

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 544 final

Brussels, 15 September 1982

Proposal for a

COUNCIL REGULATION (EEC)

fixing for the 1982/83 marketing year the representative market price and the threshold price for olive oil and the percentages of the consumption aid to be retained in accordance with Article 11(5) and (6) of Regulation No 136/66/EEC

(submitted to the Council by the Commission)

COM(82) 544 final

EXPLANATORY MEMORANDUM

1. This proposal for a Regulation concerns the fixing of the representative market price and the threshold price for olive oil for 1982/83 and, in respect of the same marketing year, the percentage of the consumption aid which is to finance, on the one hand, the operation of recognized trade organizations and, on the other, certain measures to promote the consumption of olive oil.
2. Under Article 7^{MESURE} of Council Regulation No 136/66/EEC the representative market price is fixed at a level which permits normal marketing of the olive oil produced, account being taken in particular of prices for competing products and the probable trend of such prices during the marketing year.

3. Experience has shown that when there is too large a price gap between olive oil and seed oil there follows a drop in olive oil consumption, which jeopardizes the marketing of the crop.

The Commission has therefore stated, when submitting its proposals for representative market prices in respect of recent marketing years, that the representative market price for olive oil should, in its opinion, be fixed in such a way as to produce a 2.3 : 1 ratio between olive oil and seed oil.

The representative market price for 1981/82 was accordingly fixed at 145 ECU/100 kg.

4. A seed oil price rise in dollar terms on the world market in 1983 can be regarded as unlikely in view of the size of the world's soya bean crop, in particular the crop in the USA.

However, monetary influences could, as in 1982, trigger off an increase in the price of the oils in question on the Italian market (the trend for Greece is not to be taken into consideration since seed oil imports into that Member State are still the subject of restrictions).

Seed oil prices could rise in Italy in 1983 so as to allow olive oil prices there to rise by 11% compared with the previous marketing year without adversely affecting the normal marketing of the Community's production of olive oil.

In the light of the above and of the LIT/ECU exchange rate as at 1 November 1981 and that foreseen for 1 November 1982, the Commission's proposal is that the representative market price for olive oil for 1982/83 be fixed at 153.20 ECU/tonne, i.e. 8.20 ECU more than in 1981/82.

The table below shows the resulting consumption aid and the corresponding figures for 1981/82:

	<u>1981/82</u>	<u>1982/83</u>
Production target price	272.77	302.77
Less: production aid	<u>60.00</u>	<u>66.60</u>
Difference	212.77	236.17
Representative market price	<u>145.00</u>	<u>153.20</u>
Difference (consumption aid)	67.77	82.97

5. Under Article 11(3) of Regulation No 136/66/EEC Member States may be assisted by one or more recognized trade organizations in the operation of the consumption aid scheme. Article 11(5) of the said Regulation provides that the percentage of the consumption aid which recognized trade organizations may retain to finance the work they carry out is to be fixed by the Council. In the light of past experience, a figure of 1.7%, the same as the one applied at present, would appear to be both necessary and sufficient.
6. Given the sums which are still available from amounts retained in respect of previous marketing years and the delays in implementing the projects undertaken, the Commission feels that, for 1982/83, the percentage of the consumption aid which may be allocated to certain projects for the promotion of the consumption of olive oil may be reduced to nil.
7. The threshold price must be fixed in such a way as to ensure that the imported product's selling price is the same as the representative market price. In this connection the cost of unloading and placing the imported product into storage and the percentage of consumption aid retained should be taken into consideration. In the light of the above the price in question should be fixed at 149.58 ECU/100 kg.
8. In the case of Greece, the amount of consumption aid for 1982/83 must be fixed, as laid down in the Treaty of Accession. In the light of the criteria laid down therein, the amount of the consumption aid should be 30.91 ECU/100 kg, compared with 13.35 ECU/100 kg for the previous marketing year.

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(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC)

fixing for the 1982/83 marketing year the representative market price and the threshold price for olive oil and the percentages of the consumption aid to be retained in accordance with Article 11 (5) and (6) of Regulation No 136/66/EEC

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 1413/82⁽²⁾, and in particular the second subparagraph of Article 4 (4) and Article 11 (6) 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 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 Article 11 (6) of the above 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 (5) and (6) of Regulation No 136/66/EEC, a certain percentage of the consumption aid should be used during each olive marketing

year firstly for financing the recognized trade organizations referred to in paragraph 3 of the said Article and, secondly, or financing measures to promote the consumption of olive oil in the Community; whereas the said percentage should be fixed for the 1982/83 marketing year,

HAS ADOPTED THIS REGULATION:

Article 1

For the 1982/83 marketing year, the representative market price and the threshold price for olive oil shall be fixed as follows:

- representative market price: ^{153,20} ECU per 100 kilograms,
- threshold price: 149,58 ECU per 100 kilograms.

Article 2

1. For the 1982/83 marketing year, the percentage of the consumption aid, referred to in Article 11 (5) of Regulation No 136/66/EEC, is hereby fixed at 1.7.

2. For the 1982/83 marketing year, the percentage of the consumption aid to be allocated for the campaigns and projects, referred to in Article 11 (6) of Regulation No 136/66/EEC, is hereby fixed at 0.

Article 3

This Regulation shall enter into force on 1 November 1982.

⁽¹⁾ OJ No 172, 30. 9. 1966, p. 3025/66.

⁽²⁾ OJ No L162, 12. 6. 1982, p. 6.

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

Done at

For the Council

FINANCIAL STATEMENT

Date : 2.9.1982

1. BUDGET HEADING : B 1211

APPROBIATIONS : 1982 : 207 mio ECU
1983 : 256 mio ECU

2. TITLE : Draft Council Regulation fixing, for 1982/83, the representative market price and the threshold price for olive oil and the percentages applicable in respect of consumption aid.

3. LEGAL BASIS : Articles 4 and 11 of Regulation N° 136/66/EEC

4. AIMS OF PROJECT :
To fix : - the representative market price
- the threshold price
- the percentages applicable in respect of consumption aid for olive oil for 1982/83

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (1982)	FOLLOWING FINANCIAL YEAR (1983)
	5.0 EXPENDITURE		
- CHARGED TO THE EC BUDGET (AGRICULTURAL INTERVENTIONS)	248 mio ECU	-	248 mio ECU
- NATIONAL ADMINISTRATION			
- OTHER			
5.1 RECEIPTS			
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)			
- NATIONAL			
	1984.	1985.	
5.0.1 ESTIMATED EXPENDITURE 5.1.1 ESTIMATED RECEIPTS	This measure is to apply in 1982/83 only.		

5.2 METHOD OF CALCULATION On the basis of a representative market price of 1 532 ECU/t, for consumption aid is 829.7 ECU/t for the Community of Nine and 309.10 ECU/t for Greece. The consumption aid total for 1983 is therefore :

EUR 9 :	250 000 t x 829.7 ECU/t	=	207.4 mio ECU	
GR :	150 000 t x 309.1 ECU/t	=	46.4 mio ECU	
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EUR 10 :			253.8 mio ECU	(A)
Coefficient of double rate : 0.977		=	248.0 mio ECU	(B) (1)

6.0	Are the proposed measures in the budgetary heading proposed in the 1983 budget?	YES/NO
6.1	Are the proposed measures in the budgetary heading proposed in the 1983 budget?	YES/NO
6.2	Are the proposed measures in the budgetary heading proposed in the 1983 budget?	YES/NO
6.3	Will appropriations be proposed in the 1983 budget?	YES/NO

OBSERVATIONS : (1) It is proposed that 1.7 % of the total amount of 248 mio ECU (i.e. 4.2 mio ECU) be retained by the trade organizations to finance the operations that they carry out.
The amount proposed for promotional measures is nil.

