Basic information

2001/2001(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Olive oil: aid scheme. Special report 11/2000 Court of Auditors **Subject** 3.10.07 Animal and vegetable fats, oils	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	CASACA Paulo (PSE)	28/08/2000

Committee for opinion	Rapporteur for opinion	Appointed
AGRI Agriculture and Rural Development	LAVARRA Vincenzo (PSE)	11/07/2000

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	2332	2001-02-26

Key events

Date	Event	Reference	Summary
27/07/2000	Non-legislative basic document published	RCC0011/2000	Summary
18/01/2001	Committee referral announced in Parliament		
26/02/2001	Debate in Council		Summary
26/03/2001	Vote in committee		
26/03/2001	Committee report tabled for plenary	A5-0114/2001	
16/05/2001	Debate in Parliament		
17/05/2001	Decision by Parliament	T5-0276/2001	Summary
17/05/2001	End of procedure in Parliament		
07/02/2002	Final act published in Official Journal		

Technical information

Procedure reference	2001/2001(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	CONT/5/12825

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0114/2001	26/03/2001	
Text adopted by Parliament, single reading		T5-0276/2001 OJ C 034 07.02.2002, p. 0257-0367 E	17/05/2001	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Non-legislative basic document	RCC0011/2000 OJ C 215 27.07.2000, p. 0001	27/07/2000	Summary

Olive oil: aid scheme. Special report 11/2000 Court of Auditors

2001/2001(COS) - 26/02/2001

The Council has taken note of Special Report No 11/2000 of the Court of Auditors on the support scheme for olive oil, and has adopted the following conclusions: The Council with regard to production aid: - suggests that the production aid control measures be assessed, since the amendments introduced in 1998, before being revised in the context of the future reform; - requests that the geographical information system be established quickly and that the yield analysis be continued and refined; - requests the Commission to carry out a detailed and precise evaluation of the results of the promotional campaigns; - notes the Commission's intention to submit reform proposals between now and the end of 2000 and its desire to prevent a structural imbalance of the market. With regard to previous consumption aid: - trusts that the initiatives taken by the Commission will enable the amounts yet to be recovered in all the agricultural sectors concerned to be balanced as quickly as possible; - emphasises that Member States must take the same measures to protect the Community's financial interests as they do to protect their own.

Olive oil: aid scheme. Special report 11/2000 Court of Auditors

2001/2001(COS) - 17/05/2001 - Text adopted by Parliament, single reading

The European Parliament approved the report by Mr Paulo CASACA (EPP/ED, P) which calls for a reliable management control system to tackle fraud in the olive oil sector. The adopted resolution affirms the Parliament's support for the present system as a means of guaranteeing fair incomes for producers and improving quality. Firstly, the resolution invites the Commission, in the context of the transitional measures proposed on 21 December 2000, to implement a regime based on reliable data with regard to quantities of olives processed and quantities of oil produced in mills. The Commission is also asked to clarify in what way the decision of 21 December 2000 to extend the current aid schemes for the olive oil sector addresses the findings by the Court of Auditors in its special report No 11/2000 and takes account of its recommendatons. The Parliament stresses that it is important for some important objectives to be taken in consideration in the new COM, such as promoting environmental protection, rural life and communities, the historical and patrimonial value of olive oil trees, the need to priviledge the income of small farmers and rurally depressed regions, the aim of market balance, promoting quality by fighting fraud, effective protection for Community products, and an appropriate type of institutional promotion in order to increase consumption. The Parliament regrets the Commission's decision to apply decreased financial corrections under the clearance of accounts procedure to some Member States. It also notes that considerable unduly paid amounts have yet to be recovered by national authorities for the 1985-1998 period. Therefore the Commission is urged to propose an integrated strategy for improved recovery of unduly paid amounts. Other measures are included in order to give the highest priority to and treat as a matter of urgency, the fight against olive oil fraud, in particular with regard to the unlawful addition of hazelnut oil to olive oil. These measures include: - presenting legislation proposals to stiffen the rules

against falsification of olive oil as soon as possible; - give the highest priority in European research and development to new methods of detecting falsification of olive oil, namely through the addition of hazelnut oil; - create a pan-European black list of any economic agent involved in the falisifaction of olive oil and other food products and to cancel immediately any financial support to them. The Parliament invites the Court of Auditors to produce a special report on this issue. The Commission is also asked to prohibit, in the framework of the current revision of Regulation 2815/98/EC, the placing on the market of olive oil with out a label, and to provide for the product's origin to be determined not by the place where it is produced but the place where it is harvested. The Parliament expresses its surprise at the Commission's reply as to the reliability of the International Olive Oil Council's statistics, and asks the Commission for details of the new elements that permitted changing production and stocks at the eighteenth session of the IOOC and it is also surprisedthat the resulting from these stock corrections did not have any effect on either the markets or intervention.

Olive oil: aid scheme. Special report 11/2000 Court of Auditors

2001/2001(COS) - 27/07/2000 - Non-legislative basic document

PURPOSE : to present the Special Report 11/2000 from the Court of Auditors on the support scheme for olive oil. CONTENT : the olive oil scheme was set up in 1966 at the time when the main producer Member State in the then Community of six was Italy. The situation changed totally with the accession of Greece in 1981, and Spain and Portugal in 1986. The many subsequent changes in the scheme failed to establish a satisfactory support scheme. Thus the need for extensive further reform remained. In 1997, the Commission concluded that far-reaching reform of the support scheme for the olive and olive oil sector was necessary. However, the Commission acknowledged that there was a lack of reliable information for choosing between the reform options. Therefore, as an interim measure, it proposed to improve some aspects of the present system for application for the marketing years 1998/99 to 2000/01. During this period the Commission is committed to gathering reliable information on which to base its proposal for an extensive reform in the course of the year 2000. This report examines the effectiveness of the management and control of olive oil production aid up to 1998 and the controls applied in the period 1996 to 1998. Production aid is granted to about 2,2 million applicants out of 2,8 million recorded producers of olive oil. This aid is financially the most important measure in the olive oil scheme absorbing in 1997 and 1998 more than 90% of the total annual expenditure of about ECU 2 200 million. The audit of this aid shows that despite all the amendments and the experience of thirty years, the systems for the management and control of the support scheme for olive oil is still not suffiently efficient and reliable. The olive oil sector is characterised by a large number of small holdings. About 40% of the applicants in 1996/97 have less than 100 trees. The income objective of production aid has never been defined and thus, the achievement of this objective could not be evaluated. Moreover, the institutional prices were kept stable for more than 10 years and the representative market price did not follow the evolution of market prices, which means that Community subsidies were not always justified. As for the market balance, the increase in the number of trees and production, the relatively slow increase in consumption, the WTO constraints for subsidised exports and the increase in stocks in the last two years, indicate a risk of surplus. A percentage of production aid was retained every year in order to finance the compilation of the olive cultivation register and the quality improvement programmes. The current situation of the cultivation register, to be replaced by the olive cultivation GIS, is that only Italy has succeeded in setting up a register, despite being delayed. With regard to the control menchanisms the Court found that the method for estimating the yields is not harmonised even within the same country and the use of the yields as a control instrument is ineffective. Consumption aid which was abolished in November of 1998, was a subsidy paid to undertakings for packaging or bottling olive oil for retail sale. Consumption aid cost the EU budget morethan ECU 6 000 million. The rate of recovery of unduly paid amounts is very low, only 6%, leaving some ECU 429 million outstanding. Recovery of export refunds unduly paid was subject to similar delays, only 13% had been recovered, although the amounts involved were much smaller, some ECU 12,5 million. With regard to the pending reform, the Court's main observations are as follows: 1) any reform should maintain the principle of the Community's financial regulation that no financial resources are devoted without being coupled to measurable results towards the achievement of the objectives set. The Commission should examine the possibilty of: - effective control over the mills in order to achieve more efficient results, because it is less expensive and quicker to control 11,000 mills than it is to control 2,2 million producers; - no longer tolerating delays in the compiling of the olive cultivation GIS; - starting the quality improvement programmes. 2) the Commission should take urgent action within the context of the clearance of accounts to protect the Communities' financial interests. The Commission should also consider introducing a time limit for Member States to recover sums unduly paid. Any sums not recovered wihtin such a time limit should be creditied to the EAGGF budget within the clearance of accounts procedures pending a definitive court judgement.