

Trade Group Lawsuit Challenges Olive Oil Labeling

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The North American Olive Oil Association, a trade group that represents the olive oil business in the United States and Canada, is suing Kangadis Food, saying it falsely labeled its Capatriti brand as olive oil when the product is a fat from leftover olive skins and pits.

That fat, known as olive pomace oil or olive residue oil, is extracted using high heat and chemical solvents including hexane. "Olive pomace oil is not allowed in any grade of olive oil under any standard anywhere in the world," said Eryn Balch, executive vice president of the association. In addition, she said, "The cost of producing oil that way is a fraction of what it costs to produce authentic olive oil."

Themis Kangadis, an executive with the company, said he had not heard of the lawsuit and would ask the company's lawyers to look into it. "I had no idea," Mr. Kangadis said.

The lawsuit seeks to prevent Kangadis, which is based in Hauppauge, N.Y., and operates under the name The Gourmet Factory, from selling any pomace product that is not so labeled and to notify retailers and other buyers of pomace products that they were buying an adulterated product. The suit was filed on Wednesday in United States District Court for the Southern District of New York.

Ms. Balch said Capatriti's price was one-third to one-half that of competitive brands, so the association hired an independent contractor to buy nine tins of Capatriti "100% Pure Olive Oil" product from three lots. Identifying materials were removed from the samples, and they were shipped to a lab in Spain that is certified by the International Olive Council, an organization based in Spain that sets the standards for olive oil purity and quality.