Oils and fats: financing programmes drawn up by approved operators' organisations in olive sector (Regulation (EC) No 1638/98; derog. Regulation No 136/66/EEC)

2002/0134(CNS) - 28/06/2002 - Legislative proposal

PURPOSE : to increase the compulsory amount of production aid withheld in the olive oil sector. CONTENT : This proposal is presented under Council Regulation 1638/98/EC amending Regulation 136 /66/EEC. The relevant article aims to encourage operators in the olive oil sector to organise themselves with a view to improving quality. Member States may withhold a portion of production aid to finance work programmes in the areas specified. The measures to improve quality are currently financed by compulsory withholding of 1.4% of production aid, providing an annual budget of EUR 33 million, and concern work carried out during the production cycle following the marketing year in which the amount is withheld from aid. Additional national financing is permitted under certain circumstances. Producer organisations currently receive a compulsory levy of 0.8% from the aid granted to their members, amounting to some EUR 17 million per marketing year for which the deduction is made. The budgets for these two measures depend on the volume of production in each Member State and therefore vary from one year to the next. This state of affairs is not conducive to multiannual programming of work and unlikely to encourage approved organisations to undertake medium term projects. The Commission believes that the ceiling should be fixed at the beginning of the marketing year concerned, irrespective of the actual production volume. In addition, the differences between the amounts withheld by Member States must not be allowed to distort the market. The Commission proposes that the maximum percentage that each Member State may withhold to finance the work programmes of approved organisations be set at 3% of the amount arrived at by multiplying the unit amount of production aid, expressed in tonnes, by its national guaranteed quantity. This would bring expenditure up to a maximum of EUR 70 million, higher than the current amount of the compulsory deductions for the Community as a whole and consistent with the planned expansion of work. The current deductions will stay in force until the end of the marketing year 2003/2004, so that there will be a transitional period during which they might co-exist with the newly introduced deduction. The 3% ceiling should therefore apply to all the amounts withheld from production aid during 2002/2003 and 2003/2004 marketing years. During those years, Member States will be allowed to reduce or abolish compulsory deductions, provided that those reductions are accompanied by an equivalent increase in the resources channelled in the work programmes. The proposed measures concern the budgets for 2003 and subsequent years and entail no additional expenditure.