



## Moving Towards Excellence

**T**he Spanish food service business is in good health thanks to the work of a sector which has successfully met demand from two sources: domestic consumers and tourists attracted by Spain's excellent cuisine.

The figures suffice to underline the industry's importance. The sector consists of 240,000 establishments: approximately 180,000 bars and cafeterias, more than 50,000 restaurants and over 8,000 hotels.

The new habits of Spanish society mean that food consumption outside the home is steadily increasing. In 2006, the food service sector accounted for 25.60% of total spending on food.

The importance of the Spanish tourism sector to the economy is well-known and is based, among other factors, on an attractive and varied cuisine, traditionally linked to the Mediterranean diet, whose reputation has grown in recent years as a result of the inclusion of numerous Spanish cooks in the international chef rankings.

Therefore, oil bottling companies should look carefully at the Spanish food service sector, not just because of the large volumes of oil it consumes but also because of its potential as a platform from which to project a positive image of Spanish oils.

According to figures from the Ministry of Agriculture, Fisheries and Food, in 2006 the consumption of oils

outside the home accounted for 32.70% of total consumption in Spain. The Spanish food service sector accounted for 23.90% of total olive oil sales (126 million litres), up from 22.24% in 2005. Restaurants and catering establishments consumed a total of 152 million litres of sunflower

oil, 47.50% of total sales in Spain, a slight increase on the previous year's figure of 148 million litres.

Against this backdrop, oil bottling companies have analysed the situation looking at the strengths, weaknesses

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and the future of edible oils taking into consideration their importance and the impact of the image of Spanish cuisine on tourism.

This analysis has given rise to a proposal that we have called the Excellence Plan for Oils in the Spanish food service sector. The primary objectives of this plan, which are based on improving the quality, use, presentation and labelling of all oils, are aimed at creating a framework for professional collaboration between all sector agents to ensure that domestic consumers and tourists visiting Spain receive our oil in the best possible condition.

Training and information, including the creation of a code of best practices, are central to the development of this plan, which could and

*“The primary objectives are creating a framework for professional collaboration to ensure that domestic consumers receive our oil in the best possible condition.”*

should, receive guidance and support from the relevant public administrations. Although this should not deflect attention from the main players: the consumer, catering companies and restaurants and edible oil bottlers which, through their associations and in partnership with other sectors linked to the sale of oils such as packaging manufacturers, are responsible for boosting oil sales and increasing its use.

This initiative has led us to consider a wide range of measures. Some only require the support of the sectors involved, while others would require the establishment of a new legal framework. Two neighbouring countries, Italy and Portugal, are already developing legislation so that bottled, branded oils are used in establishments. Also, in Portugal the bottles must be disposable. The objective is to offer the consumer more guarantees about the oils they consume.



# ANIERAC Sales in 2006

**A**NIERAC member companies reported olive oil sales of 340 million litres in 2006, reflecting the negative consumer reaction to the increase in prices.

Bottled olive oil sales fell by more than 11%, reflecting, though more moderately, the general fall in domestic sales officially estimated at 20%.

Sales of "mild", "strong" and "virgin" olive oils were hit particularly hard, falling by 12.57%, 16.68% and 17.86% respectively. Sales of "extra virgin" oil were similar to the previous year, falling just 0.29%.

The member companies of ANIERAC put 41 million litres less edible vegetable oils on the domestic market than in 2005. Seed oil sales

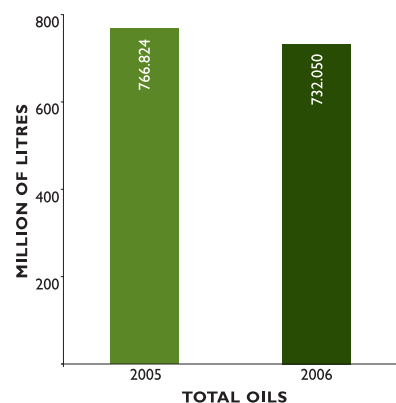
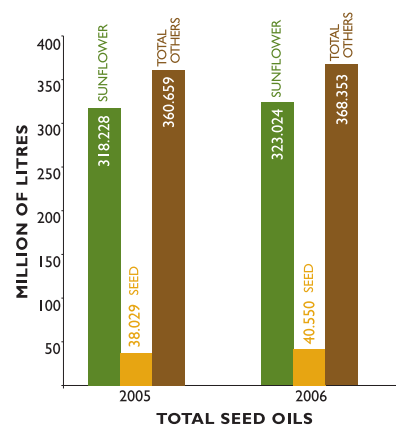
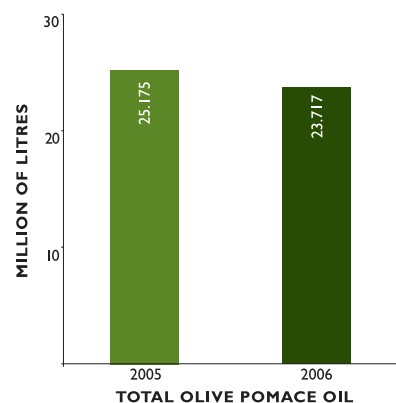
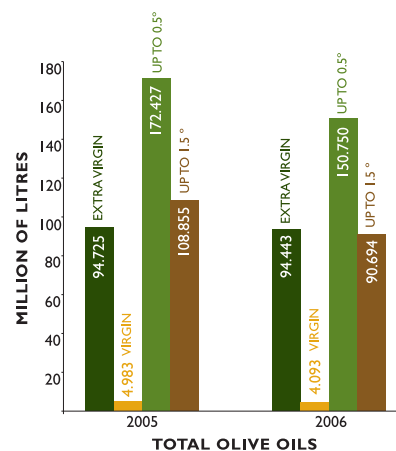
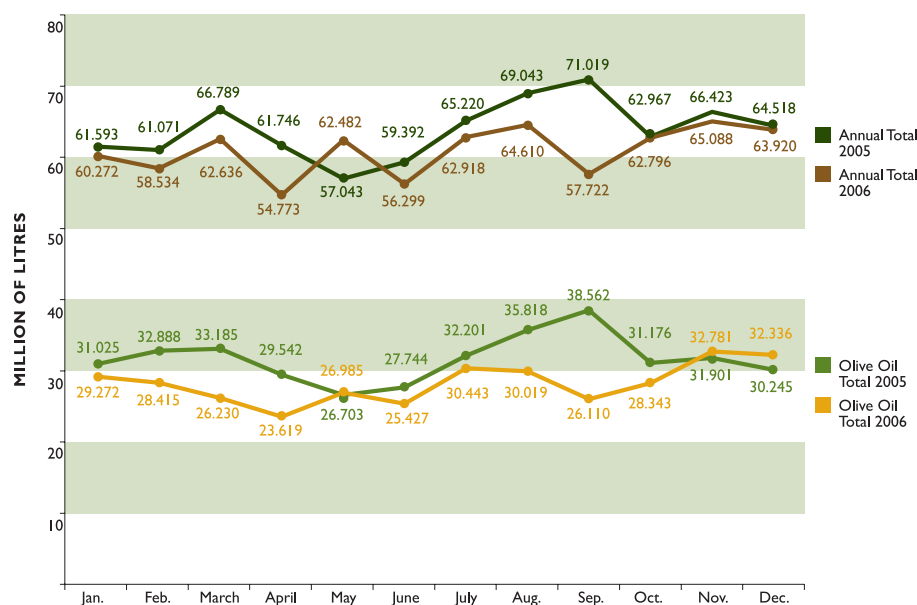
rose 2%, in sharp contrast to the 11% fall in olive oil consumption.

Sales of seed oils stood at 368 million litres in 2006, up 7.6 million litres on the 2005 figure. Sales of refined sunflower oil, which dominates this category, reached 323 million litres, followed by refined seed oils (40.5 million litres) and refined soya and corn oils, with more modest sales of around two million litres.

Sales of olive pomace oil, like sales of other olive oils, were affected by the increase in prices and fell by 5.78%.

The decline in olive oil sales in 2006 caused the total figures at ANIERAC member companies to fall by 4.53% compared with 2005 to 732 million litres, 34.7 million litres less than in 2005.

## Bottled Oil Sales





# Interview with Mercedes Gómez

Minister of Agriculture, Castilla-La Mancha



*Castilla-La Mancha is the second-largest olive oil producing region in Spain after Andalusia, according to official figures released in recent years. What, in your opinion, is the situation of olive cultivation in Castilla-La Mancha? How important is it to the economy of the region?*

Castilla-La Mancha is the second-largest olive oil producing region in Spain after Andalusia, accounting for 6% of national production and 15% of the land dedicated to olive cultivation. After grapes for wine production and cereals, olives are the most widely grown crop in our region.

Olive growing has increased sharply in recent years, with a significant rise in the number of new intensive olive plantations which are not subsidised by the European Union, with varieties which are perfectly suited to the region's weather conditions and the characteristics of the soil.

Remember that most of our olive trees have a low yield and this means that the oil produced is of an excellent quality. The most widespread variety is the "cornicabra" olive.

Moreover, the 241 olive oil mills in Castilla-La Mancha at present, along with the 90,000 olive growers in the region, provide some idea of the eco-

nomic and social importance of a sector which has made a clear commitment to quality, as demonstrated by the recently-approved Designations of Origin (DO) for Alcarria and Campos de Montiel oils.

*Spain requires export markets for its production, where it competes with oils from other countries. Do you think "Denominations of Origin" are one of the key factors behind the success of the region's oil?*

More and more consumers are attaching greater importance to the quality of their food, and as a consequence there is a growing demand for food products of a certain origin which offer guarantees of quality. This demand is met by "Denomination of Origin" oils registered by the European Union, as both the guarantees they offer and the factors which set them apart are recognised internationally.

I have already referred in the previous question to the importance of quality in Castilla-La Mancha, but I would like to emphasise the more than 8,000 hectares of land dedicated to organic olive production in our region, 9% of the total in Spain, with a total of 16 companies producing this type of oil.

In short, our region has made a huge effort and the sector has made a firm commitment to olive oil quality, with

the aim of conquering the international markets with our quality guarantees.

*The sector experienced difficulties last year, with an increase in olive oil prices resulting in a fall in consumption. How do you think this campaign will go?*

For us the most important consideration is the income the farmer receives from selling olives. And to this end the olive oil market needs to be better regulated, preventing situations such as those that occurred last year, when speculation by middle men caused prices to rise sharply. This resulted in a fall in consumption and hurt our farmers, as is always the case in these instances.

I expect us to create better and better business structures, reducing dependency on third parties and permitting us to gain more power in the markets and so avoid these situations.

*At the last meeting of the olive oil "Interprofesional" the importance of adopting a twin focus, research and development and promotion, was discussed. How do you see the role of the "Interprofesional"?*

When the "Interprofesional" was created everyone thought that it would be used to regulate a sector in sore need of a structure that would enable it to control the markets, an issue to which I referred in the previous question. We all thought the "Interprofesional" would be the ideal instrument,

*"Castilla-La Mancha is the second-largest olive oil producing region in Spain after Andalusia, accounting for 6% of national production."*



but it is not proving to be the case, in fact in recent campaigns its presence has scarcely been felt. If it can resume its activities, which are so important for the sector, I think it will perform a vital role.

*What are the future challenges for your region? And in Spain as a whole?*

I predict a great future for the olive sector, as least in Castilla-La Mancha, but to achieve this we need to keep working on several fronts. The first is modernisation, within the scope of our olive-growing sector, because, as mentioned earlier, we have a predominant native variety of olive tree, the “cornicabra” which has a low yield but produces high-quality olives. Secondly, we must press ahead with the modernisation of our olive oil mills. And for both undertakings the regional government of Castilla-La Mancha has established support mechanisms such as aid from its Food and Agriculture Quality Development Programme.

In 2000/2006, the regional government assigned more than Euro 24.7 million in aid from the Food and Agriculture Quality Development Programme (FOCAL 2000) to the modernisation of olive oil mills, investing over Euro 84.6 million in total.

This is the line which should be followed by everyone, both the regional government and the sector, since quality is key to the future success of the olive oil industry in Castilla-La Mancha and in Spain.

The regional agriculture department will continue to work to secure the future of the sector both in Spain and in foreign markets, drawing on all available sources of strength, with a firm commitment to supporting the modernisation of our agriculture industry and the quality of our olive oil.



*“It is essential to regulate the olive oil market better, preventing situations such as those that occurred last year.”*

# Olive Oil Exports \*

**E**xports by members of ASOLIVA increased by 35.80% in the first five months of the 2006/2007 campaign (from November 2006 to March 2007) compared with the same period in the previous campaign, (124,724.24 tonnes in the first five months of this campaign compared with 91,842.07 tonnes in the same period in 2005/2006).

Exports of olive oils in containers of less than five litres to European Union countries increased by 11.47%, compared with an increase of 27.56% in exports to third countries. A total of 22,206.68 tonnes were exported to European Union countries, whilst 33,648.87 tonnes were exported to third countries.

Therefore, the total increase in bottled oil exports, regardless of their

destination, was 20.64%, with 55,855.55 tonnes exported, a figure which exceeds the 46,300.89 tonnes exported the previous campaign.

Exports in containers of more than 5 litres to European Union countries increased by 55.32% compared with last year, significantly higher than the 37.05% rise in exports to third countries. In the first five months of the 2006/2007 campaign, 54,852.33 tonnes were exported to European Union countries and 14,016.36 tonnes to third countries.

Therefore, the total increase, without taking into account the destination of the product, is 51.22%, which means 68,868.69 tonnes have been exported this campaign compared with 45,541.81 tonnes in the same period last campaign.

Disregarding container type, olive oil exports to the European Union rose by 39.051%, whilst exports to third countries rose by 30.21%, compared with the previous campaign.

According to Customs Office data, a total of 179,384 tonnes of olive oil were exported in the first four months of the 2006/2007 campaign (from November 2006 to February 2007), compared with the 110,790 tonnes exported the previous campaign, an increase of 61.91%).

ASOLIVA member figures for this period show 55,855.55 tonnes of olive oil were exported to all destinations in containers smaller than five litres. Worth noting is that 35,255.64 tonnes of this were exported as virgin olive oils, which means this type of oil accounted for 63.12% of total exports in containers of less than five litres.

## Comparison of Olive Oil Exports during the 2005-2006 and 2006-2007 Campaigns, and 2006-2007\*

Figures in tonnes

Month/Year	Bottles containing less than 5 litres			Bottles containing more than 5 litres			Total		
	EU	3 <sup>rd</sup> Countries	Total	EU	3 <sup>rd</sup> Countries	Total	EU	3 <sup>rd</sup> Countries	Total
11-12/2005	8,365	11,169	19,535	14,814	4,191	19,005	23,179	15,360	38,540
01-03/2006	11,556	15,210	26,766	20,500	6,036	26,537	32,056	21,247	53,303
<b>Campaign T.</b>	<b>19,921</b>	<b>26,380</b>	<b>46,301</b>	<b>35,315</b>	<b>10,227</b>	<b>45,542</b>	<b>55,236</b>	<b>36,607</b>	<b>91,843</b>

Month/Year	Bottles containing less than 5 litres			Bottles containing more than 5 litres			Total		
	EU	3 <sup>rd</sup> Countries	Total	EU	3 <sup>rd</sup> Countries	Total	EU	3 <sup>rd</sup> Countries	Total
11-12/2006	8,696	11,761	20,457	21,105	7,122	28,226	29,801	18,883	48,684
01-03/2007	13,511	21,888	35,398	33,747	6,895	40,642	47,258	28,782	76,041
<b>Campaign T.</b>	<b>22,207</b>	<b>33,649</b>	<b>55,856</b>	<b>54,852</b>	<b>14,016</b>	<b>68,869</b>	<b>77,059</b>	<b>47,665</b>	<b>124,724</b>

<b>% Campaign</b>	<b>11.47</b>	<b>27.56</b>	<b>20.64</b>	<b>55.32</b>	<b>37.05</b>	<b>51.22</b>	<b>39.51</b>	<b>30.21</b>	<b>35.80</b>
<b>% Year</b>	<b>16.92</b>	<b>43.90</b>	<b>32.25</b>	<b>64.62</b>	<b>14.22</b>	<b>53.15</b>	<b>47.42</b>	<b>35.47</b>	<b>42.66</b>



# ANIERAC Elects its Board

**A**t the Ordinary General Meeting of ANIERAC (National Association of Edible Oil Bottling and Refining Companies) held on 8 May, the board members for the next four years were elected. The Chairman and three vice-chairmen were re-elected unanimously: Pedro Rubio, of Aceites Toledo, will continue to head the Association, and Jesús Salazar, representing Grupo SOS, Diego Gallego, for Grupo Migasa, and José Mora, from Balle Hermanos, will remain vice-chairmen.

At the meeting, the Association took stock of its activities over the previous year, addressing the most important issues affecting the sector such as price stability, the promotion of Spanish olive oil and market transparency.

As well as participating in the development of new legislation affecting the sector, the Association is currently working on various proposals. ANIERAC is especially committed to the olive oil "Interprofessional". The objective is to strengthen this organisation and to implement mechanisms which benefit the sector, especially in the area of promotion and research. The Association takes part in all meetings of the body and is attempting to reach an agreement on the extension of necessary regulations to finance the activities planned in its aims. It is confident it will see positive results in the near future.

Another initiative, on which work was already carried out in 2006, is the Excellence Plan for Oils in the Food Service Sector). Its primary objectives, which are based on improving the quality, use, presentation and labelling of all edible oils, are aimed creating a framework for professional collaboration between

all the agents in the sector (consumers, hotel and catering companies, olive oil bottlers and public administrations). This will ensure that consumers, both domestic and visitors to Spain, receive our olives in the best possible condition.

Through the Food and Drinks Industry Federation, ANIERAC has been involved in the revision of the

Packaging Act proposed by the Government. Brussels has set new targets for recycling and reuse that will come into effect in 2008.

The group of chemists working on the revision of Technical Health Regulations to change some restrictions on the refining of sunflower oil completed their task in September. The proposal was approved by the inter-ministerial Food Regulation Committee and published in the Official State Gazette in April.

Another group of chemists has continued working on the proposal for an analysis method which permits the use of the terms "mild" and "strong" for olive oils. This proposal is being analysed with the Ministry of Agriculture, Fisheries and Food and the Autonomous Communities.

Also worth highlighting is the work undertaken to ensure that regulations governing the alleged nutritional and health benefits of food-stuffs adequately cover edible oils and olive oils in particular.

Following intense work by the Board, the Self-Monitoring Service Regulations have been revised. The new competencies assumed by the Autonomous Communities, the replacement of the Association's laboratory with an external laboratory, and, especially, the need to adjust and ensure the efficacy of sample-taking and analyses carried out were the main reasons behind these modifications.

As a rule of the Association voluntarily accepted by companies, the self-monitoring service reinforces its targets through these changes, aiming to ensure the strictest compliance with legal requirements and in collaboration with the relevant public administrations.

## ANIERAC Board of Directors

### Chairman

Pedro Rubio (Aceites Toledo, S.A.)

### Vice-Chairmen

Jesús Salazar

(Carbonell, S.A. - Grupo SOS)

Diego Gallego

(Oleomasía, S.A. - Grupo Migasa)

José Mora (Balle Hermanos, S.A.)

### Board Members

Aceites Abril, S.L.

Aceites Borges Pont, S.A.U.

Aceites Carrión, S.A.

Aceites del Sur, S.L.

Aceites del Sur-Coosur, S.A.

Aceites Olimpo, S.A.

Aceites Ybarra, S.A.

AOP Iberia, S.L.

Bassedá, S.A.

Cexac, S.L.

Coreysa

Industrias del Suroeste, S.A.

Oleoestepa, S.C.A.

Óleo Martos, S.L.

Olivar de Segura, S.C.A.

Sos Cuétara, S.A. (Grupo SOS)

Sovena Ibérica de Aceites, S.A.

# Overseas Promotion of Olive Oil

**T**he promotional campaigns carried out in 2006 in conjunction with ICEX focused on providing information about the benefits of olive oil in seven markets: Germany, Australia, Brazil, the US, France, China and Japan. These are regarded as strategic markets due to the scope they offer for increased consumption.

In Germany, the campaign was focused on seminars/tastings in cookery schools. A total of 108 students took part in these events. Information leaflets aimed at the end consumer were distributed in points of sale and infomercials were placed in specific media (*Der Feinschmecker, Lebensmittelzeitung, etc.*).

In Australia, the objective was to raise the profile of Spain as a producer of quality olive oils, to strengthen the image of olive oil and highlight its benefits and to educate the target public (the consumer, professionals, the media, opinion formers and importers) about the Spanish brands present in the market.

Initiatives included meetings with importers, the revamping of the website, the distribution of e-newsletters and promotions in department stores in Melbourne and Sydney, and advertorial inserts in both professional media and generalist food and leisure magazines. Some seminars were also arranged at the "TAFE NSW" chef training college.

In Brazil seven tasting/sampling seminars were organised for professionals and the groundwork was done for the book called "Fifteen secrets

about Spanish Olive Oil revealed", which contains culinary techniques to highlight the qualities of Spanish olive oil. The joint promotion with seven restaurants rewarded 1,176 diners with several books from the *Casa do Azeite Espanhol* "House of Spanish Olive Oil"). This body has continued to deal with enquiries from journalists, importers and professionals from the food and health sectors.

The website surpassed 1,000 daily page visits, a new record. The Quiz section on Spanish Olive Oil, a question-and-answer-based promotional system, which allows the user to accumulate points which can be exchanged for prizes, was well-received and attracted 22,000 participants. As well as attracting the public, this method directs users to more theoretical content.

In the US, a total of eight brands participated in the Gourmet Plan. To boost sales, a selective marketing campaign was carried out with storekeepers, incentives were provided to retailers to stock different brands and tastings were arranged for consumers (143 tastings with 14 clients and 5,720 participating consumers). The Association also participated in the major professional trade fairs and conferences, such as the "National Restaurant Association", in Chicago, "Spain's 10 – Madrid Fusión" in New York, and the "CIA Worlds of Flavor" conference in Napa (California).

Initiatives in the US included contact with various media and a publicity campaign with the participating brands in trade (Foods From Spain News and Specialty Food Magazine)

and consumer (Food Spring) magazines. The website was also updated ([www.oliveoilfromspain.com](http://www.oliveoilfromspain.com)).

Also, for the second consecutive year an extraordinary plan to promote Spanish olive oil in the retail sector was implemented in four specific markets. Four major companies participated in the plan, which will continue in 2007.

In France, the smaller budget meant efforts were focused on the launch, maintenance and promotion of the Olive Oil from Spain website ([www.huile-olive-espagne.fr](http://www.huile-olive-espagne.fr)).

The campaign in China was focused on the print media, with the publication of three infomercials in magazines for working women to raise the profile of Spanish olive oil.

In Japan a leaflet was updated for consumers and professionals, as was the website ([www.asoliva-jp.com](http://www.asoliva-jp.com)). A tasting/seminar was also arranged for professionals, which was well attended and covered in the Japanese media. In November, a meeting was held with importers. A media conference was arranged which was attended by twenty journalists.

Also worth mentioning is a tasting-seminar for Spanish olive oil in Russia as part of a show room organised by the Trade Office of the Spanish embassy in Moscow, along with some activities in Spain, primarily aimed at chefs and foreign journalists. Outside the Sector Plan, we note the participation of member companies in the IBERIA-ASOLIVA-MAPA plan. This involves the distribution of a small bottle of olive oil to passengers on several international flights.

## ANIERAC

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