

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 28 June 1982

Proposal for a
COUNCIL REGULATION (EEC)
Laying down general rules in respect of production aid for
olive oil

Proposal for a
COUNCIL REGULATION (EEC)
Laying down general rules concerning olive oil producer organizations
and associations thereof

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

1. The attached draft Regulation sets out general rules on production aid for olive oil in accordance with Article 5(4) of Regulation 136/66/EEC, following changes made by the Council to the latter as regards the detailed rules on the granting of production aid to olive growers who are members of producer organizations or of associations of such organizations.
2. The aim of these provisions is to give producer organizations responsibility for checking entitlement to production aid under a system of tighter controls and verifications, which such organizations will be required to make before applications for aid are submitted. It has also been felt that associations of producer organizations should be given broader tasks involving the coordination and verification of the operations of their member organizations and supervision of approved olive oil mills. Because of the tighter controls governing olive growers who belong to an association, provision is made for advance payments to be granted to them when they present applications for aid.
3. Experience in past marketing years has highlighted the importance, for the proper administration of the production aid system, of crop declarations and aid applications submitted by the olive-growers.

It has been felt advisable, indeed necessary, to stiffen the sanctions available to producer Member States by providing for temporary refusal of aid based on the quantity of oil actually produced for olive-growers belonging to a producer organization who have sent in inaccurate information.

4. The opportunity has been taken of consolidating provisions which have applied in previous marketing years in connection with production aid and they will now no longer apply only to specified marketing years.

Proposal for a
COUNCIL REGULATION (EEC)

laying down 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 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 Article 5(4) thereof,

Having regard to the proposal from the Commission,

Whereas Article 5 of Regulation No 136/66/EEC introduced a system of production aid for olive oil; whereas this aid is granted, on the basis of the quantity of oil actually produced, to growers who are members of the producer organizations specified in Article 20c(1) of Regulation 136/66/EEC, while, for other growers, it is granted on the basis of the number and production potential of olive trees and of the yields of such trees, as determined according to a standard method, and provided that the olives produced have actually been harvested;

Whereas, since there exists no register of olive cultivation, it is not possible to define the production potential of olive trees; whereas, therefore, pending the compilation of such a register, it is appropriate to calculate aid for growers who are not members of a producer organization on the basis of the average yields of olive trees;

Whereas, in order to ensure the proper functioning of the system of aid, it is necessary to determine the types of olive oil in respect of which aid is granted; whereas, in order to simplify the application of the system of aid with regard to olive residue oil, provision should be made that the quantity of oil eligible for aid is to be determined as a general rule on the basis of the production of pressed oil;

(1) OJ No L 172, 30. 9.1966, p.3025/ 66

(2) OJ No L 162, 12. 6.1982, p. 6

Whereas, in order to ensure the proper functioning of the system of production aid for growers who belong to producer organizations, provision should be made for paying aid only for the quantity obtained in approved mills; whereas, for the purposes of approval, the mills concerned should fulfil a number of conditions; whereas, for this purpose, provision should be made for allowing producer Member States to seek the cooperation of millers' professional associations;

Whereas the aid in question is of considerable advantage to oil producers and represents a financial burden on the Community; whereas, in order to guarantee that the aid is granted only in respect of oil which qualifies therefor, it is necessary to provide for a system of appropriate administrative supervision;

Whereas the supervision should be based primarily on a system of crop declarations

Whereas, in order to facilitate checks on entitlement to production aid on the part of members of producer organizations, provision should be made that such organizations should submit a crop declaration for all their members, verify the data relating to the holdings of a percentage, to be determined, of their members and, for the same purpose, submit an application for aid in respect of those of their members who have produced oil over a given period; whereas, in order to ensure the proper functioning of the system of aid, provision should be made for producer organizations to verify, before aid applications are submitted, the quantities of oil in respect of which aid is applied for by each of their members, taking as a basis both the crop declarations and the stock records of approved mills;

Whereas, in order to ensure stricter monitoring of entitlement to aid among olive growers who are members of organizations belonging to associations, provision should be made for such associations to coordinate and supervise the operations of producer organizations;

Whereas, Article 20d(2) of Regulation No 136/66/EEC provides that only associations are to qualify for an advance on the amount of the aid; whereas, to assist administrative procedures, this advance should not exceed the amount of the fixed-rate aid;

Whereas, in order to ensure that checks on entitlement to aid are effective, provision should be made for standardized presentation of the stock records of approved mills; whereas, to the same end, a representative number of such mills should be subject to checks by producer associations;

Whereas, in the interests of proper administration of the aid scheme, provision should be made for Member States to determine themselves the quantity of olive oil eligible for aid in cases of doubt about the actual production of an olive grower;

Whereas, to help ensure proper application of the aid scheme, it should be provided that whenever the information contained in applications by organized producers or in their crop declarations is not accurate, such producers should, without prejudice to sanctions that may be applied by Member States, lose their entitlement to aid based on the quantity of oil actually produced, for a period to be determined,

HAS ADOPTED THIS REGULATION:

Article 1

The general rules laid down in the following Articles shall apply for the grant of the olive oil production aid referred to in Article 5 of Regulation No 136/66/EEC.

Article 2

Production aid shall be granted in respect of olive oil meeting the specifications laid down in points 1 and 4 of the Annex to Regulation No 136/66/EEC. In the case of olive-growers who are members of a producer organization, covered by Article 20c (1) of Regulation No 136/66/EEC,

production aid shall be paid for the quantity actually produced, provided that it was obtained at an approved mill.

Production aid shall be granted, on application by each party concerned, in the Member State in which the oil has been produced.

Article 3

1. Each grower shall submit, by a date to be specified, a crop declaration showing:

- particulars relating to olive trees grown and their location,
- a declaration stating that he has harvested the olives in the current marketing year,
- details of the purpose for which the olives are intended.

Where growers are members of a producer organization, their crop declarations shall be submitted on their behalf by the organization to which they belong.

In the case of growers who are not members of a producer organization or in the case of growers who join an organization during the course of a marketing year, the crop declaration submitted by each one of them shall be deemed to be equivalent to an application for aid.

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

Article 4

1. In the case of growers who are members of a producer organization, the latter shall:

- check a percentage, to be determined, of the crop declarations of all its members before submitting these declarations in accordance with Article 3,
- submit every month an aid application covering the quantity of oil produced by members who have completed their oil production, and who joined the organization before the beginning of the marketing year to which the application refers, provided that the checks referred to in paragraph 2 have been carried out.

In respect of growers who have sold some or all of their olive production, the application submitted by the producer organization may be based on the quantity of oil produced only if the whole of that quantity can actually be determined.

2. Before making out the aid application, each producer organization shall verify the quantity of olive oil in respect of which aid is applied for by each of its members. For the purposes of such verification, the organization shall check in particular:
 - that the production of olives declared by each grower as having been pressed in an approved mill tallies with the particulars given on his crop declaration;
 - that the particulars supplied by each grower relating to the quantities of olives pressed and the quantities of oil obtained tally with the quantities of olives and oil stated in the stock records of approved mills.
3. Where it appears that the particulars referred to in the first indent of paragraph 2 do not tally, the producer organization shall require all necessary supporting documents to be provided.

If examination of such documents does not enable the producer organization to establish the quantity of olives produced, the file relating to the grower concerned shall be forwarded to the Member State.

Where it appears that the particulars referred to in the second indent of paragraph 2 do not tally, the producer organization shall forward the grower's file to the Member State.

Where the data given in a crop declaration do not tally with the position revealed by the checks, the producer organization shall forward the grower's file to the Member State.

Article 5

The associations referred to in Article 20c(2) of Regulation No 136/66/EEC:

- shall coordinate the activities of their member organizations, including in particular the arrangements for the checks referred to in Article 4, and shall systematically verify these checks;
- shall submit crop declarations and the monthly applications for aid forwarded to them by their member organizations;
- on their own initiative or at the request of their member organizations, may undertake directly the verifications referred to in Article 4;
- shall receive from their Member State in question, for distribution among the organizations involved, the aid advances referred to in Article 7 and any outstanding balances of aid.

Article 6

1. Each association of producer organizations shall check the activities and stock records of the approved mills indicated to it by the Member State concerned. The mills shall be chosen by the Member State concerned and must be representative of the pressing capacity of a given production zone.
2. Each association shall inform the Member State concerned of the results of the checks referred to in paragraph 1.

Article 7

1. Producer Member States are hereby authorised to pay to associations, upon application, an advance on the amount of aid arising from applications submitted by the olive-growers who are members of the producer organizations belonging to the association. The advance to each olive grower shall not exceed the amount resulting from applying the olive yields and oil yields fixed in accordance with Article 11 to the number of olive trees in production as stated in his crop declaration.

2. The Member States concerned shall determine the procedure for payment of aid by associations and producer organizations to their members.

The Member States shall communicate to the Commission the measures laid down for that purpose, as soon as they are adopted.

Article 8

1. Each producer Member State shall set up a system of administrative checks ensuring that the product in respect of which aid is applied for is eligible for such aid.
2. Producer Member States shall verify the operations of each producer organization and association and, in particular, that the checking operations have been carried out by these organs.
3. With regard to the olive oil referred to in point 1 of the Annex to Regulation No 136/66/EEC and produced by growers who are not members of a producer organization, checks shall be carried out by random sampling on the spot, which must make it possible to verify:
 - that crop declarations are accurate,
 - that the olive harvest has been completed,
 - that the olives harvested are to be used for oil production and, if possible, that such olives have actually been processed into oil.
4. The checks referred to in paragraph 3 shall cover a percentage of growers to be determined, account being taken in particular of the size of holdings.

Article 9

Producer Member States shall require approved mills to keep standardized stock records meeting criteria to be laid down.

The Member States concerned shall verify that the stock records are kept in conformity with the criteria in question.

Article 10

1. Producer Member States shall determine the quantity of olive oil eligible for aid on the basis of applications submitted in accordance with Articles 3 and 4.
2. Each Member State shall determine the quantity of olive oil eligible for aid in the case of organized producers whose files have been forwarded to it by producer organizations in accordance with Article 4(3).

For this purpose, it shall take account of the olive and oil yields fixed in accordance with Article 11.

3. Where the checks referred to in Articles 6, 8 and 9 do not enable the figures appearing in the stock records of an approved mill to be confirmed, the Member State concerned shall, without prejudice to any penalties which may be imposed on the mill in question, determine the quantity of oil eligible for aid in the case of each producer who is a member of an organization which has had its olive production pressed in the mill in question.
4. Moreover, with regard to the olive oil referred to in point 4 of the Annex to Regulation No 136/66/EEC, the quantity eligible for aid shall be determined on the basis of the oil production referred to in point 1 of the said Annex.

Article 11

The olive and oil yields referred to in the second indent of the first subparagraph of Article 5(2) of Regulation No 136/66/EEC shall be fixed in respect of each homogeneous production zone on the basis of the figures supplied by producer Member States not later than 31 May each year.

Article 12

1. Member States shall approve only mills which:

- (a) have forwarded to the relevant Member State full information on their pressing capacity and any changes in that capacity;
- (b) have not been subject to proceedings for irregularities found during checks made pursuant to Articles 6 and 9 during the preceding marketing year and, in the case of approval for 1982/83, have not been subject to proceedings for irregularities found during checks made pursuant to Articles 7 and 9 of Regulation (EEC) No 2990/81 (1);
- (c) keep a stock record pursuant to Article 9;
- (d) agree to undergo any check provided for under the aid procedure.

For the purposes of implementing the system of approval the Member State in question may be assisted by the professional associations to which those mills belong.

2. Approval shall be withdrawn where, except in cases of force majeure, one of the conditions for approval set out in paragraph 1(a), (c) and (d) is no longer fulfilled.

Article 13

Without prejudice to penalties that may be imposed by Member States under Article 11a of Regulation No 136/66/EEC, olive-growers who are members of a producer organization shall not be entitled, for a period to be determined, to aid based on the quantity of oil actually produced, if checks show that:

- (a) there are significant discrepancies between the data in their crop declarations and the actual position on the holdings concerned;
- (b) there are discrepancies between the information supplied in aid applications regarding quantities of olives pressed and oil produced and the quantities of olives and oil shown in the stock records of approved mills.

(1) _____
OJ No L 299, 20.10.1981, p.17

Article 14

Member States shall communicate to the Commission the measures which they envisage taking for the purpose of ensuring the application of this Regulation.

Article 15

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

The President

FINANCIAL STATEMENT

Date : 14.6.82

1. BUDGET HEADING : B 1210

APPROPRIATIONS : 390 mio ECU

2. Draft: Council Regulation laying down general rules relating to olive oil production aid.

3. LEGAL BASIS : Article 5 of Regulation 136/66/EEC.

4. AIMS OF PROJECT : Establishing general rules in applying the system of production aid for olive oil.

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (82)	FOLLOWING FINANCIAL YEAR (83)
5.0 EXPENDITURE			
- CHARGED TO THE EC BUDGET (INTERVENTIONS)	(1)	(1)	(1)
- NATIONAL ADMINISTRATION			
- 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

6.0		000000
6.1		000000
6.2		000000
6.3		000000

OBSERVATIONS :

- (1) Concerns establishing rules for the application of an aid system which modifies neither the level or regularity of aid payments, the proposal has no financial incidence.

EXPLANATORY MEMORANDUM

1. The proposed Regulation lays down general rules for the recognition of olive oil producer organisations and associations of such organisations, in application of Article 20c (4) of Regulation No 136/66/EEC, as amended by Council Regulation (EEC) No /82, and also the maximum percentage of the production aid that these organisations can retain to finance their activities under Article 20d (1) of that Regulation.
2. The main aim of the provisions on producer organisations and associations or such organisations is to associate them in a real way in management of the production aid scheme.
The producer organisations must have a sufficiently large number of members or must be sufficiently representative of the production zone concerned to be able to do the production supervision work that falls to them under the Community rules properly. Associations of producer groups must have a structure that permits close supervision of the activities of organisations which they comprise and thus guarantees that producers receive the correct aids and advances. On the other hand the resources that producer member states can devote to supervision of these bodies must be taken into account and the rules must therefore not allow for too high a number of either organisations or associations.
3. It is clear from previous marketing years that the percentage of the production aid that the recognised producer organisations and recognised groups of organisations can retain as a levy to finance their supervisory activities is high enough to cover the costs to them of applying the Community rules. It is proposed therefore to keep the maximum percentage that can be retained at 2.4%.
4. There are no implications for the Community budget as gross aid remains unchanged, the bodies in question being financed by a deduction from the gross aid before it is paid to their members.

Proposal for a
COUNCIL REGULATION (EEC)

laying down general rules concerning olive oil producer organizations and associations
thereof

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 Articles 20c(4) and 20d(1) thereof,

Having regard to the proposal from the Commission,

Whereas the olive oil producer organizations mentioned in Article 20c (1) of Regulation No 136/66/EEC must have a minimum number of members or represent a minimum percentage of growers or of the volume of oil produced; whereas these limits must be fixed at levels compatible with both organizational efficiency and existing capacities for supervision in producer Member States;

Whereas the associations of producer organizations mentioned in Article 20c(2) of the said regulation must consist of a minimum number of organizations or represent a minimum percentage of national production; whereas these limits must be set at levels that will allow the associations properly to carry out the special supervisory work that falls to them;

Whereas for the sake of administrative efficiency producer organisations and associations of organizations must apply to the competent national authorities for recognition in good time before the beginning of the marketing year; whereas Member States are to take decisions on these applications within a reasonable period of time; whereas, however, for the 1982/83 marketing year, on account of the delays in implementing the system provided for in the said Regulation, special arrangements should be made for the submission of applications for recognition and for the decisions by the Member States concerned on those applications;

Whereas, in accordance with Article 20d(1) of the said Regulation, the maximum percentage of aid that can be retained by producer organisations and their groups to cover the cost of their supervisory work should be fixed; whereas steps should be taken to ensure

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

(2) OJ No 162, 12.6.1982, p. 6

that the sums retained are used only to finance the tasks provided for in Article 20c(1) and (2) of the said Regulation;

Whereas, in order to guarantee that the producer organizations and associations of organizations operate correctly and effectively, it is necessary to provide without prejudice to Article 20c(3) of the said Regulation No 136/66/EEC that, in cases where an organization or association does not carry out the required supervisory work, recognition shall be withdrawn for a set minimum period,

HAS ADOPTED THIS REGUALTION :

Article 1

Every producer organization as referred to in Article 20c(1) of Regulation No 136/66/EEC must comprise at least 1 000 members or represent at least 50 % of growers or of olive oil production in the region that it covers.

Producer Member States shall determine economic regions in the light of the situation as regards olive cultivation and the production conditions in the olive-growing zones.

Member States shall notify the Commission immediately of the measures taken for this purpose.

Article 2

Every association of producer organizations as referred to in Article 20c(2) of Regulation No 136/66/EEC must comprise at least ten recognized producer groups or represent at least 5 % of olive oil production in the Member State concerned.

Article 3

Producer organizations shall, in order to be recognized, apply to the competent authorities of the Member State concerned every year by 31 July at the latest for verification that the conditions set out in Article 20c(1) of Regulation No 136/66/EEC and of Article 1 of this Regulation are met.

The Member State concerned shall take its decision on the application within sixty days and shall notify this decision immediately to the producer organization and to the Commission. Recognition shall take effect from the beginning of the marketing year following that in which the application was made.

However, for the 1982/83 marketing year, organizations shall apply not later than 30 August 1982.

Article 4

Associations of producer organizations shall, in order to be recognized, apply to the competent authorities of the Member State concerned every year by 31 August at the latest for verification that the conditions set out in Article 20c(2) of Regulation No 136/66/EEC and in Article 2 of this Regulation are met.

The Member State concerned shall take its decision on the application before the beginning of the marketing year and shall notify this decision immediately to the association and to the Commission.

Recognition shall take effect from the beginning of the marketing year following that in which the application was made.

However, for the 1982/83 marketing year, associations shall apply not later than 30 September 1982.

Article 5

Producer organizations and associations already recognized for the previous marketing year shall declare each year not later than 31 July any changes in their structure that have been made since they were recognized or made their last annual declaration.

The Member State concerned shall check on the basis of this information whether the conditions required for recognition continue to be met.

Should the conditions no longer be met the Member States shall notify withdrawal of recognition to the organization or association and to the Commission immediately and at the latest before the beginning of the following marketing year.

Article 6

1. Member States may grant provisional recognition for the 1982/83 marketing year to organizations and associations as soon as they have applied for recognition.
2. Should it be found that one of the conditions set out in Article 20c(1) of Regulation No 136/66/EEC or in Articles 1 or 2 of this Regulation is not met, recognition shall be withdrawn with retroactive effect and the growers concerned shall receive in aid only the sum given by applying the olive and oil yields indicated in Article 11 of Regulation (EEC) No to the number of olive trees in production.

Provisional recognition shall become definitive as soon as the Member State concerned has checked, which it shall do by 31 December 1982 at the latest, that the abovementioned conditions are met.

Article 7

1. The percentages of the production aid referred to in Article 20d(1) of Regulation No 136/66/EEC that may be retained as a levy may not exceed:
 - 1.8 in the case of producer organizations
 - 0.6 in the case of associations of producer organizations.
2. Producer Member States shall check that the sums retained by producer organizations and associations under the above paragraph are used by them only to finance the activities for which they are responsible under Articles 3, 4, 5 and 6 of Regulation (EEC) No /82.
Member States shall notify the Commission of the measures taken pursuant to the above subparagraph.

Article 8

Without prejudice to the provisions of Article 20c(3) of Regulation No 136/66/EEC, recognition shall no longer be granted, for a period not less than one marketing year, if a producer organization or association of producer organizations has not made the checks for which it is responsible under Articles 4, 5 and 6 of Regulation (EEC) No /82.

Article 9

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 Brussels,

For the Council

FINANCIAL STATEMENT

Date : 14.6.82

1. BUDGET HEADING : B 1210

APPROPRIATIONS : 390 mio ECU

2. TITLE : Draft Council Regulation setting out general rules relating to olive oil producer organisations and their groups.

3. LEGAL BASIS : Articles 20 quater and 20 quinques of Regulation 136/66/EEC.

4. AIMS OF PROJECT : Establishing general rules relating to olive oil producer organisations and their groups in order to administer the system of production aid for olive oil.

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (82)	FOLLOWING FINANCIAL YEAR (83)
5.0 EXPENDITURE			
- CHARGED TO THE EC BUDGET (LEVIES/INTERVENTIONS)	Nil	Nil	Nil
- NATIONAL ADMINISTRATION			
- 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

The deductions provided for by the proposal apply to the actual amounts paid in respect of olive oil production aid.

For this reason, the budgetary credit for production aid does not change.

6.0 CHARGES TO THE EC BUDGET IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ?

YES/NO

6.1 CHARGES TO THE EC BUDGET IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ?

YES/NO

6.2 CHARGES TO THE EC BUDGET IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ?

YES/NO

6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY ?

YES/NO

OBSERVATIONS :

