

COMMISSION OF THE EUROPEAN COMMUNITIES

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PROPOSAL FOR A REGULATION (EEC) OF THE COUNCIL
LAYING DOWN GENERAL RULES IN RESPECT OF AID FOR
THE CONSUMPTION OF OLIVE OIL

PROPOSAL FOR A REGULATION (EEC) OF THE COUNCIL
FIXING FOR 1978/79 MARKETING YEAR THE MARKET REPRESENTATIVE PRICE
AND THE THRESHOLD PRICE FOR OLIVE OIL AND THE PERCENTAGE OF THE
CONSUMPTION AID REFERRED TO IN ARTICLE 11(3) OF REGULATION 136/66/EEC.

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

The present drafts proposals for Regulations form part of the rules of application of the new organization of the market in olive oil adopted by the Council on 29 June 1978 and which is due to enter into force in the 1978/79 marketing year. The drafts in question concern :

- consumption aid;
- the market representative price, the threshold price and the fixing of the percentage of the consumption aid to be allocated to measures to promote olive oil consumption in the Community.

Draft proposal for a Council Regulation laying down general rules for consumption aid for olive oil

This draft provides in particular :

- for the granting of consumption aid to approved olive oil processing undertakings;
- the introduction of a system of control of the right to the aid;
- the granting of a single aid whatever the appellation of the oil made by the processing undertakings.

Draft proposal for a Council Regulation fixing for the 1978/79 marketing year the market representative price and the threshold price for olive oil and the percentage of the consumption aid referred to in Article 11 (3) of Regulation No 136/66/EEC

1. Article 7 of Council Regulation (EEC) No 1562/78 provides that the market representative price for olive oil should be fixed at a level enabling normal sale of the product, account being taken, inter alia, of the prices of competing products, and in particular of their estimated change during the marketing year.
2. During the past two oil marketing years it has been noted that, with a price ratio of 2,50 : 1 between olive oil and seed oils, olive oil consumption has continued to decline. Furthermore, the Commission is aware of the fact that to attain one of the principal objectives of the new common organization of the market in this sector (recovery of consumption), the relationship between the price of olive oil and that of seed oils must be adjusted so that the market representative price is at a level which will permit such recovery.
3. Nonetheless, in view of the problems which may arise from the implementation, during the 1978/79 marketing year, of the new common organization of the market in this sector, in particular the setting-up of the joint trade body responsible for managing the consumption aid, the Commission has proposed ^{reducing} the proportion of this aid allocated directly for consumption to a level which will avoid as far

as possible any distortion of the new system, without thereby appreciably affecting the objectives.

For this reason the Commission proposes fixing the market representative price at 130 u.a. and retaining 50 % of the consumption aid for the purpose of information measures pursuant to the provisions of Article 11 (3) of Regulation (EEC) No 1562/78.

4. Positive initial experience in applying the provisions governing consumption aid, in particular as regards the means of controlling this aid, is in the Commission's opinion advisable, indeed necessary, in order to enable the direct consumption aid to be fixed subsequently at a level which would have a definite impact on the price of olive oil and, consequently, on the recovery of consumption of this product.
 5. The application of the criteria provided for in Article 9 of Regulation (EEC) No 1562/78 means that the threshold price is fixed at the proposed level.
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proposal for a
REGULATION (EEC) OF THE COUNCIL

laying down general rules in respect of aid for the consumption of olive oil

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation No 136/66/EEC of 22 September 1966 on the establishment of a common organization of the market in oils and fats⁽¹⁾, as last amended by Regulation (EEC) No 1562/78⁽²⁾, and in particular Article 11 (4) thereof;

Having regard to the proposal from the Commission,

Whereas Article 11 of Regulation No 136/66/EEC set up a system of aid for the consumption of olive oil produced and marketed in the Community;

Whereas, if the system of consumption aid is to achieve its purpose, the aid should be granted at a stage as close as possible to the consumer; whereas the most appropriate stage is that of the olive oil packaging plant;

Whereas, to ensure proper administration of the aid system, the aid should be granted only to packaging plants with a minimum production capacity and meeting certain requirements in respect of supervision;

Whereas, to ensure proper operation of the aid system, the aid should be granted only in respect of types of olive oil packaged for human consumption; whereas, to facilitate supervision of the system, a single amount of aid should be fixed for all types of oil;

Whereas a system of checks should be set up to ensure that the oil which leaves the packaging plant and in respect of which aid has been applied for qualifies for such aid; whereas, however, provisions should be made for aid to be advanced as soon as the aid application has been submitted, provided that sufficient security has been given;

Whereas, in order to achieve its aim, the system of checks must also apply to olive oil imported, either packaged or in bulk, from non-member countries; whereas, to facilitate the application of this system, provision should be made for the lodging of a security, which will be released once the oil has been packaged for human consumption,

HAS ADOPTED THIS REGULATION :

(1) OJ No 172, 30.9.1966, p. 3025/66

(2) OJ No L 185, 7.7.1978, p. 1

Article 1

The consumption aid for olive oil referred to in Article 11 of Regulation No 136/66/EEC shall be granted only to approved olive oil packaging plants.

Article 2

1. The approval referred to in Article 1 shall be granted by the competent body designated by the Member State concerned only to undertakings which :
 - (a) meet the requirements set for packaging plants by the Member State;
 - (b) have a certain minimum packaging capacity, which is to be determined;
 - (c) keep stock records according to rules to be determined;
 - (d) agree to undergo any checks laid down for the purposes of the application of the aid system.
2. After approval, the packaging plant shall be assigned a number. This number shall appear on the packagings.

Article 3

Notwithstanding any penalties imposed by the Member States, the approval referred to in Article 2 shall be withdrawn :

- (a) if the conditions for approval laid down in Article 2 are no longer met;
- (b) if the packaging plant obtained approval by fraud.

In case (b), withdrawal of approval shall have a retro-active effect and any consumption aid already granted shall be recovered.

Article 4

1. Consumption aid shall be granted in respect of olive oil produced in the Community which
 - (a) meets the definitions set out in points 1 (a), (b) and (c), 2, 3, 5 and 6 of the Annex to Regulation No 136/66/EEC,
 - (b) is put up in packages having a maximum net content to be determined and bearing the number referred to in Article 2 (2), and
 - (c) is placed on the market in the Community.
2. The amount of consumption aid per 100 kg net of olive oil shall be the same regardless of the type of olive oil qualifying therefor.

Article 5

Entitlement to consumption aid shall be acquired when the olive oil leaves the packaging plant in a package meeting the requirements of Article 4 (1) (b).

Article 6

1. The aid shall be granted, on application by the party concerned, in the Member State in which the oil was packaged in accordance with Article 4 (1) (b).
2. The application for aid must be submitted within a time limit to be fixed and must refer to a minimum quantity which left the packaging plant within a reference period.

Article 7

The Member States shall introduce a system of supervision to ensure that the product in respect of which aid has been applied for qualifies therefor.

In particular, checks must be made to ascertain whether the amount of olive oil in respect of which aid has been applied for corresponds to

- (a) the amount of olive oil of Community origin which entered the packaging plant,
- (b) the actual amount of olive oil of Community origin which left the plant after being packaged in accordance with Article 4 (1) (b) and which was placed on the market in the Community.

Article 8

The aid shall be paid when the body designated as responsible for supervision in the Member State where packaging takes place has checked that the conditions for the granting of the aid have been satisfied.

The aid may, however, be advanced as soon as the aid application is submitted, provided that sufficient security has been given.

Article 9

1. All imports of olive oil, whether in bulk or in immediate packages of a net capacity to be determined, shall be subject to a system of supervision until they have been rendered unfit to qualify for aid.
2. Such supervision shall include the lodging of a security in cash or in the form of a certified cheque in an amount equal to the part of the consumption aid paid to the packaging plants.

This security shall be released as soon as the party concerned provides proof that the imported oil

- has been packaged in accordance with Article 4 (1) (b) and has left the packaging plant;
- has been used for certain purposes to be determined.

The security shall also be released where the imported oil has been sent to another Member State in bulk or in immediate packaging the net capacity of which exceeds a quantity to be determined.

In this case, the entry of the oil into the Member State of destination shall be subject to the lodging of the security mentioned above.

Article 10

This Regulation shall enter into force on 1. December 1978.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at

For the Council

Proposal for a
REGULATION (EEC) OF THE COUNCIL

fixing for the 1978/79 marketing year the market representative price and the threshold price for olive oil and the percentage of the consumption aid referred to in Article 11 (3) of Regulation No 136/66/EEC

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to Council Regulation No 136/66/EEC of 22 September 1966 on the establishment of a common organisation of the market in oils and fats⁽¹⁾, as last amended by Regulation (EEC) No 1562/78⁽²⁾, and in particular the second subparagraph of Article 4 (4) and Article 11 (3) thereof,

Having regard to the proposal from the Commission,

Whereas the representative market price should be fixed in accordance with the criteria laid down in Articles 7 and 10 of Regulation No 136/66/EEC;

Whereas it follows from the application of these criteria that the representative market price should be fixed at the level given below;

Whereas under Article 11 (3) of Regulation No 136/66/EEC a certain percentage of the consumption aid should be used each marketing year to finance measures to promote the consumption of olive oil in the Community; whereas this percentage should be fixed for the 1978/79 marketing year;

Whereas the threshold price should be fixed in such a way that the selling price for the imported product at the frontier crossing point fixed in application of Article 9 of Regulation No 136/66/EEC is the same as the representative market price, account being taken of the effect of the measures referred to in the abovementioned Article 11 (3);

Whereas it follows from the application of these criteria that the threshold price should be fixed at the level given below,

HAS ADOPTED THIS REGULATION :

(1) OJ No 172, 30.9.1966, p. 3025/66

(2) OJ No L 185, 7.7.1978, p. 1

Article 1

For the 1978/79 marketing year the representative market price and the threshold price for olive oil shall be as follows:

- (a) representative market price: 130 units of account per 100 kilograms
- (b) threshold price: 136,22 units of account per 100 kilograms

Article 2

For the 1978/79 marketing year the percentage of the consumption aid to be allocated for the measures referred to in Article 11 (3) of Regulation No 136/66/EEC is fixed at 50 %.

Article 3

This Regulation shall enter into force on 1 December 1978.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at

For the Council