

PECUNIA OLET

by Emanuele Bellano

With the collaboration of Michela Mancini and Greta Orsi

images by Davide Fonda and Alessandro Nucci

Edited by Igor Ceselli

SIGFRIDO RANUCCI IN THE STUDIO

Welcome back. So, let's talk about oil. When we buy extra-virgin olive oil and pay it as such, is it really extra, or is there a risk that it is actually oil to light lamps? Well, we've been with the anti-fraud inspectors of the Ministry of Agriculture... poor devils... what a job they have... They spend the day taking down oil. To protect us.

ENZO GUBINELLI - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

Good morning! Good morning. ...we saw him. He's there. ...we saw him. ...this way, okay. ...OK. This two-litre one, what is it? I haven't seen it.

WAREHOUSE OPERATOR

The ..

ENZO GUBINELLI - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

Where is he?

WAREHOUSE OPERATOR

Now I'm going to look for this one's location too.

ENZO GUBINELLI - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

OK.

IBRAHIM ADDÒ - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

Just to understand. First you heats it up like this and then it is capped, so the entire volatile part is concentrated to smell any defects. Then you move on to the tasting for its bitterness, spiciness, which are objective functional parameters of olive oil that determine its quality. In addition to any defects.

SIGFRIDO RANUCCI IN THE STUDIO

We are the biggest consumers of oil in the world, of olive oil. And our olive oil is universally acknowledged as being the best. Too bad there's not much of it on our tables. That's because we produce few olives and buy olive oil from Portugal, Turkey, Greece, Tunisia, and especially Spain. So, we end up blending up to 80%. The law requires to indicate if the product comes from an EU country, not exactly from which country, nor to indicate the percentage of Italian olive oil. That does not mean that the olive oil isn't good, but the mechanism favours fraud and, above all, penalises honest producers. What's the problem? When you try to sell an olive oil

as extra-virgin when it isn't. The difference that should justify the higher price lies in when the olives are harvested; you'd have to pick them on the tree and process them before they start to ferment. So, tracing back the path, the one that goes from the bottle of olive oil to the tree, we realised that 'virginity' is lost, not only that of the olive oil, but also that of the soul and criminal record. Our Emanuele Bellano.

ALESSANDRO RAPEZZI - LA PARRINA FARM HOLDING

We're dealing with an olive heritage that's old.

EMANUELE BELLANO

Some of these trees are even more than 60 years old.

ALESSANDRO RAPEZZI - LA PARRINA FARM HOLDING

Yes, and even some that are more than 100, but not all the branches are productive.

EMANUELE BELLANO OFF SCREEN

Then there's the water problem.

ALESSANDRO RAPEZZI - LA PARRINA FARM HOLDING

Almost all the farm holdings in Maremma do not have an irrigation system. Last year, for example, it would have been a very good year but the plants came from two years of water stress and they weren't able to complete the flowering. If I have an irrigation system, I can contain this, I can avoid it.

EMANUELE BELLANO OFF SCREEN

This year was even worse and the pressing ended earlier than expected due to the lack of olives. The figures speak for themselves: in the 2016/2017 season Italy produced 182 thousand tons of olive oil, but we consumed 560 thousand and exported 190 thousand. As much as 500,000 tons is missing from the count. Where did it come from?

GIANCARLO GIANNINI - GIANCARLO GIANNINI FARM HOLDING

Our packaging companies buy, supply themselves in foreign markets, outside Italy. We have an olive oil deficit, I think of at least 50%.

EMANUELE BELLANO OFF SCREEN

So every year at least half of the olive oil bottled in Italy by Italian brands is actually foreign oil. This is an Italian supermarket shelf. On five shelves, three and a half display olive oils with this label: "blend of European Union olive oils." Although the brand is Italian, it means that the olive oil is bottled in Italy, but the origin is mainly foreign. It comes from Greece, Portugal and, above all, Spain, the largest exporter of olive oil in the world, which, in order to dominate the market, is transforming olive groves into intensive plantations.

ALESSANDRO RAPEZZI - LA PARRINA FARM HOLDING

It's a whole different world. I mean, it's a thousand plants per hectare.

EMANUELE BELLANO

So ten times as many.

ALESSANDRO RAPEZZI - LA PARRINA FARM HOLDING

That's right. We must imagine, however, that we won't stand before an olive grove like this one but we will find rows that over time will be hedges where I do practically everything by machine.

EMANUELE BELLANO OFF SCREEN

We are in Andalusia, in the province of Jaen, the home of olive oil, since about half of all the olive oil produced in Spain comes from its presses.

GROWER

With an intensive olive grove only one machine in a day can harvest the olives of up to 600 trees. And that makes a difference in cost. Producing a litre of olive oil with a traditional olive grove costs about €2.40, while with intensive farming we are around €1.20.

EMANUELE BELLANO

Do you think production here will become all-intensive in the future?

GROWER

A grower friend of ours had a plantation of 700 olive trees; he cut them all. They were healthy plants, not sick, healthy. And he planted an intensive olive grove. The future you're talking about is now.

EMANUELE BELLANO OFF SCREEN

Spain has been producing oil with modern and optimised systems for years.

REMIGIO MORILLO RUIZ - JAEN OIL PRESS

The olives arrive, we extract the oil and from the waste we separate the stones and dry them. Because they are an excellent natural fuel that we also export to Northern Europe countries.

EMANUELE BELLANO

Are these the stones processed and ready to be burned?

REMIGIO MORILLO RUIZ - JAEN OIL PRESS

That's right. And down there instead we have the furnace with the boiler because we heat the entire press with the waste.

EMANUELE BELLANO OFF SCREEN

They save on electricity and waste treatment and sell the biomass to cogeneration plants. They can do it because they're big enough.

REMIGIO MORILLO RUIZ - JAEN OIL PRESS

Our mill produces about 1 percent of all the olive oil produced in the province of Jaen. We press the olives harvested by about a thousand growers.

EMANUELE BELLANO OFF SCREEN

Much more than a medium-sized Italian oil press. Although smaller than what medium-sized is here in Spain.

EMANUELE BELLANO

How big is this press?

CRISTOBAL GALLEGRO MARTINEZ - PRESIDENT OF THE NUESTRA SEÑORA DEL PILAR COOPERATIVE

We have about 1,400 members and produce about 20 thousand tons of olive oil a year.

EMANUELE BELLANO OFF SCREEN

With a production equal to four times that of the whole of Umbria, the cooperative Nuestra Señora del Pilar is the largest oil press in the world.

CRISTOBAL GALLEGRO MARTINEZ - PRESIDENT OF THE NUESTRA SEÑORA DEL PILAR COOPERATIVE

The waste produced by pressing is sent to our own power plant, which generates 1.40 MW of energy.

EMANUELE BELLANO

What do you use it for? For your facility?

CRISTOBAL GALLEGRO MARTINEZ - PRESIDENT OF THE NUESTRA SEÑORA DEL PILAR COOPERATIVE

We generate more energy than our facility needs; so, we sell it to the public grid. So we supply clean electricity to a town of 20-30 thousand inhabitants.

EMANUELE BELLANO OFF SCREEN

In the face of the scarcity of Italian olive production, Spain, thanks to intensive farming and mechanisation, produces an average of 1.4 million tons of oil a year at low cost and even in a clean manner.

EMANUELE BELLANO

Where do you sell the olive oil you produce?

CRISTOBAL GALLEGRO MARTINEZ - PRESIDENT OF THE NUESTRA SEÑORA DEL PILAR COOPERATIVE

The country where Spain exports the most is Italy.

ROBERTO GARCÍA RUIZ - DIRECTOR OF THE CENTRE FOR ADVANCED STUDIES IN OLIVE GROVES AND OLIVE OILS, UNIVERSITY OF JAEN

Here, in Andalusia, as soon as the olive harvest begins, Italian intermediaries arrive and have the mandate to buy the production of entire areas.

EMANUELE BELLANO

At how much are they buying?

ROBERTO GARCÍA RUIZ - DIRECTOR OF THE CENTRE FOR ADVANCED STUDIES IN OLIVE GROVES AND OLIVE OILS, UNIVERSITY OF JAEN

Extra-virgin olive oil costs on average about €2.70 a litre. They ship it to Italy, bottle it there and sell it at higher prices with Italian labels.

EMANUELE BELLANO

It's a great deal for the Italians.

ROBERTO GARCÍA RUIZ - DIRECTOR OF THE CENTRE FOR ADVANCED STUDIES IN OLIVE GROVES AND OLIVE OILS, UNIVERSITY OF JAEN

Sure, it's a nice profit for them.

EMANUELE BELLANO OFF SCREEN

€6.98, €6.67, €5.99, €5.89. These are all the prices of Italian brands whose bottles contain mostly foreign olive oil purchased raw on the market on average at 3 euros. The mere fact that it is bottled in Italy makes the price double. The mechanism is particularly appealing for multinational olive oil companies. For example, "Carapelli Firenze" today has nothing to do with Tuscany. The ownership chain goes through a Dutch holding company controlled by a Luxembourg company, in turn owned by a shielded investment fund on the island of Jersey, in the English Channel. The same fund also controls the multinational olive oil company "Deoleo," based in Spain. This confidential document of the Customs Agency shows that the "Deoleo" Group buys olive oil in Spain and resells it to itself in Italy to bottle it as "Carapelli Firenze" or as other brands it owns: "Bertolli" and "Olio Sasso."

But other labels have also ended up in foreign hands. The French food giant "Avril" has bought a share of "Costa d'oro," a historic Italian brand from Umbria and sponsor of the Italian national football team. The Chinese have done the same thing on the other side of the world.

EMANUELE BELLANO

I'm looking for Italian olive oil.

SHOP CLERK

Italian oil, Italian oil, here it is.

EMANUELE BELLANO

Which one is better? This one or that one?

SHOP CLERK

That's not good. That's good.

EMANUELE BELLANO OFF SCREEN

Who knows whether behind the clerk's opinion there is also a pinch of nationalism, because the olive oil "Filippo Berio" that she recommends was purchased by the

State-owned company "Bright Food" and therefore now belongs to the Chinese. The label says that it is made by blending Spanish, Portuguese, Greek and Italian olive oils, but in Chinese supermarkets they advertise it with the Italian flag.

INSPECTOR 1

If you tell me what we want to do.

INSPECTOR 2

Let's take a tank of vegetable oil and one of oil equipment? The first two that come out

EMANUELE BELLANO OFF SCREEN

Every year, the Anti-Fraud Inspectorate of the Ministry of Agriculture analyses hundreds of olive oil tanks that land in Italian ports.

INSPECTOR 1

Come this way a minute.

INSPECTOR 2

Is this a vegetamol oil?

INSPECTOR 1

Yes.

EMANUELE BELLANO OFF SCREEN

Here we are at the port of Livorno and tanks of Spanish olive oil are being unloaded from this ship.

The inspectors take samples of olive oil that will be analysed in the laboratory.

INSPECTOR

The bottles were first rinsed with the olive oil that was inside the tank and then we fill them with the olive oil that our colleagues took with a bucket, it too rinsed and cleaned, and we seal it.

SIGFRIDO RANUCCI IN THE STUDIO

The two tanks came from Spain; on paper they said that they carried extra-virgin olive oil, but one was not. On paper they wrote something false. Well, we have the power of a brand, we fill it with the olive oil of others because we don't know how to produce more. What do we do? We go to Spain, where the oil costs less, we buy the extra-virgin oil and then we tell them... we pay a part of it and we tell them: now if you want the rest, write on the invoice that you sold me extra-virgin olive oil. Write something false. In short, in Spain oil costs less because they have created a model: they have increased productivity and are energy self-sufficient; they burn the waste, keep the energy they need for themselves, sell the rest and cover the needs of towns of 30 thousand inhabitants. So instead of importing this model, what do we import?

ROBERTO GARCÍA RUIZ - DIRECTOR OF THE CENTRE FOR ADVANCED STUDIES IN OLIVE GROVES AND OLIVE OILS, UNIVERSITY OF JAEN

Have Italians come to buy your olive oil?

JOSE' MARTINEZ - PRESIDENT OF THE S.C.A. SAN JUAN OIL PRESS

Yes, many.

EMANUELE BELLANO

What kind of oil do you normally sell to Italians?

JOSE' MARTINEZ - PRESIDENT OF THE S.C.A. SAN JUAN OIL PRESS

Lampante oil, the worst quality one.

EMANUELE BELLANO OFF SCREEN

Lampante oil is obtained by pressing rotten or poorly preserved olives, has a high level of acidity and is unpleasant to taste and smell.

JOSÈ' MARTINEZ - PRESIDENT OF THE S.C.A. SAN JUAN OIL PRESS

The word comes from Latin.

EMANUELE BELLANO

Because it was oil used for lamps.

JOSÈ' MARTINEZ - PRESIDENT OF THE S.C.A. SAN JUAN OIL PRESS

Precisely, as a fuel.

EMANUELE BELLANO

It's not edible.

JOSÈ' MARTINEZ - PRESIDENT OF THE S.C.A. SAN JUAN OIL PRESS

It was so bad that it couldn't be eaten and so they used it for lighting.

EMANUELE BELLANO OFF SCREEN

In this cooperative in Jaen, Andalusia, they produce between 20 and 30 percent of lampante oil a year.

JOSÈ LUIS - DIRECTOR OF THE S.C.A. SAN JUAN OIL PRESS

Almost all of the lampante oil produced in Jaen is bought by Italians.

EMANUELE BELLANO

So Italians come here to buy the worst quality oil?

JOSE' LUIS - DIRECTOR OF THE S.C.A. SAN JUAN OIL PRESS

Yes, they buy that, or at most, virgin olive oil. Almost never extra-virgin.

EMANUELE BELLANO

But what do bottlers, producers of olive oil do when they buy lampante oil?

LUCA VEGLIA - OFFICIAL OF THE CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

It is cleaned at a refinery that removes the defects of this oil; then a more or less consistent part of good olive oil, of real extra-virgin olive oil is added, and, as our investigations have discovered, you can make extra-virgin olive oil, but...

EMANUELE BELLANO

...It's a fraud.

LUCA VEGLIA - OFFICIAL OF THE CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

It's a fraud.

GENNARO SICOLO - PRESIDENT OF ITALIA OLIVICOLA

They sell lead at the price of gold...

EMANUELE BELLANO

What's the advantage? Is it the price?

GENNARO SICOLO - PRESIDENT OF ITALIA OLIVICOLA

The advantage is that on a tanker of 300 quintals of olive oil, buying this refuse instead of buying Italian oil, they earn 100 thousand euros per tanker.

EMANUELE BELLANO

What is the difference in price per kg?

GENNARO SICOLO - PRESIDENT OF ITALIA OLIVICOLA

The difference in price... they pay it €2, €2.10.

EMANUELE BELLANO

For example, Spanish olive oil...

GENNARO SICOLO - PRESIDENT OF ITALIA OLIVICOLA

This Spanish oil... You buy it at €2.10, €2.20. These are the prices; peanuts, less than a bottle of mineral water. Italian olive oils at the producer cost around €6.

EMANUELE BELLANO OFF SCREEN

This is the headquarters of the Azaharoliva Cooperative near Jaen, Andalusia, and he was its president until a few months ago.

JAMAL EL MERABET - FORMER PRESIDENT OF AZAHAROLIVA

Italians are number one in adulterating!

EMANUELE BELLANO

Olive oil?

JAMAL EL MERABET - FORMER PRESIDENT OF AZAHAROLIVA

Yes, they are experts, professors. I lived for 3 years in Italy.

EMANUELE BELLANO

And...

JAMAL EL MERABET - FORMER PRESIDENT OF AZAHAROLIVA

Italian product, extra-virgin, everything was extra-virgin.

EMANUELE BELLANO OFF SCREEN

His cooperative sold 51 tons of oil labelled as extra-virgin to an Italian company.

EMANUELE BELLANO

But was the oil you sold extra-virgin?

JAMAL EL MERABET - FORMER PRESIDENT OF AZAHAROLIVA

No, it wasn't virgin, but they pay a part and then you invoice and they pay the difference.

EMANUELE BELLANO

So they pay a part to have the rest.

JAMAL EL MERABET - FORMER PRESIDENT OF AZAHAROLIVA

Then, when the oil arrives in Italy, 2 or 3 months go by, and then I ask the difference; no, no, if you want the difference, you have to write that it is extra-virgin olive. I can't do this because it's not true they told me. No, no, it's the routine, it's normal, it's not problem; you do it and then they cover up; there's no problem, there's no problem.

EMANUELE BELLANO

And so you were forced to write extra-virgin, extra-virgin..

JAMAL EL MERABET - FORMER PRESIDENT OF AZAHAROLIVA

It was virgin.

EMANUELE BELLANO

But it was virgin.

EMANUELE BELLANO OFF SCREEN

The batch of virgin oil sold as extra virgin was purchased by "Verdeolio," a Tuscan company that buys and sells oil wholesale. "Verdeolio" then sells the oil to the Salvadori oil press, which bottles it in Tuscany and distributes it in Italy and abroad. The flow of counterfeit oil from Spain is so huge that investigators in this case speak of conspiracy. Thousands of tons of low quality olive oil purchased in Spain are sold by "Verdeolio" as Italian oil, or as extra-virgin olive oil, and then sold to Tuscan oil presses that bottle it.

In recent years, there has been an increase in the number of Italian businesses that choose to bottle olive oil directly in Spain or Tunisia.

GENNARO SICOLO - PRESIDENT OF ITALIA OLIVICOLA

They don't want the checks.

EMANUELE BELLANO

Why are there less checks on bottled olive oil than olive oil in a tanker?

GENNARO SICOLO - PRESIDENT OF ITALIA OLIVICOLA

No, if they bottle it in Italy, there are checks. When this olive oil arrives at customs, they take samples.

LUCA VEGLIA - OFFICIAL OF THE CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

By doing tests, checks on a bottled product, and therefore on sale on the shelf, it is very likely that that product will pass the tests because, by blending, they have already obtained a product that complies completely with regulations.

EMANUELE BELLANO OFF SCREEN

One of the largest olive oil producers outside the European Union is Tunisia. There are intermediaries who look for Italian customers to sell the olive oil to.

EMANUELE BELLANO

Do you have large customers in Italy?

OLIVE OIL INTERMEDIARY

Everywhere, I have many in Italy, Spain, and Greece. They come here to Tunisia, buy tanks of bulk olive oil and ship it to Italy or Spain and sell it under their own label.

EMANUELE BELLANO

Do you say it is Italian olive oil in the invoice?

OLIVE OIL INTERMEDIARY

No, we don't write that on the invoice. They take it to Italy and sometimes, when they bottle it, they write Italian olive oil on the label, so they can ask more. Or if you prefer, we can buy Tunisian oil from our suppliers, bottle it here and put the label with your name on it.

EMANUELE BELLANO

That is, with my brand.

OLIVE OIL INTERMEDIARY

Yes, under your own brand.

EMANUELE BELLANO OFF SCREEN

If we had closed the contract, our bottles would have ended up on supermarket shelves and the authorities would have had only one way to find out: which is this.

IBRAHIM ADDÒ - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

Based on the risk analysis, the products to be selected...

ENZO GUBINELLI - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

They're all here.

IBRAHIM ADDÒ - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

They are..

ENZO GUBINELLI - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

And some are contemplated, others aren't.

IBRAHIM ADDÒ - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

That's right. We will proceed...

ENZO GUBINELLI - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

Let's go do the test, the sensory one... Well, let's take the cups and get started, come on. Everyone opens one. Then, if you are not sure, you ask for another. I think this is good, classic Spanish, but okay. Let's say that for a Community product it is a good product. Let's open the... The product is: blend of olive oils from the European Union. Here: this one, I mean, is one to sample. Oh... mamma mia!

ENZO GUBINELLI - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

This too is... European Union... European Union...

IBRAHIM ADDÒ - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

Same for both?

ENZO GUBINELLI - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

Mamma mia, mamma mia...

IBRAHIM ADDÒ - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

Sample?

RAFFAELE MONDINI - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

Yes, to be put aside immediately...

ENZO GUBINELLI - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

To be put aside immediately. Mamma mia, this is really bad, really bad. This is...

IBRAHIM ADDÒ - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

This is classic European Union...

ENZO GUBINELLI - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

Mamma mia, this is a classic that you can't even drink it.

IBRAHIM ADDÒ - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

Sample?

ENZO GUBINELLI - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

Taste this...

RAFFAELE MONDINI - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

This one, put it on the... on the list...

ENZO GUBINELLI - CENTRAL INSPECTORATE FOR QUALITY PROTECTION AND FRAUD REPRESSION

Right away.

EMANUELE BELLANO OFF SCREEN

In the end, they choose seven. The oils to be sampled are sealed and sent to the laboratory of the anti-fraud inspectorate in Perugia and submitted to the Ministry's official panel test.

EMANUELE BELLANO

What results did you get on these samples?

STEFANIA CARPINO - DIRECTOR OF THE ICQRF LABORATORY, PERUGIA

Of these seven samples, two were found to be irregular; we call them irregular because they do not belong to the extra-virgin category, but only to the virgin category. So, when sold, it is a full-fledged fraud.

SIGFRIDO RANUCCI IN THE STUDIO

In short, the anti-fraud inspectorate will withdraw those products that failed the panel test from the market. And then it will even confiscate it. What we saw in the video, however, is nothing out of the ordinary. According to 2017 data, of all the products tested throughout Italy, 13% were not up to standard. About 13%. It means that slightly more than one bottle in 10 contains olive oil that is not extra-virgin or is even low quality. So, perhaps, if you want to protect Italy's brand,

something should be done about traceability. Traceability means indicating exactly the country where the oil comes from, the quantity of Italian olive oil that is put in a bottle, tracing the oil press, tracing where the olives are grown. Now, that's to prevent the honest growers from being damaged by scammers.