

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 541 final

Brussels, 15 October 1979

Proposal for a
COUNCIL REGULATION (EEC)

fixing for the 1979/80 marketing year the market representative price and the threshold price for olive oil and the percentage of the consumption aid intended to promote the consumption of
olive oil

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

1. The proposal for a Regulation in question provides for the fixing of the representative market price and of the threshold price for olive oil for the 1979/80 marketing year as well as the percentage of consumption aid to be used for certain measures to promote the consumption of olive oil.
2. Article 7 of Council Regulation No 136/66/EEC provides that the representative market price for olive oil shall be fixed at a level permitting the normal disposal of production, having regard, among other things, to the prices of competing products, and in particular of prospects for their development over the marketing year.
3. Recent experience shows that periods of sharp decline in olive oil consumption occur when the relationship of olive oil prices to seed oil prices is equal to, or greater than, 2.5 : 1. Thus the Commission is aware of the need to ensure a more favourable relationship in order to enable olive oil consumption to pick up again.
4. In view of the level of prices for seed oils currently prevailing in Italy and also of the fact that, according to available information, the prices of seed oils should not show great variations during the 1979/80 marketing year, the Commission considers that fixing for the 1979/80 marketing year the representative market price at 148,00 ECU/100 kg, which means a price relationship of olive oil to seed oil of around 2,3 : 1, should make it possible to attain the desired objective.
5. As regards the percentage to be deducted from the consumption aid for certain information measures, the Commission considers that it should be 3%. In view of the sums deducted under the 1978/79 marketing year and which are still available and of measures undertaken and yet to come, a deduction of 3 % from the consumption aid is sufficient.
If this percentage were to be deducted, the funds released would be of the order of 3,5 to 4 Mio ECU.
6. The threshold price is derived from the representative market price, with account taken of a certain difference representing in particular unloading costs and the costs of forwarding the product imported as well as of the effect of the deduction from the consumption aid referred to at point 5.
Since the elements taken into consideration for the purpose of deciding on the difference from the representative market price have not varied, the difference in question may be maintained at 3,62 ECU.
Given the deduction of 3% from the consumption aid, i.e. 1,02 ECU/100 kg, and also of the difference to be taken into consideration, the Commission proposes that the threshold price be fixed at 145,40 ECU/100 kg.

COUNCIL REGULATION (EEC)

fixing for the 1979/80 marketing year the market representative price and the threshold price for olive oil and the percentage of the consumption aid intended to promote 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 590/79⁽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 the threshold price should be fixed in such a way that the selling price for the imported product at the frontier crossing point fixed pursuant to 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 Article 11 (3) of that Regulation;

Whereas it follows from the application of these criteria that the representative market price and the threshold price should be fixed at the levels given in Article 1 of this Regulation;

Whereas, under Article 11(3) of Regulation No 136/66/EEC, a certain percentage of the consumption aid should be used during each olive oil marketing year to finance measures to promote the consumption of olive oil in the Community; whereas such percentage should be fixed for the 1979/80 marketing year,

HAS ADOPTED THIS REGULATION :

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

(2) OJ No L 78, 30.3.1979, p. 1

Article 1

For the 1979/80 marketing year the representative market price and the threshold price for olive oil are hereby fixed as follows:

- representative market price : 148.00 ECU/100 kg
- threshold price : 145.40 ECU/100 kg

Article 2

For the 1979/80 marketing year the percentage of the consumption aid to be allocated for the projects referred to in Article 11(3) of Regulation No 136/66/EEC is hereby fixed at 3%.

Article 3

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

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

Done at

For the Council

FINANCIAL STATEMENT

Date : 3 October 1979

1. BUDGET HEADING : 631

APPROBIATIONS : 320,6 Mio UCE

2. TITLE : Draft Council Regulation fixing for 1979/80 the market representative price and the threshold price for olive oil, and the percentage of consumption aid.

3. LEGAL BASIS : Articles 4 and 11 of Reg. 136/66/EEC.

4. AIMS OF PROJECT : Fixing the market representative price and the threshold price for olive oil and the percentage of consumption aid to finance promotion actions.

5. FINANCIAL IMPLICATIONS

5.0 EXPENDITURE

- CHARGED TO THE EC BUDGET
(/ INTERVENTIONS)

- NATIONAL ADMINISTRATION

- OTHER

5.1 RECEIPTS

- OWN RESOURCES OF THE EC
(LEVIES/CUSTOMS DUTIES)

- NATIONAL

	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (79)	FOLLOWING FINANCIAL YEAR (80)
5.0 EXPENDITURE			
- CHARGED TO THE EC BUDGET (<input type="checkbox"/> / INTERVENTIONS)	110,5 to 126,4	-	110,5 to 126,4
- NATIONAL ADMINISTRATION	MUCE		MUCE
- OTHER			
5.1 RECEIPTS			
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)			
- NATIONAL			
5.0.1 ESTIMATED EXPENDITURE			
5.1.1 ESTIMATED RECEIPTS			

5.2 METHOD OF CALCULATION

Quantitive hypothesis 350 to 400 000 t;

rate of aid 341,4 ECU/t.

Foreseeable expenditure : 119,5 to 136,6 Mio ECU

= 110,5 to 126,4 Mio UCE

6.0 Will future budget appropriations be necessary? YES

6.1 Will future budget appropriations be necessary? YES

6.2 Will future budget appropriations be necessary? YES

6.3 Will future budget appropriations be necessary? YES

OBSERVATIONS : The amount withheld from aid amounts to 3 % = 3,5 to 4 MUCE which is designated for promotion actions.

The credit proposed for 1980 amounts to 106,6 MUCE and includes 6 MUCE withheld for promotion actions.