

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 85 final

Brussels, 2 March 1982

Proposal for a  
COUNCIL REGULATION (EEC)  
amending Regulation No 136/66/EEC on the establishment of a common  
organization of the market in oils and fats

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(submitted to the Council by the Commission)

COM(82) 85 final

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COM 85

EXPLANATORY MEMORANDUM

In its communication to the Council on olive oil which relates to the enlargement of the Community with Spain (doc. COM(81) 610 final), the Commission announced its intention of proposing an amendment to Regulation No 136/66/EEC to the effect that "the relationship at the consumer level between the price of olive oil and prices of competing seed oils should not exceed 2 : 1."

This amendment should, at the latest, enter into force at the start of the transitory period decided for olive oil.

The attached proposal is designed to implement the above decision.

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Draft proposal for  
COUNCIL REGULATION (EEC)

amending Regulation No 136/66/EEC on the establishment of a  
common organisation of the market in olive oil and table

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and  
in particular Article 43 thereof,

Having regard to the proposal from the Commission (1),

Having regard to the opinion of the European Parliament (2),

Having regard to the opinion of the Economic and Social Committee (3),

Whereas the marketing of Community production of olive oil is meeting with  
difficulties in view of the relationship emerging on the market between the  
price of olive oil and that of competing types of oil; whereas these  
difficulties are likely to worsen in future in an enlarged Community;

Whereas, in order to resolve these difficulties, it should be stated that the  
representative market price for olive oil should be fixed in such a way as to  
ensure a price relationship which is more favourable to olive oil; whereas it  
is therefore appropriate to amend Council Regulation No 136/66/EEC (4), as last  
amended by Regulation (EEC) No 2989/81 (5),

HAS ADOPTED THIS REGULATION:

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- (1) OJ No C  
(2) OJ No C  
(3) OJ No C  
(4) OJ No 172, 30.9.1966, p. 3025/66  
(5) OJ No L 299, 20.10.1981, p. 15

Article 1

Article 7 of Regulation No 136/66/EEC is hereby replaced by the following:

"Article 7

The representative market price shall be fixed at a level permitting normal marketing of olive oil produced.

This price shall be fixed at a level such that, taking into account

- the expected price trend during the marketing year for the most representative competing vegetable oil in the main areas of consumption, and
- the impact on olive oil prices of the monthly increases referred to in Article 10,

the ratio between the representative market price and that of the competing vegetable oil at the wholesale stage does not exceed 2 : 1."

Article 2

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

It shall apply from 1 November following the date of accession of Spain to the Community

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

Done at

For the Council

# FINANCIAL STATEMENT

Date : 10.2.82

1. BUDGET HEADING : B 1211

APPROBATIONS : 207 Mio ECU

2. TITLE : Draft Council Regulation modifying EEC Regulation 136/66/ on the establishment of a common organization of the markets in oils and fats

3. LEGAL BASIS : Article 43 of the Treaty

4. AIMS OF PROJECT : A change in the price relationship between olive oil and competing vegetable oil in order to improve the sale of 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 ( OPERATIONAL EXPENDITURES )	110 Mio ECU		
- NATIONAL ADMINISTRATION			
- OTHER			
5.1 RECEIPTS			
- OWN RESOURCES OF THE EC ( EXCISES / CUSTOMS DUTIES )			
- NATIONAL			
	1984	1985 (1)	
5.2.1 ESTIMATED EXPENDITURE	-	110 Mio ECU	
5.2.2 ESTIMATED RECEIPTS	-	-	

5.2 The change in the price relationship could involve an increase in consumption aid of up to 190 ECU/t<sup>(2)</sup>. On the basis of Commission quantitative estimates in January 1982, 564 000 t commercialised and 15 000 t exported will benefit.

Expenditure: 579 000 x 190 = 110 Mio ECU

6.1	000000
6.2	000000
6.3	000000

6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY ? 1984 YES

6.4 For the enlarged Community of 12 Member States, the expenditure could rise by an additional 58 Mio ECU. (246 000 t consumption + 60 000 t exports in Spain and Portugal)

- (1) On the hypothesis where the transitory period of adhesion will start in 1984.
- (2) On the hypothesis that the entire modification in price ratio is borne by an increase in the aid.