

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(78) 504 final.

Brussels, 5 October 1978

Proposal for a
COUNCIL REGULATION (EEC)
laying down for the marketing year 1978/79 general rules in respect
of production aid for olive oil

Proposal for a
COUNCIL REGULATION (EEC)
laying down special measures for the marketing year 1978/79 in respect
of olive oil producer organizations

Proposal for a
COUNCIL REGULATION (EEC)
on intervention in the olive oil sector

(submitted to the Council by the Commission)

COM(78) 504 final.



EXPLANATORY MEMORANDUM

The attached proposals for regulations form part of the rules of application of the new market organisation for olive oil adopted by the Council on 29 June 1978 and due to enter into force for the 1978/79 marketing year. They deal with :

- aid for olive oil production,
- producer associations,
- the intervention system.

1. Draft proposal for a regulation adopting general rules on production aid for the 1978/79 marketing year

The production aid system scheduled to operate from the 1978/79 marketing year differs from the previous system on one fundamental point : there will be two arrangements, one for growers who are and one for growers who are not members of a recognised producer group :

- growers who are not members of groups will be given a flat-rate aid;
- for growers who are members of groups the amount of the aid will depend on the quantity of oil actually produced.

The draft regulation lays down detailed rules for the application of both methods.

2. Draft proposal for a regulation laying down special measures relating to olive oil producers' organisations

Under the new organization production aid calculated on the quantity of oil actually produced is granted to growers who are members of producer groups recognised under Council Regulation (EEC) No 1360/78 of 19 June 1978 on producer groups and associations thereof. Because of delays in the setting up of the system laid down by Regulation (EEC) No 1360/78 recognition of the olive growers' groups cannot be done before the beginning of the 1978/79 marketing year. This would as matters stand result in a loss for growers who have made the effort to group themselves as without the recognition as they would be eligible for the flat-rate aid only.

Appropriate derogating measures should therefore be laid down for the 1978/79 marketing year. These consist basically in setting temporary special recognition requirements for olive growers' producer groups for the 1978/79 marketing year. These requirements will be replaced for the 1979/80 marketing year by those laid down in Regulation (EEC) No 1360/78.

3. Draft proposal for a regulation on intervention in the olive oil sector

The intervention arrangements provided for in the draft regulation differ from the old arrangements on one point only : the introduction of a provision that olive oil presented for intervention during the last two months of a marketing year will be bought in at the intervention price applicable at the beginning of the year. The purpose of this is to stop speculative operations.

Proposal for a
COUNCIL REGULATION (EEC)

laying down for the marketing year 1978/79 general rules in respect of production aid
for 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 establish-
ment of a common organization of the market in oils and fats⁽¹⁾, as last amended by Regu-
lation (EEC) No 1562/78⁽²⁾, and in particular the first sentence of Article 5 (4) and
Article 36 thereof,

having regard to the proposal from the Commission,

whereas Article 5 of Regulation No 136/66/EEC introduced aid for the production of olive
oil; whereas, during the marketing year 1978/79, this aid is to be granted to growers who
are members of a producer organization recognized under Council Regulation (EEC) No/
78 of1978⁽³⁾ on the basis of the quantity of oil actually produced by them,
and to other growers on the basis of the number and production potential of the olive
trees which they grow and of the yields of those trees as determined according to a
standard method, and provided that the olives produced have actually been harvested;

whereas, since there is no register of olive cultivation, the production potential of
olive trees cannot be defined; whereas, therefore, until such a register is established,
aid to growers who are not members of a producer organization should be calculated on the
basis of the average yields of olive trees;

whereas, to ensure the proper functioning of the aid system, the types of olive oil for
which aid is granted should be defined;

whereas the aid in question is of considerable advantage to oil producers and a financial
charge on the Community; whereas, in order to guarantee that the aid is granted only in
respect of oil qualifying therefor, provision should be made for appropriate administra-
tive checks;

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

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

3) OJ No

Whereas these checks should initially be based on a system of crop declarations;

Whereas, in order to facilitate checks on the entitlement to aid of members of producer organizations, provision should be made for such organizations to submit a single crop declaration for all their members, after having verified the data relating to the individual holdings; whereas, for the same reason, provision should be made for the organization to monitor the harvesting and pressing of the olives of at least a percentage of their members, and to submit a single application for aid in respect of those of their members who have produced oil during a given period;

Whereas, in order that the entitlement to aid of members of producer organizations may be checked, the stock records of the mills should also be consulted;

Whereas, in order to simplify the application of the aid system to oil from olive residues, the quantities of this oil qualifying for aid should as a general rule be determined on the basis of the production of pressed oil;

Whereas, since producers' organizations are to verify the production of at least a percentage of their members, provision should be made for advances to be paid to producers who are members of an organization as soon as the application for aid is submitted,

HAS ADOPTED THIS REGULATION :

Article 1

The general rules set out in the following Articles shall apply to the granting in respect of the marketing year 1978/79 of the production aid for olive oil referred to in Article 5 of Regulation No 136/66/EEC.

Article 2

Production aid shall be granted for olive oil corresponding to the definitions laid down in points 1 and 4 of the Annex to Regulation No 136/66/EEC.

Article 3

1. Before a date to be fixed, each grower shall submit a crop declaration containing, in addition to particulars of the number of olive trees grown and their location, a declaration that he has harvested or intends to harvest the olives in the current marketing year.

If the growers are members of a producer organization as referred to in Article 1 of Regulation (EEC) No/78, that organization shall submit a single declaration for all its members, after checking the information supplied by each member.

2. For the purposes of this Regulation, "grower" shall mean any producer of olives intended for the production of oil.

Article 4

The production aid shall be granted on application by the party concerned in the Member State in which the oil has been produced.

Where growers are not members of a producer organization, the crop declaration submitted by each of them shall be equivalent to an application for aid.

Producer organizations shall submit a single aid application each month for all their members who completed their production of oil in the course of the previous month.

Article 5

1. Each producer organization shall check

- the harvesting of the olives produced by its members;
- the delivery of these olives to the mill, and their pressing.

2. If pressing takes place in a mill belonging to the producer organization, the check referred to in paragraph 1 shall cover all the oil produced by that mill.

If pressing takes place in another mill, the check referred to in paragraph 1 shall cover the actual production of a percentage to be determined of the members of the producer organization.

Article 6

Each producer Member State shall establish a system of administrative checks designed to guarantee that the product for which an aid application is submitted is eligible for aid.

Article 7

1. The purpose of checks on the olive oil referred to in point 1 of the Annex to Regulation No 136/66/EEC and produced by growers who are members of a producer organization shall be to establish that the quantity of oil in respect of which each producer organization has applied for aid corresponds to
 - (a) the quantity of olives harvested by its members and used for the production of that oil,
 - (b) the quantity of oil actually produced.
2. The purpose of checks on the olive oil referred to above and produced by growers who are not members of a producer organization shall be to establish that :
 - the crop declarations are accurate;
 - the olive harvest has been completed;
 - the harvested olives are to be used for the production of oil.
3. As regards the olive oil referred to in point 4 of the Annex to Regulation No 136/66/EEC, the quantity of such oil which is eligible for aid shall be determined on the basis of the oil production referred to in point 1 of the Annex to that Regulation.

Article 8

Producer Member States shall oblige mills to keep stock records for the purpose of the checks provided for in Article 7 (1) and (3).

Article 9

1. Producer Member States shall monitor the checks made by each producer organization pursuant to Article 5 (1).
2. Producer Member States shall carry out random on-the-spot checks to verify :
 - the accuracy of the crop declarations submitted by each producer organization and
 - the accuracy of the information contained in the aid application submitted by each producer organization.

Article 10

In the case of growers who are not members of a producer organization, producer Member States shall carry out random on-the-spot checks to verify :

- the accuracy of crop declarations,
- the completion of olive harvesting operations,
- the final use to be made of the olives.

Article 11

The checks referred to in Articles 9 (2) and 10 shall cover a percentage of growers to be determined with particular reference to the size of holding.

Article 12

The yield of olives and oil for each homogeneous production zone shall be fixed on the basis of information supplied by the Member States by 31 March 1979 at the latest.

In the determination of these zones, the following shall be taken into account :

- the geographical situation and the geological nature of the terrain,
- the main varieties, the most common shape and the age of the olive trees.

Article 13

Producer Member States are hereby authorized to advance up to 70 % of the aid requested to producer organizations as soon as they submit their aid application.

Article 14

The Member States shall inform the Commission of the provisions adopted by them pursuant to this Regulation before these are put into effect.

Article 15

This Regulation shall enter into force on 1 November 1978.

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

Done at

For the Council

Proposal for a
COUNCIL REGULATION (EEC)

laying down special measures for the marketing year 1978/79 in respect of olive oil
producer organizations

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 36 thereof,

Having regard to the proposal from the Commission,

Whereas Article 5 of Regulation No 136/66/EEC introduced a system of aid for the production of olive oil; whereas in accordance with paragraph 2 of that Article such aid is granted to olive growers who are members of a producer group recognized under Council Regulation (EEC) No 1360/78 of 19 June 1978 on producer groups and associations thereof⁽³⁾, on the basis of the quantity of oil actually produced by them, whereas to other growers it is granted at a flat rate;

Whereas, on account of the time needed for implementing the system provided for by Regulation (EEC) No 1360/78, recognition of groups of olive growers cannot be granted within the next few months;

Whereas, in order to prevent this delay from harming producers who have made an effort to form groups, appropriate derogations should be laid down for the marketing year 1978/79;

Whereas recognition should therefore be granted for this year to olive oil producer organizations which provide adequate guarantees that certain operations linked to the application of the abovementioned system of aid are carried out; whereas, in addition, certain provisions of Regulation No 136/66/EEC on producer groups should be extended to these organizations;

Whereas, in order to enable the organizations in question to carry out the tasks entrusted to them, provision should be made to allow them to retain a certain percentage of the aid to be granted to their members,

HAS ADOPTED THIS REGULATION :

- (1) OJ No 172, 30.9.1966, p. 3025/66
(2) OJ No L 185, 7.7.1978, 1
(3) OJ No L 166, 23.6.1978, p. 1

Article 1

1. For purposes of the system of production aid referred to in Article 5 of Regulation No 136/66/EEC the Member States shall recognize for the 1978/79 marketing year as olive and olive oil producer organizations any organization set up on the initiative of producers which
 - (a) applies for recognition, and
 - (b) fulfils the conditions set out in paragraph 2.
2. In order to be recognized a producer organization must :
 - be capable of verifying the oil production of a percentage to be determined of its members or, where it has an olive oil mill, of verifying the entire production of this mill;
 - be empowered to submit an application for production aid for all its member growers;
 - be empowered to receive the aid and allocate each member his share;
 - have a minimum number of members with a minimum area under olive trees;
 - exclude as regards the whole range of their activities any discrimination in connection with the nationality or place of establishment of potential members.

The application for recognition must be lodged by 30 November 1978.
3. The Member States concerned shall
 - take a decision on recognition within one month of the date on which such recognition is requested;
 - make their decision known to the Commission within fifteen days.
4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 38 of Regulation No 136/66/EEC.

Article 2

1. The producer organizations referred to in Article 1 may retain a percentage to be determined of the amount of the production aid paid to them. This percentage is to cover the costs of checking their members' production.
2. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 38 of Regulation No 136/66/EEC.

Article 3

The provisions of Article 5 (2) and (3) and Article 12 (1) of Regulation No 136/66/EEC shall apply to the producer organizations referred to in Article 1 of this Regulation.

Article 4

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

It shall be applicable from 1 November 1978.

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

Done at

For the Council

Proposal for a
COUNCIL REGULATION (EEC)

on intervention in the olive oil sector

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 12 (3) thereof,

Having regard to the proposal from the Commission,

Whereas, in accordance with commercial practice, olive oil is generally marketed during the first ten months of the marketing year; whereas, to avoid speculative transactions, it should be provided that during the remainder of the marketing year the intervention agencies are to buy in oil at the price applying at the beginning of that marketing year;

Whereas olive oil held by the intervention agencies must be put up for sale without any discrimination between Community purchasers and on the most favourable economic terms; whereas the sale by tender appears to be the most appropriate system for this purpose;

Whereas, however, in certain special situations it may be advisable to use procedures other than tendering;

Whereas, with a view to organizing the intervention system on a rational basis, intervention centres should be established by reference both to the volume of production of the various oil-producing areas and also to the storage facilities available in places which may be designated as intervention centres,

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 intervention agencies appointed by the producer Member States shall buy in olive oil :

- during the month of August, at the intervention price applying during the preceding month,
- during the months of September and October, at the intervention price applying at the beginning of the current marketing year.

Article 2

1. Olive oil held by intervention agencies shall be put up for sale by tender.
However, where special conditions so warrant, another selling procedure may be used.
2. The conditions of sale by tender or of any other selling procedure must ensure equal access and treatment to all parties, whatever their place of establishment in the Community.

Article 3

The intervention centres must be situated in an area with an average annual oil production of not less than 1 000 tonnes. They may be set up only in places where sufficient facilities exist for storage of the oil offered for intervention.

Article 4

This Regulation shall enter into force on 1 November 1978.

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

Done at

For the Council