

II

(Preparatory Acts)

COMMISSION

Proposal for a Council Regulation amending Regulations No 136/66/EEC and (EC) No 1638/98 as regards the extension of the period of validity of the aid scheme and the quality strategy for olive oil

(2001/C 213 E/01)

COM(2000) 855 final — 2000/0358(CNS)

(Submitted by the Commission on 22 December 2000)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 37 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the Economic and Social Committee,

Having regard to the opinion of the Committee of the Regions,

Whereas:

- (1) In July 1998 Council Regulation (EC) No 1638/98 of 20 July 1998 amending Regulation No 136/66/EEC on the establishment of a common market organisation in oils and fats ⁽¹⁾ introduced measures applicable for three marketing years, namely 1998/99, 1999/2000 and 2000/01. This three-year period was intended to give the Commission time to gather and analyse the information required with a view to elaborate, in 2000, a proposal to the Council for a reform of the above-mentioned common market organisation. While the measures introduced by this Regulation have permitted a number of improvements to the common organisation of the market, the information gathered and the experience gained during those first two marketing years are neither complete nor sufficient to enable the Commission to draw substantial and definitive conclusions regarding the common market organisation in oils and fats to be implemented from 1 November 2001.
- (2) In order to obtain all the results of the measures implemented from the 1998/99 marketing year onwards and to permit more detailed information to be gathered on the sector and more detailed analyses to be carried out, it is necessary to extend until the end of the 2002/03 marketing year the period of validity of the provisions currently in force, in particular those laid down in Regulation No 136/66/EEC of 22 September 1966 on the establishment of a common organisation of the market in oils and fats ⁽²⁾.
- (3) The arrangements for checks on the aid paid to producers depend to a great extent on the existence and smooth operation of the geographic information system (GIS) referred to in Regulation (EC) No 1638/98. The GIS is

essential for some of the options to be examined for the future and, at the very least, useful for the others. It should therefore be stipulated now that, where appropriate and whatever form the future aid scheme takes, it will, from 1 November 2003, cover only olive trees included in a GIS verified as being complete.

- (4) Developments on the olive oil market indicate the need for a concerted strategy aimed at improving the quality of the product, including environmental impacts, and comprising, *inter alia*, incentives to promote the organisation and activities of the operators concerned and adjustments to the classification of olive oils and olive-pomace oils.
- (5) In order to improve the operation of the sector, a scheme should be introduced to encourage approved operators' organisations to implement quality improvement and certification programmes and to improve the olive oil sector and market management. Around two years would appear necessary for the establishment of the detailed rules concerning certain items of the future scheme, for instance the creation of the organisations concerned and the drafting, and evaluation of programmes and their approval by the Member States. In order to permit the implementation of concrete measures as soon as possible, the bases of the scheme that will be decided to be introduced from 1 November 2003 should be laid down now.
- (6) The descriptions and definitions of olive oils and olive-pomace oils are in certain cases unsatisfactory and could lead to confusion among both consumers and operators. Such problems cause disruption on the market and, in order to avoid them, new descriptions and definitions should replace those laid down in the Annex to Regulation No 136/66/EEC.
- (7) The description 'virgin olive oil' covers all oils obtained direct from the fruit of the olive tree, as referred to at point 1 of the Annex to Regulation No 136/66/EEC, and the category described at point 1(b). In order to avoid any confusion, all categories of oil referred to at point 1 should be known as 'crude olive oil' and the description 'virgin olive oil' should be reserved for olive oil actually referred to in point 1(b). As the description of 'crude olive oil' is not used in the retail trade, the change will not affect consumers.
- (8) In order to preserve the natural characteristics of crude olive oils, the use of oil-extraction adjuvants having a chemical or biochemical action should be excluded.

⁽¹⁾ OJ L 210, 28.7.1998, p. 32.

⁽²⁾ OJ 172, 30.9.1966, p. 3025/66. Regulation as last amended by Regulation (EC) No 2702/1999 (OJ L 327, 21.12.1999, p. 7).

- (9) The progress achieved by producers and millers has led to an increase in the production of virgin and extra virgin olive oils and a reduction in that of ordinary oils and *lampante* oils. To enable this market development to be taken into account in the classification of olive oils and to permit consumers to benefit from it, the maximum acidity of extra virgin olive oil should be reduced and 'ordinary virgin olive oil' should be removed from the list of types of olive oil, the oils concerned being included under *lampante* olive oil.
- (10) The generic name 'olive oil' is currently used to designate the type referred to at point 3 of the Annex to Regulation No 136/66/EEC, namely a blend of refined olive oil and virgin olive oil other than *lampante* oil. This gives rise to confusion that could mislead consumers who are not sufficiently aware and could disrupt the market. Blends should therefore be identified in a specific way without, however, detracting from the qualities of the type of oil concerned, which are appreciated by a large sector of the market.
- (11) Thanks to the progress achieved by refiners it is possible to adapt the definition of refined olive oil by reducing the percentage of maximal acidity.
- (12) The definition of crude olive pomace oil should include oils obtained by mechanical means and correspond, with the exception of certain specific characteristics, to those for *lampante* olive oils, since some of them have characteristics that are typical of traditional crude olive pomace oils.
- (13) In order to give the sector time to adjust, the use of the new descriptions and definitions should be made compulsory only after two years.
- (14) Since the measures necessary for the implementation of Regulation No 136/66/EEC are management measures within the meaning of Article 2 of Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission⁽¹⁾, they should be adopted by use of the management procedure provided for in Article 4 of that Decision,
- (a) in paragraph 2, '1998/99 to 2000/01 marketing years' is replaced by '1998/99 to 2002/03 marketing years',
- (b) in the second subparagraph of paragraph 9, '1998/99 to 2000/01 marketing years' is replaced by '1998/99 to 2002/03 marketing years'.
3. In the second subparagraph of Article 20d(1), 'the 1998/99 to 2000/01 marketing years' is replaced by 'the 1998/99 to 2002/03 marketing years'.
4. Article 37 is repealed.
5. Article 38 is replaced by the following text:
- 'Article 38*
1. The Commission shall be assisted by a committee, management committee for oils and fats, composed of representatives of the Member States and chaired by the representative of the Commission.
2. Where reference is made to this paragraph, the management procedure laid down in Article 4 of Decision 1999/468/EC shall apply, in compliance with Article 7(3) thereof.
3. The period provided for in Article 4(3) of Decision 1999/468/EC shall be one month.'
6. The Annex is replaced by the Annex hereto.

Article 2

Regulation (EC) No 1638/98 is amended as follows:

1. Article 2 is amended as follows:
- (a) in the first subparagraph of paragraph 1, 'the 1998/99 to 2000/01 marketing years' is replaced by 'the 1998/99 to 2002/03 marketing years',
- (b) in the second subparagraph of paragraph 2, 'the three marketing years from 1998/99 to 2000/01' is replaced by 'the five marketing years from 1998/99 to 2002/03', and
- (c) in paragraph 4, 'the 1998/99 to 2000/01 marketing years' is replaced by 'the 1998/99 to 2002/03 marketing years'.
2. The following Article 2a is added:

'Article 2a

Olive trees and corresponding areas whose presence is not attested by a geographic information system in accordance with Article 2 of this Regulation or of olive oil produced therefrom cannot constitute a basis for an aid to be paid to olive producers under the common market organisation in oils and fats from 1 November 2003.'

HAS ADOPTED THIS REGULATION:

Article 1

Regulation No 136/66/EEC is amended as follows:

1. In Article 4(2), '1998/99 to 2000/01 marketing years' is replaced by '1998/99 to 2002/03 marketing years'.
2. Article 5 is amended as follows:

⁽¹⁾ OJ L 184, 17.7.1999, p. 23.

3. In Article 3(2), '2000' is replaced by '2002' and '1 November 2001' is replaced by '1 November 2003'.

4. The following Article 4a is inserted:

Article 4a

1. Under the common organisation of the market in oils and fats, in force as from 1 November 2003, Member States producing olive oil may withhold within certain limits fixed by the Commission in conformity with the management procedure laid down in Article 4 of Decision 1999/468/EC, a portion of aid, where appropriate intended for olive oil producers, to ensure Community finance of work programmes drawn up by approved operators' organisations or their associations in the following areas:

- (a) the olive oil sector and market management;
- (b) the improvement of product quality and environmental impacts;
- (c) the certification and protection of olive-oil quality.

2. Within the fixed limits, the maximum Community funding for the work programmes referred to in paragraph 1 shall be equal to the part of the aids reserved by the Member States. This funding shall be of maximum 100 % for the eligible cost of the programmes referred to in (a), 75 % for the programmes referred to in (b) and 50 % for the programmes referred to in (c).

Complementary financing will be ensured by the Member State concerned taking into account a financial contribution from operators that shall be compulsory for the programmes referred to under paragraph 1(b) and (c) and in the latter case shall be at least 25 %.

3. In accordance with the procedure provided for in Article 38 of Regulation No 136/66/EEC, the Commission shall specify:

- (a) conditions for the approval of operators' organisations and their unions;
- (b) the types of activities eligible under programmes in the three areas referred to in paragraph 1;
- (c) the procedures for the approval of programmes by the Member States;
- (d) the measures concerning the control and the sanctions;
- (e) any other detailed rules that might be necessary for the rapid implementation, from 1 November 2003, of the programmes concerned.'

5. In the first paragraph of Article 5, '1 November 2001' is replaced by '1 November 2003'.

Article 3

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

It shall apply from 1 November 2001. However, Article 1(6) shall apply from 1 November 2003.

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

ANNEX

'ANNEX

DESCRIPTIONS AND DEFINITIONS OF OLIVE OILS AND OLIVE-POMACE OILS REFERRED TO IN ARTICLE 35**1. Crude olive oils**

Oils obtained from the fruit of the olive tree solely by mechanical or other physical means under conditions that do not lead to alteration in the oil, which have not undergone any treatment other than washing, decantation, centrifugation or filtration, to the exclusion of oils obtained using solvents or using adjuvants having a chemical or biochemical action, or by re-esterification process and any mixture with oils of other kinds.

Virgin olive oils are exclusively classified and described as follows:

(a) *Extra virgin olive oil*

Crude olive oil having a maximum free acidity, in terms of oleic acid, of 0,8 g per 100 g, the other characteristics of which comply with those laid down for this category.

(b) *Virgin olive oil*

Crude olive oil having a maximum free acidity, in terms of oleic acid, of 2 g per 100 g, the other characteristics of which comply with those laid down for this category.

(c) *Lampante olive oil*

Crude olive oil having a free acidity, in terms of oleic acid, of more than 2 g per 100 g, and/or the other characteristics of which comply with those laid down for this category.

2. Refined olive oil

Olive oil obtained by refining crude olive oil, having a free acidity content expressed as oleic acid, of not more than 0,3 g per 100 g, and the other characteristics which comply with those laid down for this category.

3. Standard olive oil

Olive oil obtained by blending refined olive oil and crude olive oil other than lampante oil, having a free acidity content expressed as oleic acid, of not more than 1 g per 100 g, and the other characteristics which comply with those laid down for this category.

4. Crude olive-pomace oil

Oil obtained by treating olive pomace with solvents or oil corresponding to lampante olive oil, except of certain specified characteristics, excluding oil obtained by means of re-esterification and mixtures with other types of oils, and the other characteristics which comply with those laid down for this category.

5. Refined olive-pomace oil

Oil obtained by refining crude olive-pomace oil, having a free acidity content expressed as oleic acid, of not more than 0,3 g per 100 g, and the other characteristics which comply with those laid down for this category.

6. Olive-pomace oil

Oil obtained by blending refined olive-pomace oil and crude olive oil other than lampante oil, having a free acidity content expressed as oleic acid, of not more than 1 g per 100 g, and the other characteristics which comply with those laid down for this category.'
