Olive and olive oil sector: reform of the common organisation of the market COM

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The Committee having debated the subject at a number of meetings, adopted the report by Salvador JOVE PERES (EUL/NGL, E) which constitutes its response to the Commission's controversial discussion paper on reform of the common organisation of the market (COM) in olive oil. MEPs believe that the present Common Organisation of the Market has been a success. The results have been as follows: fair income levels have been preserved, farm holdings have been modernised, product quality has improved and the environment has been protected. The EU has become the world's leading producer, consumer and exporter. These achievements must therefore be defended under the coming reform, which - it must be said - is essential. The methods for calculating the quantities of olive oil produced in each country are currently being subjected to serious criticism. If nothing changes, there is a real risk that the Commission will refuse to pay out Community aid. The Commission's paper has been severely criticised for containing serious shortcomings. * MEPs utterly reject the Commission's starting point and its only option: aid per tree. They call on the Commission to base any legislative proposals it puts forward on this subject on the following points. Instead of aid per tree, the Agriculture Committee proposes a single form of production aid. This would, it argues, guarantee a fair income for all producers on the basis of the quantity of oil actually produced, by including small producers, facilitating checks and creating yr additional system of aid to small farms. MEPs believe that the Commission's proposal entails environmental risks, the danger of depopulation of the countryside and the introduction of speculative plantations and does not take into account two fundamental objectives (in view of the great annual fluctuations in production): quality and market stability. * This would mean abolishing consumption aid (which is granted to bottling firms) and setting up yr integrated control system for checking both production and consumption. Such a system would be reliable and effective for preventing fraud (with the bottling firms having appropriate accounting arrangements to allow cross-checks to be made of their stocks and sales) and could be used to ensure that aid was granted only if the oil were marketed by financing a global policy to promote consumption and quality and looking for new markets. The necessary resources would be come from the abolition of consumption aid. * The report also calls for olive-growing registers to be set up, as they have been in Italy. These would be a vital instrument for ensuring that declared production matches the production potential of farms. Yr instrument of this kind is particularly necessary when the aid system is applied uniformly to all producers on the basis of the quantity of olive oil actually obtained. To guarantee quality, the report also calls for a ban on the marketing of olive oil blended with other oils. * On the subject of the Maximum Guaranteed Quantity (MGQ), and to bring it into line with other COMs, the committee wishes to it to be adjusted up to the level of total Community consumption plus average annual exports and a margin for security. It also calls for national reference quantities (NRQs) to be established, based on yr objective estimate of production trends, in order to make each producer Member State responsible for the effects of exceeding the MGQ in proportion to the volume of the production obtained. It may be helpful to recall that the MGQ established in 1987 (1 350 000 tonnes) is less than Community consumption in 1996 /97 (1 657 000 tonnes). * Lastly, the committee does not agree with the Commission's wish to include this reform in Agenda 2000, which, it says, discriminates against Mediterranean produce (expenditure on market regulation on continental products was 70% of the draft budget in 1992 and is 75% in the draft budget for 1998, whereas for Mediterranean products the figure has fallen from 22% to 19%. This imbalance is likely to be accentuated as a result of Agenda 2000. The committee therefore calls on the Commission to draw up a general framework for possible variations in aid going beyond the olive oil sector. It believes that this framework should set out the different production methods and govern the relationship between aid and socio-economic, regional and environmental criteria (cross-compliance).