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Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 1-772/83 - COM(83) 480 final - Part II) for a regulation laying down special measures in respect of olive oil

Rapporteur: Mr G. VITALE

PE 88.581/fin.
Or. It.

By letter of 16 September 1983 the Council of the European Communities requested the European Parliament to deliver an opinion, pursuant to Article 43 of the EEC Treaty, on the proposal for a regulation laying down special measures in respect of olive oil.¹

On 10 October 1983 the President of the European Parliament referred this proposal to the Committee on Agriculture as the committee responsible and to the Committee on Budgets and the Committee on Budgetary Control for an opinion.

At its meeting of 3 November 1983 the Committee on Agriculture appointed Mr G. VITALE rapporteur.

On 10 October 1983 the European Parliament referred the motion for a resolution tabled by Mr ANTONIOZZI on Community measures in respect of olive oil (Doc. 1-805/83), pursuant to Rule 47 of the Rules of Procedure, to the Committee on Agriculture.

On 16 January 1984 the European Parliament referred the motion for a resolution tabled by Mr ALMIRANTE and others on olive oil (Doc. 1-1224/83), pursuant to Rule 47 of the Rules of Procedure, to the Committee on Agriculture as the committee responsible and to the Committee on Budgets for an opinion.

At its meetings of 23 November 1983 and 28 February 1984 respectively, the Committee on Agriculture decided to include these resolutions in the report by Mr VITALE.

The Committee on Agriculture examined the Commission's proposal and the draft report at its meetings of 1/2 February 1984 and 28/29 February 1984.

At the latter meeting it decided by 16 votes to 10 and 4 abstentions to recommend to Parliament that it approve the Commission's proposals with the following amendments.

The committee then adopted the motion for a resolution by 16 votes to 10 with 4 abstentions.

¹ At its sitting of 14 October 1983 the European Parliament had already delivered its opinion on the proposal for a regulation amending Regulation 136/66/EEC on the establishment of a common organization of the market in oils and fats and Regulation (EEC) 2958/82 laying down special measures in respect of olive oil producer organizations for the 1982/83 marketing year (OJ No. C 307, 14.11.1983, p. 103)

The following took part in the vote: Mr Curry, chairman; Mr Colleselli, vice-chairman; Mr Delatte, vice-chairman; Mr Vitale, rapporteur; Mr Abens (deputizing for Mr Lynge), Mr Adamou, Mr Battersby, Mrs Castle, Mr Clinton, Mr Dalsass, Mr Eyraud, Mr Gatto, Mr Helms, Mr Hord, Mr Keating (deputizing for Mr Wettig), Mr Lücker (deputizing for Mr Früh), Mr Maher, Mr Marck, Mr Markopoulos (deputizing for Mr Gautier), Mrs Martin, Mr Mertens, Mr B. Nielsen, Mr Papapietro, Mr Pranchere, Mr Provan, Mr Simmonds, Mr Stella (deputizing for Mr Ligios), Mr Tolman, Mr Vernimmen and Mr Vgenopoulos.

The report was tabled on 1 March 1984.

The opinions of the Committee on Budgets and the Committee on Budgetary Control are attached.

The deadline for the tabling of amendments to this report appears in the draft agenda for the part-session at which it will be debated.

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

Proposal from the Commission of the European Communities
to the Council for a regulation
laying down special measures in respect of olive oil
(COM(83) 480 final)

Amendments tabled by the
Committee on Agriculture

Text proposed by the Commission of the
European Communities

Amendment No. 1

Amend the second recital as follows:

Whereas, by virtue of objective difficulties associated with the number of holdings, despite the existence of rules providing for numerous specific controls, there are problems as regards ensuring timely and effective control; whereas this could lead to an unwarranted financial burden on the Community;

Whereas experience has shown that despite the existence of rules providing for numerous specific controls there are problems as regards ensuring timely and effective control; whereas this could lead to an unwarranted financial burden on the Community;

Amendment No. 2

Amend the third recital as follows:

Whereas, in the present situation, special and temporary measures should therefore be laid down to ensure that the production aid scheme is applied correctly and in a uniform manner; these special measures will be necessary until the olive grove register becomes operational;

Whereas, in the present situation, special measures should therefore be laid down to ensure that the production aid scheme is applied correctly and in a uniform manner;

Amendment No. 3

Delete the first part of the fourth
recital and amend as follows:

Whereas the Member States must therefore
set up administratively autonomous bodies
to perform these tasks; whereas, since
the Member States are required to set up
at short notice special structures to
perform tasks going beyond the controls
to be undertaken by Member States
pursuant to Council Regulation (EEC)
No. 729/70, provision should be made
for a financial contribution from the
Community over a certain period;

Whereas experience has shown
administrative structures in
the producer Member States to be
inadequate to implement the controls
provided for in the Community rules;
whereas these Member States must
therefore set up administratively
autonomous bodies to perform these
tasks; whereas, since the Member
States are required to set up
at short notice special structures
to perform tasks going beyond the
controls to be undertaken by
Member States pursuant to Council
Regulation (EEC) No. 729/70,
provision should be made for a
financial contribution from the
Community over a certain period;

Amendment No. 4

ARTICLE 1

Amend paragraph 1 as follows:

1. Each producer Member State shall assign to a special agency within the national intervention agency certain tasks and checks in connection with the olive oil production aid scheme.

The agency shall:

- ensure that the production aid arrangements are correctly applied and in particular that the work of the producer organizations and associations thereof complies with Regulation (EEC) No./83;
- conduct checks of approved mills;
- carry out checks in respect of the end-use of the oil obtained by crushing the olives and its by-products;
- assemble, verify and process, for the country as a whole, the data required for ascertaining the yields referred to in Article 17 of Regulation (EEC) No./83;
- conduct statistical surveys on the production, processing and consumption of olive oil.

At the Member State's request the agency may:

- investigate the files referred to in Article 14(2) of Regulation (EEC) No./83,
- carry out the checks referred to in Article 13(2), (3), (4) and (5) of the said Regulation.

The agency may also be asked to carry out specific enquiries.

ARTICLE 1

1. Each producer Member State shall set up an agency for the purpose of carrying out certain checks and duties in connection with the olive oil production aid scheme.

The agency shall:

- ensure that the production aid arrangements are correctly applied and in particular that the work of the producer organizations and associations thereof complies with Regulation (EEC) No./83;
- conduct checks of approved mills;
- carry out checks in respect of the end-use of the oil obtained by crushing the olives and its by-products;
- assemble, verify and process, for the country as a whole, the data required for ascertaining the yields referred to in Article 17 of Regulation (EEC) No./83;
- conduct statistical surveys on the production, processing and consumption of olive oil.

At the Member State's request the agency may:

- investigate the files referred to in Article 14(2) of Regulation (EEC) No./83,
- carry out the checks referred to in Article 13(2), (3), (4) and (5) of the said Regulation.

The agency may also be asked to carry out specific enquiries.

Amendment No. 5

ARTICLE 1

Delete paragraph 2.

ARTICLE 1

2. The agency shall be given full administrative autonomy. It shall be given full powers by the Member State concerned to carry out the tasks specified in paragraph 1. Its staff shall consist of officials, the number and level of training of which shall be suited to the tasks referred to above.

Amendment No. 6

ARTICLE 1

Amend paragraph 3 as follows:

3. Before the beginning of each marketing year, the agency shall draw up a work schedule designed to ensure that the production aid scheme is correctly applied; the schedule shall be forwarded by the Member State to the Commission. The Commission may request the Member State, without prejudice to the responsibilities of the latter, to make any change in the work schedule which it considers appropriate.

The agency shall submit to the Member State and the Commission two-monthly reports on the work which it has carried out. Such reports shall mention any problems encountered and, where appropriate, suggestions as to how to improve the control arrangements.

ARTICLE 1

3. Before the beginning of each marketing year, the agency shall draw up a provisional budget and a work schedule designed to ensure that the production aid scheme is correctly applied; the budget and schedule shall be forwarded by the Member State to the Commission. The Commission may request the Member State, without prejudice to the responsibilities of the latter, to make any change in the provisional budget or work schedule which it considers appropriate.

Persons designated by the Commission may monitor any of the work carried out by the agency at any time.

The agency shall submit to the Member State and the Commission two-monthly reports on the work which it has carried out. Such reports shall mention any problems encountered and, where appropriate, suggestions as to how to improve the control arrangements.

Amendment No. 7

ARTICLE 1

Amend paragraph 4 as follows:

4. Until the olive grove register becomes operational and for a period of three years from the entry into force of this Regulation, a Community contribution shall be paid to the producer Member States to cover a proportion of the costs incurred by the intervention agency in performing the tasks assigned to it by this Regulation.

Amendment No. 8

ARTICLE 1

Amend paragraph 5 as follows:

5. The annual amount representing the actual expenditure referred to in paragraph 4 shall be decided by the Commission, in the light of the particulars provided by the Member States concerned. The amount in question shall be granted when the Commission is satisfied that the agency has performed the work assigned to it, as the case may be.

However, in order to facilitate the operation of the agency, the amount in question may be paid in advance in the form of instalments during the year in question.

ARTICLE 1

4. Over a period of three years from the entry into force of this Regulation, the following percentages of the agency's actual expenditure shall be chargeable to the Community budget: 100% for the first year; 75% for the second year; 50% for the third year.

ARTICLE 1

5. The annual amount representing the actual expenditure referred to in paragraph 4 shall be decided by the Commission, in the light of the particulars provided by the Member States concerned. The amount in question shall be granted when the Commission is satisfied that the agency has been set up and has performed the work assigned to it, as the case may be.

However, in order to facilitate the setting up and operation of the agency, the amount in question may be paid in advance in the form of instalments during the year in question, in accordance with the agency's annual budget, the latter being drawn up with the agreement of the Member State and the Commission before the end of October of the following year. The Commission shall no longer be involved in drawing up the agency's budget as from the year in which the financing is fully chargeable to the Member State concerned.

Amendment No. 9

ARTICLE 2

Amend paragraph 2(b) as follows:

2.
(b) where the quantity of oil recognized by a Member State as eligible for aid is less than that applied for by a grower belonging to a producer organization, the Member State shall:
- recover any sums which may have been paid in error in respect of the aid,
 - impose a fine equivalent to twice the amount of aid applied for in respect of the quantity of oil not recognized as eligible,
 - disqualify the grower from obtaining production aid for up to a maximum of 5 marketing years.

ARTICLE 2

2.
(b) where the quantity of oil recognized by a Member State as eligible for aid is less than that applied for by a grower belonging to a producer organization, the Member State shall:
- recover any sums which may have been paid in error in respect of the aid,
 - impose a fine equivalent to twice the amount of aid applied for in respect of the quantity of oil not recognized as eligible

The producer organization to which the grower belongs shall be jointly and severally liable for payment of the amounts referred to in the first indent.

Amendment No. 10

ARTICLE 2

Amend paragraph 2(c) as follows:

2.
(c) where a producer organization or an association of such organizations has committed a serious offence in submitting the application of one or more members, the Member State concerned shall impose a fine of 1,000 to 50,000 ECU and may also withdraw recognition for a period of 1 to 5 marketing years.

ARTICLE 2

2.
(c) where a producer organization or an association of such organizations has failed to carry out the checks for which it is responsible under Articles 6, 7 and 9 of Regulation (EEC) No. .../83, the Member State concerned shall impose a fine of 1,000 to 50,000 ECU.

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation laying down special measures in respect of olive oil

The European Parliament,

- having regard to the Commission proposals concerning the olive oil sector (COM(83) 480 final - Part II)¹,
 - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 1-772/83),
 - having regard to the motion for a resolution tabled by Mr Antoniozzi on Community measures in respect of olive oil (Doc. 1-805/83),
 - having regard to the motion for a resolution tabled by Mr Almirante and others on olive oil (Doc. 1-1224/83),
 - having regard to the report of the Committee on Agriculture and the opinions of the Committee on Budgets and the Committee on Budgetary Control (Doc. 1-1514/83),
- A. having regard to the views expressed by the European Parliament in its resolution of 14 January 1983 on the olive oil sector (Vgenopoulos report, Doc. 1-964/82)²,
- B. having regard to the economic importance of the olive oil sector for certain regions of the Community, in which it accounts for more than 10% of the gross marketable production,
- C. having regard to the social importance of the sector, which employs approximately 1.5 million persons,
- D. whereas olive-growing plays a vital part in maintaining the environmental and hydrogeological balance of vast areas, and whereas it cannot often be replaced by other types of production, especially in arid and hilly areas,

¹ OJ No. C 249, 17.9.1983, p. 5

² OJ No. C 42, 14.2.1983

- E. whereas the olive sector, in common with the other sectors, is vulnerable to fraud; whereas, however, control is more difficult in this sector inasmuch as objective problems are posed by the existence of numerous holdings,
1. Realizes that there is a need to improve the mechanisms for controlling Community expenditure on all agricultural products;
 2. Urgently requests the Council to adopt without delay the Commission proposals (COM(82) 138 final and COM(83) 251 final) on the strengthening of controls on the application of Community rules on agricultural products, to which Parliament gave its full support in its resolution of 14 October 1982¹;
 3. Recognizes that, as far as olive oil is concerned, the problem of control is particularly difficult because of the large number of small producers and the high incidence of personal consumption and direct sales to the consumer;
 4. Stresses the importance, therefore, of establishing a simple and effective system of control, in part by amending certain clauses in the existing regulations, with a view to reducing the scope for fraud;
 5. Considers that the Community should delegate powers of control to the Member States and, in particular, to the intervention agencies rather than to the producer organizations, which should be required to carry out internal checks to ensure compliance with their statutes;
 6. Considers that controls may be more effectively improved by a special service within the national intervention agencies rather than by the autonomous agencies proposed by the Commission;
 7. Believes that such agencies would represent yet another unnecessary cog in the bureaucratic wheel and do nothing to enhance efficiency;
 8. Calls on the Commission, therefore, to propose that, until full use can be made of the olive grove register, aid should be granted on a temporary basis and in progressively diminishing amounts to help mitigate the objective difficulties encountered;
 9. Considers that the introduction of this register may resolve many of the control problems, and notes with satisfaction that the work on it is already fairly advanced; hopes that the data already available, although incomplete, will be used without delay by the competent authorities;

¹-----
OJ No. C 292, 8.11.1982

10. Calls on the Commission to consider the possibility of modifying the system for subsidizing production costs by introducing a flat-rate payment for the first 200 kg of oil produced; this would cover consumption by producers and a portion of direct sales and simplify both the application and the control procedures;
11. Approves the introduction of different types of sanction, but considers that severer penalties, such as the suspension of aid payments for several years, should be applied; similar penalties should be applied to oil mills;
12. Urgently requests the Commission to provide, for marketing years subsequent to the 1979-80 year, data concerning the expenditure on olive oil actually charged to the Community budget, bearing in mind that certain figures published in the press have related not to effective expenditure, but to the applications submitted;
13. Considers it essential that a marketing campaign should be mounted with a view to increasing the consumption of olive oil both in the Community and in the world at large, bearing in mind that the stagnation or reduction in the consumption of this product is due in particular to competition from cheaper seed oils, which enter the Community at zero rates of duty, and to the persistent and massive amount of publicity given to such oils thanks to the considerable financial resources available to their producer groups;
14. Believes that aid to consumption should vary depending on the quality of the oil so that better quality oils are consumed in larger quantities instead of being bought at the intervention price; it is estimated that this will not impose a financial burden on the EAGGF in the long run as the additional burden incurred by the aid to consumption will be offset by the profit gained from limiting the amount of high quality olive oil bought at the intervention price;
15. Requests that the institutional prices of olive oil be fixed on the basis of the classification 'extra' instead of 'ordinary' as this is the most representative category and also accounts for a larger amount of the oil marketed;

16. Reaffirms the need for the Community to evolve a comprehensive oils and fats policy, bearing in mind that the existing olive oil aid system is not strictly intended to assist producers, but to compensate them for the more generous support received by oil seeds under the CAP; such a comprehensive policy is made all the more urgent by the prospect of the enlargement of the Community to include Spain and Portugal;

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17. Calls on the Commission to amend its proposals, in accordance with the second paragraph of Article 149 of the EEC Treaty, on the basis of the modifications recommended in this resolution;

18. Instructs its President to forward to the Commission and Council, as Parliament's opinion, the Commission's proposal as voted by Parliament and the corresponding resolution.

EXPLANATORY STATEMENTINTRODUCTION

The documents to be considered by Parliament's Committee on Agriculture in this report are COM(83) 480 final of 30 August 1983, which contains the following four proposals for regulations:

- a proposal amending Regulation 136/66/EEC on the establishment of a common organization of the market in oils and fats and Regulation (EEC) No. 2958/82 laying down special measures in respect of olive oil producer organizations for the 1982/83 marketing year;
- a proposal amending Regulation (EEC) No. 2959/82 laying down general rules in respect of production aid for olive oil for the 1982/83 marketing year;
- a proposal laying down special measures in respect of olive oil; and
- a proposal laying down general rules on the granting of aid for the production of olive oil and of aid to olive oil producer organizations;

and the motion for a resolution tabled by Mr ANTONIOZZI on Community measures in respect of olive oil (Doc. 1-805/83).

Parliament has been formally consulted on the first and third proposals only; consultation on the other two is not required.

The rapporteur considers that the Committee on Agriculture should also make use of this consultation by the Council to make a number of points and recommendations on possible changes to the system of aid provided for by the CMO in oils and fats with a view to improving the control mechanisms. The rapporteur further considers that he should give due consideration to the content of the report by Mr VGENOPOULOS which was debated and adopted by Parliament on 12 January 1983 (see OJ C 42 of 14 February 1983).

1 - Activities of the European Parliament

The olive oil sector has been debated on a number of occasions by Parliament¹, and in its opinions it has consistently called for the introduction of a comprehensive oils and fats policy to reduce the obvious imbalances in

¹ LIGIOS report, OJ C 90/1981 - CURRY report, OJ C 104/1982
SUTRA report, OJ C 334/1982 - MOUCHEL report, OJ C 334/1982
VGENOPOULOS report, OJ C 42/1983 - CURRY report, OJ C 337/1983

the sector, which derive from the differences in price for olive oil and seed oils, for butter and margarine and, more generally, for oils and fats originating in the Community and those which are imported.

The Committee on Agriculture is currently preparing an opinion on the Commission's proposal for a tax on oils and fats (rapporteur Mr GOERENS), and the Committee on Budgetary Control is drawing up a report on expenditure in the olive oil sector (rapporteur Mr BATTERSBY).

For the purposes of this report, the rapporteur has been in contact with the professional farmers' organizations, the producers' associations, the Italian Ministry of Agriculture and the competent Commission departments. In the light of these contacts and of the Commission's proposals, he has formulated a number of ideas on the control machinery applied and the production aid granted to the olive oil sector, which will be presented to the Committee on Agriculture and, subject to its approval, to Parliament.

2 - Description of the sector

Since the olive oil sector was analysed in some detail in a recent Parliament report (Vgenopoulos report, Doc. 1-964/82), it is felt that the present report on the Commission proposals of 30 August 1983 (COM(83) 480 final) need only give a brief summary of the key features of the sector as it exists in the Community.

The number of producers in Italy and Greece is 1,500,000. Each producer possesses on average 1.8 hectares of olive grove and produces 0.5 t of olive oil.

The production of olive oil varies considerably from one year to the next.

EEC olive oil production*

Marketing year	Quantity (tonnes)
1975-76	682
1976-77	296
1977-78	714
1978-79	447
1979-80	548
1980-81	570
1981-82	
1982-83	
1983-84	

* Greece included as from 1981-82 marketing year

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Over a period of fifteen years, production rose at an average annual rate of slightly more than 1%, which indicates that the sector has undergone very little restructuring. It should also be borne in mind that Community production aid is not granted to holdings set up after 1978 and that the number of new holdings is therefore very small.

Following the accession of Greece, the Community's level of self-sufficiency in the olive oil sector rose to 96%, which resulted in a fall in imports and an increase in exports, especially of certain grades of product.

The expenditure earmarked for the sector for 1984 amounts to 761 m ECU, which is equivalent to 4.7% of the EAGGF Guarantee Section's total budget.

3 - Why does production aid exist?

Before considering the merits of the Commission's proposals, we should explain why production aid was introduced in the first place.

In 1966, when the common organization of the market in oils and fats was established, it was decided to apply a liberal policy to the sector's products, in other words, to exclude them from the frontier protection measures from which most other products benefited. To avoid discriminating against the sector, the Council then decided to subsidize production costs to compensate for the absence of customs protection.

Thus, the so-called production aid is not a social measure, as some would have us believe, but rather an integral part of the common organization of the market, designed to offset the lack of adequate frontier protection, such as is provided for most other products.

4 - The cost factor

At a time when money is short and there is a tendency to cut back on spending on agriculture for no sound economic reasons, the burden of expenditure on the Community budget understandably gives rise to much concern, even though this is often ill-founded.

Can the Community's expenditure on olive oil be considered excessive? A reply to this question must take account of a variety of factors: actual

payments, the level of output, the area under olive cultivation, the number of producers and the relationship with other sectors.

Admittedly, there was a substantial increase in the cost to the Community budget between 1977 and 1983 (see table). One reason for this is that 1979 saw the starting-up of the producer organizations, with the result that more producers became eligible for aid.

Another reason put forward is that there is an element of fraud, which takes the form of applications for aid in excess of actual production. However, although this reason is often evoked even by the Commission and is given increasingly sensational coverage by the press, it cannot be substantiated on the basis of actual figures, since the intervention agency responsible for the payment of the production aids in Italy has held back a proportion of the payments requested precisely because of the checks which are currently being carried out. This means that the figures quoted are based on the expenditure estimates and on producers' applications, and not on the sums actually paid out.

Furthermore, it has been learned from unofficial sources that the sums actually paid are likely to be well below the estimates.

Expenditure and estimates of expenditure
on olive oil and colza to be charged
to the Community budget

	(m ECU)	Production aid (m ECU)	Consumption aid (m ECU)	Yield (m ECU)	Production aid - colza and sunflower (m. ECU)
1977	177	161	-	296	82.6
1978	182	144	-	714	131.2
1979	388	331	52	404	203.8
1980	317	237.9	106	548	294.0
1981	448	283.4	207	570 ***)	335
1982	493	255	152		537
1983	742	387	256		553
1984 *	761	439	231		734
*) Budget					
***) Excluding Greece					

At all events, although the cost to the Community budget is approximately 4.5% of EAGGF Guarantee Section expenditure - for a product whose value represents only 1.4% of gross marketable production in the Community - the element of direct support is high, being between 40% and 60% of the value of the product. Besides, there is not much sense in comparing expenditure with the value of production, since the support for the other CMOs is of a different kind. For example, customs protection cannot be included in the calculation of expenditure.

Clearly, in relation to the number of producers engaged in olive growing, 60% of which takes place in hill and mountain areas unsuitable for any other kind of production, the per capita cost is very low - less than 500 ECU, as compared with more than 2,800 ECU for milk producers.

Compared with other sectors, it can be said, finally, that the cost to the Community of marginal products of which there is a large surplus, such as colza, is higher than that of olive oil.

While each of the various considerations discussed can only provide a partial explanation of the problem, we can nonetheless broadly conclude that the cost to the Community of olive oil production is not disproportionate to the cost of the other sectors, even though they are covered by a different CMO system and a part of the costs cannot be calculated.

5 - Why is it necessary to improve the control mechanisms?

It is clearly the first duty of any public administration to ensure the optimum utilization of public funds and to intervene whenever there is a suspicion of fraud.

As is acknowledged in a report drawn up by Mr GABERT on behalf of the Committee on Budgetary Control, irregularities in the use of public funds occur in most of the agricultural sectors.

In this respect, the olive oil sector is probably no exception, even though certain figures published in the press are exaggerated. Hence, for the olive oil sector, as for all the other sectors in which fraudulent practices are strongly suspected - beef and veal, milk, butter, MCAs, colza - the task of the Community must be to improve the control mechanisms in order to prevent the consequent waste of Community funds.

However, it cannot be forgotten that there are objective difficulties to be overcome before these mechanisms can be improved. For this reason, the Council should be urgently requested to adopt the Commission's 1982 proposals, to which Parliament has already given its full support. These difficulties arise, for example, from the fact that there are numerous producers (more than a million in Italy alone) and that there are considerable differences both in the density of olive groves (up to 600 trees per hectare) and in oil and olive yields. Two other key features of the sector are the preponderance of olive groves in hill and mountain areas, which has a substantial influence on yields, and the short duration of the milling season.

While it is possible to agree that the aid system itself could be modified with a view to improving the control mechanisms, the notion that improvements can be achieved only by radically changing that system must be firmly rejected.

6 - The present system of control

As far as the control procedure is concerned, the changes made to the regulations in 1978 have resulted in two new developments: a steadily increasing involvement of producer organizations and their associations in the carrying out of checks and a greater concentration on the inspection of oil mills.

In simple outline, the present regulations allow for the following kinds of check:

- a - producer organization checks on members,
- b - producer organization checks on oil mills,
- c - public authority checks on organizations, and
- d - public authority checks on oil mills.

In theory, the control procedure operates at two levels, and apparently this arrangement is to some extent effective in deterring operators from exaggerating production levels or circumventing the existing rules.

The existing procedure contains anomalies which should be rectified if the scope for committing fraud is to be further reduced. These anomalies are as follows:

- limited involvement in the control procedure on the part of the public authorities, which, partly because of the shortage of public officials able to carry out the necessary checks, have left most of the tasks to the producer organizations;
- excessive involvement in the control procedure on the part of the producer organizations, a situation which fails, inter alia, to take account of the fact that these same organizations obtain their financial support from the very aid which they are empowered to monitor;
- the emergence of a complex control procedure which, all things considered, is liable to result in breaches of the rules precisely because of its complexity.

Before considering possible improvements to the procedure as a whole, we must now take a brief look at the Commission's proposals.

7 - Summary of the Commission's proposals (COM(83) 480 final)

When fixing the farm prices for the 1983/84 marketing year, the Commission notified the Council that it intended to submit proposals on:

- ways of improving the controls relating to the production aid for olive oil, and
- the rules governing the formation of producer organizations.

The Commission has submitted four texts which recapitulate the conclusions it reached with a view to achieving the objectives it had set itself with the approval of the Council.

All the proposals fall within the ambit of the existing support arrangements and do not, therefore, alter the system of production aid in force. The Commission makes it clear from the outset that the system proposed cannot achieve the desired results unless it is properly implemented at national level.

(A) Proposal for a regulation amending Regulation 2958/82 laying down special measures in respect of olive oil producer organizations

This proposal amends the system of production aid with a view to enabling Member States to withhold a percentage of the aid to help finance the expenditure incurred in carrying out the control activities associated with its payment.

It is also proposed that if prices on the market are close to the intervention price, producer organizations and their associations should be allowed to conclude storage contracts.

Lastly, the proposal defers the deadline for the application of the system introduced by Regulation 1413/82 to the beginning of the 1984/85 marketing year.

(B) Proposal for a regulation amending Regulation 2959/82 laying down general rules in respect of production aid for olive oil

This proposal extends for one year the period of validity of Regulation 2959/82, which establishes all the rules applicable to the procedures for obtaining production aid and to the system of control.

(C) Proposal for a regulation laying down special measures in respect of olive oil

This proposal is based on the assumption, not only that the present control procedure is inefficient, but that there are grounds for suspecting that the Community is being systematically defrauded, even though the Commission has never produced concrete evidence of infringements of the aid arrangements.

The Commission recommends that an agency should be set up by each producer State to carry out certain checks and perform certain duties in connection with the olive oil production aid scheme. In practice, the task of these agencies would be to take over all the basic control activities hitherto carried out by the producer organizations or by the provincial bodies vested with the necessary investigative powers.

It is further proposed that these agencies should enjoy full administrative autonomy and that 100% of their expenditure should be borne by the Community in their first year of operation, 75% in the second year and 50% in the third, after which they should be financed in full by the Member State concerned.

The agencies would be answerable both to their Member State and to the Commission, and the latter would be empowered to monitor any of the activities of any particular agency at any time.

Lastly, it is proposed that administrative sanctions as well as fines should be imposed and that, under certain conditions, recognition should be withdrawn from producer organizations or their associations, as well as from approved oil mills.

(D) Proposal for a regulation laying down general rules on the granting of aid for the production of olive oil and of aid to olive oil producer organizations

This proposal redefines the general rules to be applied to the granting of aid to producer organizations and associations thereof. It retains the provision which discriminates in favour of olive growers who are members of a producer organization, inasmuch as the aid paid to members is based on the quantity of oil actually produced whereas the aid paid to non-members is calculated on a flat-rate basis, and it imposes a number of obligations on applicants for aid.

The proposal lays down a number of additional conditions governing the formation and recognition of producer organizations. It recommends that each producer organization should be required to check the crop declarations of each of its members and then submit its application for aid in a standardized form to the competent authorities. Before submitting the application, however, the organization should satisfy itself that the particulars given on the crop declarations correspond to the details entered in the stock records of the approved mills. If irregularities are detected, it should be under obligation to forward the relevant documents to the competent authorities of the Member State concerned.

The proposal also lays down conditions governing the formation of associations of producer organizations and specifies that their task should be to coordinate and monitor the activities of the organizations and act as an intermediary between them and the competent authorities, both in the submission of aid applications and in the distribution of the aid received.

It is proposed that payments to the associations and organizations should be proportional to the size of membership and the number of applications submitted. There should be an assurance that the sums made over are used only for financing the activities for which they are responsible. They should be entitled to receive an advance based on the number of members, subject to its being covered by a bank guarantee.

To facilitate checks, pressing should be carried out only in approved mills, which are able to meet specific conditions as regards technical equipment, the keeping of standardized stock records and the installation of suitable control apparatus.

The final part of the proposal entrusts all control activities to the Member State. In addition to monitoring the activities of olive growers, organizations, associations and mills, each producer State is required to keep computerized data files. In the case of producers who are not members of organizations, the State must determine the quantity of oil for which aid will be given in accordance with the standard method.

The State must draw up computerized files containing the maximum amount of information. Access to these files must be limited to authorized national bodies, the Commission and producer organizations and associations thereof.

Finally, the Commission estimates that it would cost 12 million ECU to set up the agencies it proposes.

8 - An improved system of control

The Commission's proposals are to be welcomed to the extent that they suggest ways of improving the control mechanisms and hence meet the demands of the professional organizations, which have been calling for a system of checks which will remove the doubts and suspicions permeating the entire sector.

An important element in this connection is the role of the producer organizations

The creation of these bodies in 1978 was widely acclaimed, since it afforded an opportunity of grouping together a very large number of Community producers (approximately 1.5 million), most of whom are concentrated in a small number of Community regions - southern Italy, Greece and the south of France. In accordance with the provisions of Regulation 1360/78, the producer organizations were set up with the task of jointly adapting production and supply to the requirements of the market. In practice, however, the main function of the producer organizations and their associations has been to help producers with their aid applications, which is clearly less than was expected of them.

A further task of the producer organizations and their associations is to check the activities of all their members, the truthfulness of whose aid applications is corroborated by the association chairmen.

This is an anomalous procedure since, if an association of producer organizations is to enforce compliance with its statute, it cannot at the same time investigate the activities of its own members, which is a task that only the appropriate public authorities should perform. From the legal viewpoint, moreover, it is always preferable to avoid confusion between the investigator and the investigated.

The associations are financed from the aid paid to their members, which is another reason why investigatory powers should not be delegated to them by the State or the Community. It is to be hoped that the system of financing will be changed, with payments in future being based on the number of members or the number of applications submitted, rather than on the output quantities declared.

The rapporteur takes the view that a more efficient system of checks could be achieved by redefining the control responsibilities of the State which must be discharged by the public authorities.

While public authority checks should be increased, the creation of special bodies should be avoided since these would impose an additional burden on the taxpayer at both national and Community level. Thus, while there is a case for strengthening the public control mechanisms, the creation of autonomous agencies cannot be justified. On the other hand, the Community should encourage inspections by the intervention agencies, within which inspectorates could be set up to monitor not just the olive oil sector, but other sectors as well. It should not be forgotten that checks will be facilitated by the introduction of the olive grove register.

The increase in the number of inspectors should be matched by an increase in technical support - which, along with the installation of data processing systems, to some extent already exists - by maximum publicity to encourage aid applications at local level and by the establishment of yearly production records against which applications can be checked with a view to identifying cases where the aid applied for is in excess of actual output. It would be desirable to start immediately with the figures on the olive grove register and take a number of samples which should be checked where sufficient data already exist.

The olive grove register will constitute an essential basic instrument of aid management, so that once it finally becomes operational it will be of decisive importance for checking applications and the amount of aid granted.

Community aid for strengthening the inspection machinery could be progressively reduced as the register is compiled, since its purpose is to provide a provisional solution to a difficult but temporary problem, and the register will in time make good the present deficiencies.

Inspections of the production capacity and the accounts of oil mills could be improved, particularly through the perusal of tax returns, which would make cross-checking easier.

It is important to remember that in the course of previous marketing years recognition has been withdrawn from about 150 oil mills operating in Italy.

The administrative sanctions to be applied in cases of proven fraud represent another important aspect of the control system. The rapporteur approves the idea of introducing different types of sanction and would also be in favour of severer penalties which disqualified growers found guilty of fraud from receiving aid for several years. Stricter penalties should also be applied to oil mills, involving the withdrawal not only of the operator's licence but of the approved status of the mill itself.

9 - Further proposals for strengthening the system of control

As we have seen, changes can be made to improve the existing arrangements, and the Commission's proposals could afford a good starting-point, provided that the inconsistencies described above are eliminated and that, at the end of the day, a simpler and more efficient system is instituted.

As was made clear in point 3, we firmly believe that the common market organization should not be changed unless a tax on oils and fats is introduced which substantially alters the sector's position.

Having said that, given the complexity of the problem and the nature of the sector (with its innumerable holdings), it is possible to suggest changes to the aid system which would further improve the control mechanisms and perhaps

dispel the cloud of suspicion which is today so damaging to all categories of producer.

Bearing in mind the need to protect the good name of the producers, the Commission should consider these additional proposals, assess their merits and defects and submit them to Parliament and the Council.

One possible innovation, already proposed by the Commission in COM(83) 500, would be to fix a flat-rate payment for produce intended for consumption by the producers themselves. It is suggested that this payment should be made for the first 200 kg (not 500 kg, as recommended by the Commission) of oil produced, which may be estimated as the amount which would cover personal consumption and any small quantity of direct sales.

If this form of payment were adopted, it would affect 50% of all holdings and 25% of all production in Italy. It would have the twofold advantage of greatly simplifying the application submission procedures, which would be particularly welcome to the small producer, and of significantly lightening the burden of control.

The granting of aid could, in this case, be accompanied by an obligation on the olive grower to provide evidence of sound cultivation.

Since the yields of olive trees can vary very considerably depending on the location, the Commission should establish, together with the Member State concerned, coefficients for large geographical units in order to avoid discrimination and ensure that the same arrangements are not applied to radically different situations.

In practice, this would mean that the number of flat-rate payments would vary from one homogeneous area to the next.

An alternative approach, which would change the system more fundamentally and which in our opinion deserves careful study, would be to switch from aid for the production of olive oil to aid for the production of olives. This could have a number of advantages. In the first place, it would exclude oil mills, in which various cases of fraud have originated, from the aid system. Secondly, it would eliminate the problem of olive/oil yields, since the amount of aid would be fixed according to the quantity of olives produced.

Even if the aid were calculated on the basis of the quantity of olives produced, the quantity of oil produced would still be taken into consideration for other purposes such as storage.

The Commission should submit a study to Parliament containing a more detailed analysis of the consequences of applying these proposals for the sector as a whole.

10 - Conclusions

The problem of control is a serious one, and studies are needed to determine where fraud is likely to occur in each individual sector.

The weakness of the control system proposed by the Commission for the olive oil sector is its complexity, which may seriously impair its efficiency. The State must again assume full responsibility for its institutional tasks. Moreover, economic efficiency requires that the cost of control must not exceed that of the aid disbursed.

That being so, the idea of setting up special autonomous agencies must be rejected. In this connection, there might also be legal objections to the creation of bodies which are directly accountable to the Commission, not because it is in itself inadmissible, but because such bodies do not exist in other sectors and would not be accepted by the other States.

On the other hand, with the introduction of the olive grove register, a system of control will be possible which is effective and indeed superior to the systems applied in other sectors. Consequently, the tasks of the agencies proposed by the Commission could all be entrusted to the national intervention agencies. Pending full utilization of the register, the Community could grant progressively diminishing amounts of aid to the national intervention agencies to help them in the performance of their new tasks.

It is believed that the Commission proposal on the strengthening of controls on the application of Community rules on agricultural products of 17 March 1982¹ may contain the legal bases for improving the control procedures in all the agricultural sectors. The Council is therefore asked to adopt this proposal as quickly as possible.

¹ COM(82) 138 final; opinion of the European Parliament: OJ C 292/1982

While we can accept all the Commission's proposals on sanctions, we feel that severer penalties ought to be applied to individual offenders. We also believe that the producer organizations and associations thereof should be left with a measure of internal control over their members, but that this must not replace, either de jure or de facto, the controls for which the public authorities are properly responsible. Moreover, the sanctions which the organizations and associations apply should only be internal administrative sanctions, the ultimate penalty being the expulsion of members, while, as we have said, public controls should be the concern of the competent government agencies.

MOTION FOR A RESOLUTION (Doc. 1-805/83)

tabled by Mr ANTONIOSSI

pursuant to Rule 47 of the Rules of Procedure
on Community measures in respect of olive oil

The European Parliament,

- (a) whereas the Common Agricultural Policy fulfils social and economic purposes clearly spelt out in the treaties and in their subsequent enactment,
- (b) concerned that for some time now attempts have been made to bring about substantial and unreasonable changes in the hard-won balances and procedures of the CAP which have developed over many years,
- (c) open to any initiative designed to improve the situation, provided it does not jeopardize what has already been achieved,
- (d) aware of rumours that Community aid for the consumption of olive oil should, according to the EEC Commission, be severely reduced because of a temporary rise in the price of seed oils,
- (e) emphasizing that the idea behind aid for the consumption of olive oil is that, in deciding on the amount, account should be taken in particular of the price increases which have occurred during the marketing year,
- (f) whereas a preliminary market survey should always be made, especially if it is likely to reveal important reversals in trends,
- (g) whereas a reduction in aid would run directly counter to the object of such aid, which is to increase the consumption of olive oil,

1. Requests:

- (a) that the current measures regarding Community aid for olive oil consumption be implemented with the strictest adherence to existing rules and the objectives which such measures were designed to promote,
- (b) that the need to keep olive oil competitive with seed oils be kept in mind, in part to avoid heavy expenditure by the intervention authorities,
- (c) that emphasis continue to be given to the economic and social aspects of current measures and their effects, bearing in mind that an increase of over 10% in the selling price of olive oil would lead to a further rise in inflation in consumer countries,

- (d) that there be complete accord with the basic guidelines contained in the treaties and with the wish, expressed many times in political circles, to encourage Mediterranean products;
2. Instructs its President to forward this motion for a resolution to the Council of Ministers of the European Communities, the Economic and Social Committee and the National Parliaments.

MOTION FOR A RESOLUTION (Doc. 1-1224/83)

tabled by Mr ALMIRANTE, Mr BUTTAFUOCO, Mr PETRONIO and Mr ROMUALDI
pursuant to Rule 47 of the Rules of Procedure
on olive oil

The European Parliament,

- A - whereas the current common organization of the market for the sector of vegetable oils and fats (Reg. EC 636/66), has resulted from the need to satisfy a dual requirement: that of maintaining the production of olive oil and of the freedom to import competing oil products into the Community,
- B - whereas it was decided in the interests of the consumers of oils other than olive oil, as in the case of other products, not to impose frontier protection barriers but rather, in view of the scarcity of production, to apply a system of 'deficiency payments' to be included in the price paid to the producer,
- C - having noted that in Italy olive-growing accounts for a surface area of 2.2 million hectares with a marked tendency towards small-scale farming and the concentration of farms in hill and mountain areas which are often inaccessible and do not lend themselves to mechanization, and that three-quarters of specialized olive groves cover less than 1 hectare, 12% less than 2 hectares and that few farms, roughly 3%, cover more than 5 hectares,
- D - whereas most of the sector consists of traditional-style olive growing with limited productivity and generally high production costs compared with competing products, and that the zones in which olive growing is predominant are among the least favoured of the Community with very low incomes and minimal possibilities of reconversion to alternative activities,
- E - whereas in Italy about a million families live off the proceeds of olive growing and are hence dependent for their economic survival on the current system imposed by the creation of a single market for vegetable fats,
- F - having noted that losses in the agri-foodstuffs sector are seriously affecting the balance of payments in Italy which registered a deficit of more than 7 billion lira in the first eight months of 1983 alone,
- G - whereas the employment situation in this sector in southern Italy will be aggravated by the loss of 46,000 jobs in agriculture with the entry into the Community of Spain and Portugal,
- H - bearing in mind that total spending by the EAGGF-Guarantee Section in this sector has reached at most 913,000 million lira annually for products from tree cultivation with a time span of centuries while expenditure on products from herbaceous cultivation like oleaginous seeds has reached 1.306 billion lira in only a few years (COM/500 final, 28.7.1982),
- I - whereas the other Member countries have consistently called for the dismantling of aids to olive oil and that the Commission has ignored requests from the Italian farming organizations to update statistics and improve controls by means of an olive growing register with the cost being virtually borne by the producers themselves,
- L - recalling that since 1978 the production of olive oil has been subject to joint responsibility with the non-payment of financial assistance provided for by the common organization of the market to olive groves planted after that date,

M - having regard to the decision by the Council of Ministers for Agriculture meeting in Luxembourg on 17 October 1983 on the so-called *acquis communautaire* and which the Italian Government has accepted in considering the problems faced by the entry into the EEC of Spain and Portugal,

1. Calls for:

- a) The adoption of a tax on oils and fats in the framework of an overall policy for the sector as proposed by the Commission;
 - b) The restoration and preservation from the 1984/85 market year onwards of a consumer price ratio of 2:1 between olive oil and vegetable oil the purpose being to ensure that current levels of consumption are maintained which is vital in view of enlargement;
 - c) The preservation of the current structure of guarantee spending to this sector with particular reference to prices support;
 - d) The limitation of expenditure on continental oleaginous seeds (colza and rape seed) with a reduction of aid;
 - e) The speeding up of the requested implementation of an olive growing register and tighter controls over production;
 - f) The assessment of the possibility, in the event of the failure to introduce a Community tax on oils and fats, of a levy on national production;
2. Instructs its President to forward this motion for a resolution to the Council and the Commission.

OPINION

of the Committee on Budgets for the Committee on Agriculture

Draftsman: Mr H. J. LOUWES

On 23 November 1983 the Committee on Budgets appointed Mr LOUWES draftsman of the opinion.

It considered the draft opinion at its meeting of 26 January 1984 and adopted the conclusions unanimously.

The following took part in the vote: Mr LANGE, chairman; Mr NOTENBOOM, vice-chairman; Mr LOUWES, draftsman; Mr ARNDT, Mrs BOSERUP, Mr KELLETT-BOWMAN, Mr LANGES, Mrs NIKOLAOU, Mr ORLANDI, Mr PROTOPAPADAKIS, Mr ROLAND (deputizing for Mr ANSQUER) and Mr Konrad SCHÖN.

1. This proposal concerns the introduction of a tax on oils and fats of vegetable and animal origin with the exception of those intended for use other than for food or feed, and with the exception of butter (Article 1). The Commission document contains only the text of the proposal and a financial statement with no explanatory memorandum.

2. In the financial statement the financial implications of the introduction of a tax on certain oils and fats are estimated, for a twelve-month period, at

- minus 524 million ECU from the tax itself: 6.8 million tonnes multiplied by 75 ECU per tonne and
- minus 56 million ECU as a result of the reduction in consumption aid for olive oil: 172.5 ECU per tonne multiplied by 330,000 tonnes.

In COM(83) 500 final (Common agricultural policy: Proposals of the Commission), the revenue from the levy was estimated at 600 million ECU.

3. The proposed tax is not an import levy. It is to be levied on all the products listed in the annex to the regulation and obtained in the Community. It applies both to oil and fats themselves and to goods containing oils and fats or manufactured from these products. In order to prevent speculative transactions when this tax is introduced, Article 6 lays down that the tax shall also be levied on those products in stock on 1 January 1984 which are in excess of a certain quantity.

4. In its resolution of 18 November 1983 on COM(83) 500 final, Parliament did not adopt the paragraph proposed by the rapporteur approving the principle of this tax on oils and fats. In another paragraph, Parliament restricted itself to stating simply that all taxes of this type should be adjusted in such a way as to reduce the difference in price between seed oils and olive oil (paragraph 11).

5. The Commission of the European Communities has stated that its objective in introducing this tax is to reduce the imbalance between, on the one hand, butterfats, which are subject to a policy of controlling production, and on the other, other oils and fats for which there are no equivalent measures. The Commission refers in this connection to coresponsibility levies, guarantee thresholds and quantitative restrictions on production in the dairy sector.

However, the Commission was unable to make clear to the Committee on Budgets how this measure would reduce such imbalances in practice. Apart from its inflationary effect - this tax will firstly lead to an increase in the consumption price of the products concerned - the economic consequences of this proposal are not self-evident. In itself, this tax cannot guarantee that expenditure in the oils and fats sector and the milk and dairy products sector will really fall. After all, what is involved here is not a reduction in expenditure but the creation of new sources of income to finance such expenditure. Apart from the saving on consumption aid for olive oil, the net effect of this measure appears, therefore, to be limited to replacing VAT revenue by the proceeds from a new tax as a source of finance for a certain amount of the expenditure by the revenue from a new tax.

6. Article 7 of the proposal states that 'the tax introduced by this Regulation shall be considered as forming part of the measures to stabilize the agricultural markets, and the income from it shall be assigned for the financing of the expenditure of the common organization of the market in the oils and fats sector'.

In budget terms, this article means that the revenue from this tax will be entered in the budget under expenditure and expressed as a negative amount. Parliament has repeatedly protested at this procedure used by the Council and Commission since it contradicts the fundamental principles of budgetary law. The Committee on Budgets has also opposed proposals to amend the Financial Regulation in order to legalize negative expenditure. The second part of Article 7 implies that revenue from the tax on oils and fats will be used exclusively to finance expenditure in the oils and fats sector, thereby contradicting Article 3 of the Financial Regulation which lays down that all revenue shall be used to cover all expenditure.

CONCLUSION

7. For the reasons given above and because of the commitments the Community has entered into under GATT, the Committee on Budgets rejects this proposal, which does not preclude this matter being reconsidered within the framework of GATT.

OPINION OF THE COMMITTEE ON BUDGETARY CONTROL

Letter from the chairman of the committee to Mr David M. CURRY, chairman of the Committee on Agriculture

Luxembourg, 23 February 1984

Dear Mr Chairman,

On the basis of its deliberations of 21/22 February, the Committee on Budgetary Control believes it important that greater attention is given in consideration of the proposals for regulations to the following aspects to ensure sound financial management and appropriate monitoring:

As regards production aids, the methods for controlling the amounts produced should be improved. In this context it is essential that it should be possible for there to be a greater variety of producer cooperatives with more streamlined organization and greater autonomy.

Additional measures must be taken to enable the most accurate picture possible to be gained of quantities produced such as drawing up an olive oil register, precise records of the quantities cited in applications for aid, regular scrutiny of the causes of sharp fluctuations from year to year and expert assessments of quantities. Should aid have been paid out on the basis of potential production, appropriate checks should be made afterwards on the actual scale of the harvest.

At the same time the administrative procedures to check the figures given in applications for aid must not lead to unnecessary delays in paying out Community aid as this would represent an inefficient use of resources.

The committee welcomed the proposal to set up a special body to monitor and control the proper application of the regulation on production aid, provided that full administrative autonomy is guaranteed. Autonomy would be furthered if this body were to be made up of representatives from all the producer states

../..

involved. The Commission should constantly advise and monitor vigilantly the work of such a body to ensure that it is operating effectively.

Yours sincerely,

(sgd.) Heinrich AIGNER

P.S. This opinion was adopted unanimously.

The following were present: Mr Aigner (chairman); Mrs Boserup (vice-chairman); Mrs Hoff (deputizing for Mr Wettig), Mr Marck, Mr Mart, Mr Notenboom, Mr Patterson and Mr Konrad Schön.

ANNEX*

Table 1: Production in Italy and quantities on which olive oil production aid paid from 1963 to 1983 (in 000 tonnes)

Marketing Year	Production ¹	Applications for production aid	Quantity for which aid was granted
1963-64	602,5	-	-
1964-65	302,5	-	-
1965-66	537,6	-	-
1966-67	350,4	322	318
1967-68	588	538	522
1968-69	421,5	458	420
1969-70	517,9	536	507
1970-71	459,9	466	439
1971-72	676,6	729	691
1972-73	372,3	467	394
1973-74	594,5	640	556
1974-75	469,8	488	434
1975-76	689,9	727	682
1976-77	328,1	309	296
1977-78	751	751	714
1978-79	447	462	435,1
1979-80	548	612,6	516,3
1980-81	570	731,6	567,1
1981-82 ²		656,9	570
1982-83 ²		383,9	

¹ Based on data produced by the Istituto Centrale di Statistica (ISTAT)

² Estimates

* This annex relates solely to the olive oil market in Italy.
 Figures for Greece are not available.

Table 2: Checks on oil mills

Marketing Year	Producer organization checks	Local authority checks	TOTAL
1978-79	-	1 461	1 461
1979-80	-	1 733	1 733
1980-81	191	1 774	1 905
1981-82	304	1 821	2 125
1982-83	310	883	1 193

Table 3: Checks on oil mills and sanctions imposed

Marketing Year	1 Number of checks	2 Number of sanctions	3 Number of mills	% 1/3
1978-79	1 461	210	8 500	17
1979-80	1 733	183	9 500	18
1980-81	1 965	213	7 600	26
1981-82	2 125	224	9 275	23
1982-83	1 193	185	7 884	15

Table 4: Checks¹ on holdings producing olives (1978-1983)

Marketing Year	Number of checks
1978-79	6 985
1979-80	7 537
1980-81	6 144
1981-82 ²	4 819
1982-83 ²	2 899

¹ Checks designed to determine both productivity and the quantity of olives produced

² Provisional data

Table 5: Checks¹ on holdings producing olives from 1963 to 1978

Number of holdings	Number of trees
39 836	12 495 906

¹ Data compiled from checks carried out in previous years are used for checks in subsequent years

