

Until recently, bottled olives were not introduced into the American market. In a recent year, 157 million pounds of olives were consumed by the American public. Fifty-one percent of these were Spanish origin, 43 percent California, with 6 percent being miscellaneous.

The industry is comprised of three distinct segments—bottlers, growers, and processors. The bottlers consist of 60 firms operating approximately 70 plants located throughout the United States whose principal activity is importing bulk olives for packaging and retail sales.

Many of these firms are family businesses which have perpetuated themselves through several generations of service. Others are presently divisions of larger companies and chainstores. For the most part, they are located around the major metropolitan areas such as New York, Chicago, St. Louis, Houston, Philadelphia. They employ thousands of workers and perform the function of inspecting, washing, packing, brining, and marketing the product that originates in Spain.

The machinery utilized for this purpose varies from a relatively simple operation to a complicated modern laborsaving setup. There are approximately 25,000 olive groves in the United States, virtually all of them in California, occupying around 32,000 acres. For this purpose, the land has great economic value as the consumption of California-type olives has increased over the last 20 years.

The present on-farm value of this crop has exceeded \$10 million. They employ around 2,000 permanent employees, in peak harvest reaching 10,000 workers. Many of the growers are members of one of the three large cooperatives that process, pack, and sell California olives. The remainder sell their output to the nine independent packers of California fruit. There are nine remaining from the 30 or so that existed in the late 1950's.

The industry itself is comprised of a highly mechanized packing and processing operation, representing a multimillion-dollar investment.

The essential facts about the U.S. tariff on olives is that the tariff does not differentiate between bulk and imports in smaller containers. The duty is the same on olives whether they are imported in a 900-pound cask or a 2-ounce bottle.

Basically the duty, as the tariff reads, is either on a 30-cent-per-gallon basis, which is approximately 15 percent ad valorem, or 20 cents a gallon, which is 17 percent ad valorem.

The California-style olives which are presently not imported would be dutiable at 5 cents per pound for an effective rate of about 11 percent ad valorem. The last few years have seen the emergency of an olive bottling industry in Spain, monolithic in structure and aggressively supported and guided by the Spanish Government. In April 1966, Libby Espana, S.A., a wholly-owned subsidiary of a U.S. corporation, began operations with substantial shipments of olives in retail-size glass containers to this country. It has since been joined in this enterprise by other Spanish olive bottling concerns and by Cadesa, a government-sponsored organization comprised of Spanish bulk olive exporters.

Together they have achieved the dramatic penetration of the American bottled olive market as we represented by the graphs in the front of our statement.