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EUROPEAN PARLIAMENT

Working Documents

1978 - 1979

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31 May 1978

DOCUMENT 154/78

Report

drawn up on behalf of the Committee on Agriculture

on the proposal from the Commission of the European Communities to the Council (Doc. 153/78) for a regulation amending Regulation No 136/66/EEC on the establishment of a common organization of the market in oils and fats

Rapporteur: Mr M. CIFARELLI

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The President of the Council of the European Communities consulted the European Parliament, pursuant to Article 43 of the EEC Treaty, on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation No. 136/66/EEC on the establishment of a common organization of the market in oils and fats.

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

At its meeting of 18/19 May 1978 the Committee on Agriculture appointed Mr CIFARELLI rapporteur.

It considered the proposal at its meeting of 25/26 May and unanimously adopted the motion for a resolution and explanatory statement.

Present: Mr Kofoed, chairman; Mr Liogier, vice-chairman; Mr Cifarelli, rapporteur; Mr Albertini, Mr Andersen, Mr Brugger, Mr De Clercq (deputizing for Mr Durand), Mr Dewulf, Mr Früh, Mr Herbert, Mr Klinker, Mr L'Estrange, Mr Pisoni, Mr Pucci, Mr Tolman.

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A

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

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation amending Regulation No. 136/66/EEC on the establishment of a common organization of the market in oils and fats.

The European Parliament,

- having regard to the proposal from the Commission of the European Communities to the Council (COM (78) 203 fin.);
- having been consulted by the Council pursuant to Article 43 of the Treaty establishing the European Economic Community (Doc. 153/78);
- having regard to the report of the Committee on Agriculture (Doc. 154/78);

approves the Commission's proposal.

B.

EXPLANATORY STATEMENT

1. Up to 1 December 1973, the date of entry into force of Regulation No. 3209/73 on the subsidy for olive oil, it was not altogether clear whether the olive producer or the oil producer was entitled to a subsidy under Regulation No. 136/66 on the establishment of a common organization of the market in oils and fats and under Regulation 754/67 on the subsidy for olive oil. However, the abovementioned Regulation No. 3209/73 clearly states that it is the olive producers who should benefit. They are required to submit a declaration of cultivation after which they receive the subsidy on the basis of the ratio between the quantity of olives harvested and the quantity of olive oil produced. Oil producers who are not also producers of olives benefit indirectly from the subsidy since the purchase price paid by them for the olives takes account of the subsidy received by the olive producers and is therefore lower than the market price.
  
2. From the time of entry into force of basic Regulation No. 136/66 up to the entry into force of Regulation No. 3209/73 there could be differences of interpretation as to who should benefit from the subsidy. In fact an oil producer in the province of Lecce brought a case before Italian courts against the AIMA (State agency for market interventions) for refusing to grant the subsidy in respect of the olive oil he had produced during the 67/68 marketing year. After lengthy legal proceedings the case was brought before the European Court of Justice which, in its judgment of 8 November 1977 ruled<sup>1</sup> that the term 'producers of olive oil' within the meaning of Article 10 of Regulation No. 136/66 and Regulation No. 754/67 must be interpreted as referring to the producers of the processed product as constituted by olive oil and that consequently it is to the latter that the subsidy must be granted for the 1967/1968 oil marketing year.
  
3. The aim of the present Commission proposal under consideration by Parliament is to state unequivocally that for the period 1 November 1973/ 1 November 1978 (the date when the reform of the organization of the market in olive oil approved by the Council of Ministers together with the agricultural prices for 1978 will probably come into force) the subsidy is granted to olive producers. Article 10 of basic Regulation No. 136/66 is amended by replacing the phrase: '... a subsidy ..... shall be granted to producers of olive oil extracted within the

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Case 36/77 AIMA versus Greco - Reports of Cases before the Court, 1977/7.

Community from olives harvested within the Community' by the phrase 'a subsidy..... shall be granted to producers of olives harvested in the Community in respect of the quantity of oil extracted therefrom'.

4. The intention here is to avoid a situation whereby producers of oil, on the basis of the abovementioned judgment, might claim the subsidy for the period 73-78 when the basic regulation remained unaltered, even though implementing Regulation No. 3209/73 clearly stated who was entitled to the subsidy. They could possibly claim that the two regulations were contradictory in an attempt to obtain double benefit (payment of a lower price to the producers of olives combined with the possibility of receiving a direct subsidy).

5. It should be noted that the amendment of Article 10 applies only to Italy. For France, the present system remains in force whereby the millers receive the subsidy and then allocate it to the olive suppliers in accordance with the quantity of olives supplied.

6. The Committee on Agriculture has no difficulty in approving the Commission's proposal which does not alter the present situation in any way but merely serves to clarify the regulations in force and avoid conflicting interpretations.

