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# European Communities

## EUROPEAN PARLIAMENT

# Working Documents

1980 - 1981

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16 June 1980

DOCUMENT 1-225/80

## Report

drawn up on behalf of the Committee on Agriculture

**on the proposal from the Commission of the European Communities to the Council (Doc. 1-837/79) for a regulation amending Regulation No 136/66/EEC on the establishment of a common organization of the market in oils and fats, and supplementary Regulation (EEC) No 1360/78 on producer groups and associations thereof**

**Rapporteur: Mr H. JÜRGENS**

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EUROPEAN COMMUNITY  
INFORMATION SERVICE



By letter of 6 March 1980 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the EEC Treaty, to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation No. 136/66/EEC on the establishment of a common organization of the market in oils and fats, and supplementing Regulation (EEC) No. 1360/78 on producer groups and associations thereof.

The President of the European Parliament referred this proposal to the Committee on Agriculture.

At its meeting of 17, 18 and 19 March 1980 the Committee on Agriculture appointed Mr Jürgens rapporteur.

It considered this proposal at its meetings of 22, 23 and 24 April 1980 and 3, 4 and 5 June 1980. At the latter meeting it adopted the motion for a resolution and the explanatory statement by 10 votes to 3 with 4 abstentions.

Present: Sir Henry Plumb, chairman; Mr Ligios and Mr Caillavet, vice-chairmen; Mr Jürgens, rapporteur; Mrs Barbarella, Mrs Castle, Mr Clinton, Mr Curry, Mr Dalsass, Mr De Keersmaecker (deputizing for Mr Colleselli), Mr Diana, Mr Helms, Mr Kirk, Mrs S. Martin (deputizing for Mr Maffre-Baugé), Mr d'Ormesson, Miss Quin and Mr Wettig.

C O N T E N T S

A. Motion for a resolution ..... 5  
B. Explanatory statement ..... 9

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The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation No. 136/66/EEC on the establishment of a common organization of the market in oils and fats, and supplementary Regulation (EEC) No. 1360/78 on producer groups and associations thereof

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council<sup>1</sup>,
- having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 1-837/79),
- having regard to the report of the Committee on Agriculture (Doc.1-225/80 ),

1. Approves the Commission proposal as amended on the basis of this report;
2. Calls on the Commission to submit an annual report to the European Parliament and the Council on the implementation of consumption aid;
3. Calls on the Commission to adopt the following amendments pursuant to the second paragraph of Article 149 of the EEC Treaty

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<sup>1</sup> OJ C 58 of 8.3.1980, p. 9

Council Regulation amending Regulation No. 136/66/EEC on  
the establishment of a common organization of the market  
in oils and fats and supplementing Regulation (EEC)  
No. 1360/78 on producer groups and associations thereof<sup>1</sup>

Preamble and recitals unchanged

Article 1

Article 1

Paragraphs 1 and 2 unchanged

3. Article 11 is replaced by the following:

3.

'Article 11

'Article II

Paragraphs 1, 2, 3, 4 and 5 unchanged

5. (a) (new)

The Member States concerned may set up, as an alternative to joint trade organizations (to work with the intervention agency), a committee consisting not only of organizations representing the canning industry (industrialists traders, farmers) but also of the more representative national agricultural trade organizations. This committee shall monitor developments on the olive oil market, examining with particular care the implications and consequences of aid granted to promote olive oil consumption a solution which was also proposed with a view to improving the transparency of market prices and granting consumption aid. The committee shall also prepare and carry out publicity and information activities and other activities designed to promote the consumption of olive oil,

<sup>1</sup>For the complete text see  
OJ C 58 of 8.3.1980, p.9

Paragraphs 6, 7 and 8 unchanged

4. Article 20(c) is replaced by the following:

'Article 20(c)

By way of derogation from Article 5(3) of Regulation (EEC) No. 1360/78 in the olive oil sector, associations shall be composed of recognized producer groups and, where appropriate, olive growers whose production is intended mainly for their own consumption.

In order to be granted recognition, these associations must fulfil the conditions laid down by Regulation (EEC) No. 1360/78 and also:

- be capable of verifying the actual production of the growers who are members of the groups referred to in the first subparagraph and of other growers referred to in that paragraph,
- be authorized to present a single application for all the producers referred to in the first indent,
- be authorized to receive the aid and share it out to each of the producers referred to in the first indent.

Without prejudice to the application of Article 8 of Regulation (EEC) No. 1360/78, recognition of an association shall be withdrawn if the conditions for recognition laid down in the second subparagraph were not or are no longer fulfilled.

'Article 20(c) (new)

By way of derogation from Article 5(1) of Regulation (EEC) No. 1360/78 in the olive oil sector olive growers whose production is intended mainly for their own consumption may ask the groups referred to in Regulation No. 1360/78 to verify the quantities actually produced subject to the same conditions, obligations and formalities as those laid down for this purpose for producer groups. Until the groups in question are operational, these tasks shall be carried out by the recognized associations.

The recognized associations shall verify the production of olives and oil by the olive growers subject to the same percentages and formalities laid down for members of the producer groups and shall be authorized to present a single application for production aid and to receive the aid and share it out to each of their members.

Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 38.

5. Article 20(d) to be replaced by the following:

'Article 20(d)

'Article 20(d)

Paragraph 1 unchanged

1(a) (new)

'For the purposes of the tasks relating to the activities referred to in Article 5(2) and Article 20(c) the recognized associations must maintain appropriate separate management systems'.

Paragraphs 2 and 3 unchanged

Articles 2 and 3 unchanged



EXPLANATORY STATEMENT

1. The Commission proposal is designed to introduce a number of essentially technical amendments to the system of production and consumption aid in the olive oil sector provided for by the basic Regulation No. 136/66. These amendments, which are intended to improve the operation of the system, are as follows:
  - (a) the management of production aid is to be transferred from individual producer groups to the associations thereof, which given that in the major producer country, Italy, there are hundreds of producer groups but only four associations, will prevent excessive dispersal of activity and make the task of management and control easier;
  - (b) olive oil producers who do not market what they produce are completely excluded from the aid, since they are unable to join a producer group; to remedy this situation, it is proposed that they should be allowed to join the associations on a direct basis. As an exception to the general rule, the latter would thus comprise recognized producer groups and, where necessary, individual growers whose production is intended primarily for their own consumption;
  - (c) it is now stipulated that the expenditure incurred by the associations in connection with their task of verifying production potential and yields should be financed from a levy on the production aid; this system, which was applied in respect of producer groups during the last two marketing years, is thus now confirmed;
  - (d) as with production aid, the Commission wishes to rationalize the management of consumption aid, which is granted to undertakings which can or bottle olive oil; the proposal thus provides for the aid to be granted to recognized trade organizations, which are responsible for preparing applications, carrying out controls and allocating the aid among the undertakings represented by them; the expenditure incurred by the organizations in carrying out these duties is to be financed by a levy on the aid;
  - (e) finally, it is proposed to include associations in the olive oil sector which operate in France among the beneficiaries of the Community aid granted to producer groups and associations thereof under Regulation 1360/78, from which they were previously excluded.

2. In general, these proposals, which are based on experience of the operation of the system over the last few years, are designed to simplify and rationalize it. In this respect the Committee on Agriculture can only approve the proposed measures, particularly since they have no financial implications for the Community budget.
3. Reservations need to be made on a few points only. For example, the possibility open to small producers who do not market olive oil to obtain direct membership of producer group organizations appear somewhat complicated and might change the specific character of the associations, which should logically consist solely of producer groups. Furthermore, very small-scale farmers, such as those who produce only limited quantities for their own consumption, would find themselves overwhelmed by the mass of the groups which make up the associations. It would therefore be better to devise a simpler solution; for example, individual producers could submit their applications for aid through an association of their choice without formally belonging to it. The association should then deal with the formalities of the monitoring and checking the quantities actually produced, the relative accounts being kept separate from those pertaining to the producer groups.
4. Secondly, an attempt should be made to strengthen coordination between producers and the canning industry by setting up a committee composed of members of the organizations representing the canning industry and the major agricultural trade associations. This committee would be responsible for monitoring developments on the oil market, with particular reference to the effects of consumption aid, and for putting forward proposals to improve the transparency of market prices and granting consumption aid. In addition, it should prepare and carry out publicity and information activities designed to promote olive oil consumption. The committee would be self-financing receiving to this end a percentage of the consumption aid granted.
5. Subject to these minor criticisms, the Committee on Agriculture approves the Commission's proposal.