
5th in olive oil production (Annual average 120,000 tonnes) in the World.
- Olive oil: Approx; 55% exported
45% domestically consumed.



2 . STRUCTURE OF THE SECTOR



- Cultivated area of olive tree is 644,000 hectares.
- 107,100,000 olive trees.
- Average size of olive orchards is approximately 5-6 hectares.

In recent years, olive and olive oil production have increased.



- There are 1,005 olive oil press facilities. (There are 515 continuous, 102 super press and 580 hydraulic press systems in these facilities.)
- Total olive oil capacity is 343,000 tonnes/year.
- 15 olive oil refining facilities.
- 100 facilities for olive oil bottling/canning
- 18 olive pomace oil producing facilities
- 478 table olives facilities (employing 5 and more employees).



3 . MARKET MECHANISM–PRODUCER ORGANISATIONS



- Olive oil is sold and purchased in Commodity Exchanges.
- Therefore, the reference prices of olive oil are set in Commodity Exchanges.
- Products are purchased by the cooperatives, association of cooperatives, facilities and traders.



- The intensive studies are being maintained to develop a widespread system of warehousing, to improve the commodity exchanges and enable the sales of products by electronic receipts.
- Law numbered 5300 on “Warehousing of Agricultural Products” and related implementing regulations came into force.
- The studies on establishment of Warehousing System for table olive and olive oil have been launched.



Legislative framework ;

- Law No. 4572
- Law No. 1163

Producer Organisations;

35.5 % of the producers are members of ASCAs and Agricultural Development Cooperatives.

Cooperatives have widespread organisational network in major olive oil producing regions.



Functions of ASCAs:

- Purchasing and processing: approximately 16% of the total production.
- Input supply: supply inputs to their members.
- Market price set up: play a role in formation of market prices.



Number of Producer Organisations dealing with purchase of olive and olive oil

Name of the Organisations	Activity Area concerning the olive and olive oil	The Number of Members	The Number of Cooperatives
TARİŞ Zeytinyağı Birliği	Olive-Oil and Table Olive	26,900	33
MARMARABİRLİK	Table Olive- Olive oil	30,607	8
GÜNEYDOĞUBİRLİK	Olive-Oil	4,945	3
Agricultural Development Cooperatives	Olive-Oil	6,292	37
Total		68,744	81

Source: MIT- MARA



4. SUPPORT MECHANISM



1- Premium Support

2- Direct Supports

- Direct Income Support,**
- Diesel Support,**
- Chemical Fertilizer Support**



1- Premium Support

- ❖ **Legislation** : - Decree No. 2004/6946
- Decree No. 2005/8670
- Premium Communiqué No 2004/36
(Legislation is renewed in every production period.)

- ❖ **Premium Payments** are provided to the producers:
 - who are registered to the National Farmer Registration System (NFRS)
 - per kg of olive oil
 - directly
 - once for every production period.

- ❖ In 2004, 0,15 EURO support premium per kg was paid.



2- Direct Supports

- Legislation :**
- **By-law on National Farmer Registration System**
 - **Decree No. 2005/8629,**
 - **Decree No. 2005/9065,**
 - **The Communiqué No. 2005/21,**
 - **The Communiqué No. 2005/38,**

Direct supports are provided to producers:

- **who are registered to NFRS**
- **for the areas up to 50 hectares**
- **free from the production**
- **directly**
- **once for every year**



3- Inspection of the supports and sanctions to be applied in case of infringements:

- ❖ **Support payments given to olive oil producers are controlled by
 - the Premium Examination Commissions and
 - Inspectors of the MARA**
- ❖ **Institutions assure the accuracy of the documents arranged and the payments given by themselves.**
- ❖ **In case of the infringement of the rules, payments given are recovered with its interest and the public prosecutor is notified.**



5. LEGISLATION AND MARKET CONTROLS



Communiqué on “Turkish Food Codex”, related horizontal communiqués and communiqués on “Cooking Olive Oil and Cooking Pomace Oil”;

- Besides the provisions on physical and chemical features of olive oil there exist provisions on contaminants, residues, additives, hygiene, packaging and labelling.

In this framework, inspections and controls are conducted by MARA in accordance with the “Food” Law no 5179.



Control and inspection of table olive are conducted by MARA with respect to the Turkish Food Codex, related horizontal communiqués and Mandatory Turkish Standard (TS) No 774 on Table Olive.

Marketing standards of olive oils and edible oils in export and import are subject to the quality controls. These controls are carried out by the Group of Inspectors of Foreign Trade under Undersecretariat for Foreign Trade according to TSI's (Turkish Institute of Standardisation) related standards (TS 341- TS 342- TS 5269 on Pomace Olive)



6. LABORATORIES



- 4 MARA control laboratories specialised for analysing of olive oil.
- There are five laboratories operating under the Regional Directorates of UFT.
- 2 private laboratories have been accredited by International Olive Oil Council (IOOC):
 - EGE ANALİZ
 - TARİŞ ZEYTİNYAĞI BİRLİĞİ



7. IMPORT/EXPORT ARRANGEMENTS



- Under the current import/export regime, there is no license system. Import licences are only required for the tariff quotas resulting from bilateral agreements.
- These products are subject to the SPS controls by the Ministry of Agriculture and Rural Affairs.



Import Duties

CN Code	Product Description	MFN %	Bound Rate (%)
0709 90 31	Olives, fresh or chilled	19.5	19.5
0709 90 39	Other olives, fresh or chilled	19.5	19.5
0710 80 10	Olives, frozen	19.5	19.5
0711 20	Olives provisionally preserved	19.5	19.5
ex 0712 90 90	Olives, dried	19.5	19.5
1509	Olive oil and its fractions	31.2	31.2-46.8
1510 00	Other oils and their fractions	31.2	31.2
1522 00 31	Residues resulting from the treatment of fatty substances or animal waxes	31.2	31.2
1522 00 39		31.2	31.2
2001 90 65	Olives prepared or preserved	39	39
ex 2004 90 30		39	39
2005 70		39	39
2306 90 11	Oil-cake and other residues	13	13.5
2306 90 19		13	13.5

Source: UFT



Export Refunds (1)

CN Code	Final Outlay Commitment Level US\$	Final Quantity Commitment Level (t)	Current Situation	
			Refund Amount	Eligible Quantity
0709 90 31	-	-	-	-
0709 90 39	-	-	-	-
0710 80 10	837,045.00	10,642.50	79\$/t	27%
0711 20	-	-	-	-
ex 0712 90 90				
1509	1,778,780.00	20,128.30	150\$/t (up to 5 kg)	100%
			300\$/t (below 1kg)	
1510 00	-	-	-	-
1522 00 31	-	-	-	-
1522 00 39	-	-	-	-
2306 90 11	-	-	-	-
2306 90 19	-	-	-	-

Source: UFT



Export Refunds (2)

CN Code	Final Outlay Commitment Level US\$	Final Quantity Commitment Level (t)	Current Situation	
			Refund Amount	Eligible Quantity
2001 90 65	15,043,358.80	252,408.00	68\$/t (above 5kg less than 18 kg) 88 \$t (above 1kg less than 5kg) 108 \$t (less than 1 kg)	51%
ex 2004 90 30			68\$/t (above 5kg less than 18 kg) 88 \$t (above 1kg less than 5kg) 108 \$t (less than 1 kg)	51%
2005 70			68\$/t (above 5kg less than 18 kg) 88 \$t (above 1kg less than 5kg) 108 \$t (less than 1 kg)	51%

Communique No: 2005/1

Source: UFT



8. PREFERENTIAL TRADE AGREEMENTS



EU COUNTRIES

- Turkey has an export arrangement for olive oils on unlimited basis with reduced duties.
- Turkey has ad valorem duty exemption from table olives.

CANDIDATE COUNTRIES

- Under Free Trade Agreements (FTA's) with Romania and Macedonia, Turkey has preferential export arrangements for olive oil (Romania: unlimited, 18.8% duty; Macedonia: 100 tonnes, 0% duty).
- Turkey has also preferential export arrangements with Romania, Bulgaria and Macedonia for table olives (Romania: 5,000 tonnes 0% duty; Bulgaria: 3,000 tonnes, 8,5% duty; Macedonia: 700 tonnes, 0%).



THIRD COUNTRIES

- Under Turkey- Bosnia and Herzegovina FTA, olive oil and table olives are reciprocally subject to a concession of 0% duty on unlimited basis.
- Under Turkey-EFTA FTA, Turkey has export arrangements for both olive oils and table olives on unlimited basis with 0% or reduced duties.



9. COMPARISON WITH EU



- Unlike EU legislation, there is no specific legislation for table olive and olive oil, provisions for table olive and olive oil take place in the horizontal legislation in Turkey.
- On the other hand, Community olive oil regulations have been in a transition period because of the realised reforms in CAP in June 2003 and April 2004.
- This reform process in CAP is also directly affecting the Turkey's harmonisation activities to the acquis.



TURKEY

Horizontal Legislation

- Concerning the IACS System, there is no direct corresponding legislation. However, IACS to be established under EC-TR Preaccession Financial Cooperation Programme will also include olive orchards, vineyard and nuts areas.

EUROPEAN UNION

Horizontal Legislation

- Council Regulation No 864/2004
- Regulation on IACS (mandatory to establish Geographical Information System for the olive orchards.)



TURKEY

Agricultural Supports

- Related Turkish Legislation is mentioned in the chapter on “Support Mechanisms”.
- Direct Income Support
- Premium support is also paid to olive oil producers.

EUROPEAN UNION

Agricultural Supports

- Council Regulation (EC) No 1782/2003
- Council Regulation (EC) No 864/2004
- Council Regulation (EC) No 865/2004
- Single payment and premium



TURKEY

STORAGE

- No similarity with the EU practices.
- No public body or institutions for storage of olive oil.
- In addition to the warehouses of ASCAs, studies are carried out to establish licensed warehouses.

EUROPEAN UNION

STORAGE

- Council Regulation No 865/2004
- In case of serious disturbances in the particular regions,
- In case of average price of olive oil below a representative price level
- Private storage mechanism is utilised.



TURKEY

PRODUCER ORGANISATIONS

- Turkish legislation on olive oil Producer Organisations, does not have a uniform implementation.
- Producers are organised by
 - Law no 4572: “Agricultural Sales Cooperatives and Association of Cooperatives”
 - Law no 5200: “Producer Unions”
 - Law No:1163 “Cooperatives”.

EUROPEAN UNION

OPERATORS ORGANISATIONS/ PRODUCER ORGANISATIONS

- Council Regulation (EC) No 865/2004



TURKEY

MARKETING STANDARDS

Related Turkish Legislation is mentioned in the chapter on 'Legislation and Market Controls'.

EUROPEAN UNION

MARKETING STANDARDS

- i) Nomenclature and definitions (Appendix to (EC) 865/2004 numbered Regulation)
- ii) Physico-chemical qualifications and related analysis methods (EEC) 2568/1991 numbered Regulation.
- iii) European Regulation No 1019/2002.



THANK YOU FOR YOUR ATTENTION