Basic information

1997/2030(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Olive and olive oil sector: reform of the common organisation of the market COM **Subject** 3.10.07 Animal and vegetable fats, oils	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
AGRI Agriculture and Rural Development	JOVÉ PERES Salvador (GUE/NGL)	18/12/1996

Committee for opinion	Rapporteur for opinion	Appointed
REGI Regional Policy	VALLVÉ Joan (ELDR)	08/04/1997
CONT Budgetary Control	GIANSILY Jean-Antoine (UPE)	19/03/1997

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	2006	1997-05-20
Agriculture and Fisheries	2000	1997-04-21

Key events

Date	Event	Reference	Summary
12/02/1997	Non-legislative basic document published	COM(1997)0057	Summary
10/03/1997	Committee referral announced in Parliament		
21/04/1997	Debate in Council		
20/05/1997	Debate in Council		
26/11/1997	Vote in committee		Summary
26/11/1997	Committee report tabled for plenary	A4-0374/1997	
17/12/1997	Debate in Parliament		

18/12/1997	End of procedure in Parliament		
19/01/1998	Final act published in Official Journal		

Technical information	
Procedure reference	1997/2030(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/4/08674

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A4-0374/1997 OJ C 014 19.01.1998, p. 0004	26/11/1997	
Text adopted by Parliament, single reading		T4-0635/1997 OJ C 014 19.01.1998, p. 0105-0190	18/12/1997	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(1997)0057	12/02/1997	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0600/1997 OJ C 287 22.09.1997, p. 0061	28/05/1997	Summary

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

1997/2030(COS) - 12/02/1997 - Non-legislative basic document

OBJECTIVE: to present the various options for the reform of the olive and olive oil sector (including the economic, cultural, regional, social and environmental aspects). CONTENTS: In its document analysing and setting out the options for the common regime in olive oil (addressed for discussion to the Member States, the European Parliament and the professional organizations), the Commission notes that, despite having served its purpose well since 1966, the common organization of the market in olive oil has fallen increasingly out of step with Member States' production potential, as well as suffering from gaps which make controls difficult and multiply the opportunities for fraud. Other drawbacks of the existing regime include the risk of overproduction, structural surpluses (estimated at between 150 000 and 300 000 tonnes), and a system of aids which is far from perfect. The Commission, ruling out from the outset any notion of retaining the status quo, believes that reform is essential. It suggests two main

options: either the existing support regime should be improved or it should be replaced by an 'aid per tree' system. This would mean: 1) The present set-up would continue, but with improvements aimed at reducing fraud risks and cutting back the national production limits. This option would have the advantage of continuity for producers; its main drawback would be that it would not eliminate the defects of the aid regime for big producers. It would also call for controls on the real production of a number of producers two-and-a-half times higher than that under the existing regime, while keeping the incentive to produce at its present level. 2) A unitary 'aid per tree' system would be introduced: the two existing forms of production aid (producer aid and aid per tonne) would be abolished and replaced by an 'aid per tree' model. This aid would be calculated on the basis of the historic yield levels of the production area concerned. It would vary according to region and production method, and would be linked to socio-economic, regional and environmental criteria. A computerized integrated control system (GIS - Geographical Information System) would be created to monitor tree numbers and cross-check applications for aid. This option would have a number of advantages: all Community producers would be targeted directly, and controls would therefore be easier; it would also permit increased transparency and more effective use of public funds. The Commission intends to submit formal proposals in time to allow the new regime to come into force from the 1998/1999 marketing year.

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1997/2030(COS) - 18/12/1997 - Text adopted by Parliament, single reading

In adopting the report by Mr Salvador JOVE PERES (GUE/NGL, E) Parliament rejected the only option put forward by the Commission for the reform of the COM for olives and olive oil, namely aid per tree. This move would entail risks to the environment, a risk of rural depopulation and could lead to speculative planting and it did not take account of two fundamental objectives: the quality and stability of the markets. Parliament therefore called on the Commission to submit legislative proposals for a reform of the COM based on the following aspects: - the granting of a single form of production aid: this would have the advantage of guaranteeing a fair income for all producers on the basis of the quantity of oil actually produced (inclusion of small producers in the general production aid scheme, improved controls, creation of an additional system of aid to small farms); - increasing the maximum guaranteed quantity to bring it into line with total Community consumption, average annual exports and a margin for security; - establishing national reference quantities (NRQs) for the producer Member States; - final abolition of the consumption aid and the application of an integrated control system from production to consumption; - maintaining the intervention mechanism and the intervention price, with measures for private storage and the establishment of buffer stocks; - the implementation and financing of a global policy for the promotion of consumption and quality; - the overall simplification of the system with a view to achieving the increased transparency needed for combating fraud in the sector. Parliament urged that olive cultivation registers should be drawn up in the Member States which did not have them as yet. With regard to Agenda 2000, Parliament stressed the discriminatory treatment applied to Mediterranean crops and noted that the imbalance in the distribution of financial aid between these products and continental products could get worse. It called on the Commission to draw up a general framework for possible variations in aid going beyond the olive oil sector. This framework should set out the different production methods and govern the relationship between aid and socio-economic, regional and environmental criteria. It also called on the Commission in its legislative proposals to make the necessary adjustments to take into account the links between agriculture and the economy as a whole.

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1997/2030(COS) - 28/05/1997 - Economic and Social Committee: opinion, report

In the Committee's view, the Note does not improve upon the existing CMO for the reasons set out below. From the political point of view, it does not promote the development of the traditional olive-growing regions of the Community. From the economic point of view, it provides no incentive for competitiveness in the European olive oil sector. In practice, the tree aid option entails giving up future sustainable olive cultivation, which is essential if Europe's leading position is to be maintained. The ESC believes that from the market point of view, the Commission document confirms the non-existence of structural surpluses. From the consumption point of view, the promotion campaigns designed to boost demand on the internal and external markets should be funded by the CMO budget. The Committee would also propose that such campaigns be sustained over time and tailored to the local conditions of each country. From the development point of view, it is also clear that the current CMO has underpinned levels of activity, investment and innovation: whether they would continue if changes are made is doubtful. The Committee is convinced that it is essential to maintain intervention and lengthen the intervention storage period, making use of private storage if necessary, in order to maintain producers' incomes. From the quality point of view, the Commission should take the initiative and put forward rules to the Council to guarantee olive oil authenticity with a labelling system which would inform consumers and guard against possible confusion arising from blends. Effective control instruments should be built into the present CMO to prevent fraud. The Committee does not consider the Commission Note to be an adequate basis for amending the CMO for olive oil. The description given of the sector (claiming to cover economic, cultural, regional, social and environmental aspects) completely fails to reflect what is a plural and diverse picture in either its production and processing aspects, or in the most important aspect of all: its cultural, social and economic impact on the areas in question. The Committee consequently urges that, before any action is taken, the need for reform be demonstrated by means of detailed and rigorous studies. This CMO, which has shown its worth over 31 years, should not be modified without prior assessment of the effects of such changes.