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In accordance with Council Regulation (EEC, Euratom) No 354/83 of 1 February 1983 concerning the opening to the public of the historical archives of the European Economic Community and the European Atomic Energy Community (OJ L 43, 15.2.1983, p. 1), as amended by Regulation (EC, Euratom) No 1700/2003 of 22 September 2003 (OJ L 243, 27.9.2003, p. 1), this file is open to the public. Where necessary, classified documents in this file have been declassified in conformity with Article 5 of the aforementioned regulation.

In Übereinstimmung mit der Verordnung (EWG, Euratom) Nr. 354/83 des Rates vom 1. Februar 1983 über die Freigabe der historischen Archive der Europäischen Wirtschaftsgemeinschaft und der Europäischen Atomgemeinschaft (ABl. L 43 vom 15.2.1983, S. 1), geändert durch die Verordnung (EG, Euratom) Nr. 1700/2003 vom 22. September 2003 (ABl. L 243 vom 27.9.2003, S. 1), ist diese Datei der Öffentlichkeit zugänglich. Soweit erforderlich, wurden die Verschlussachen in dieser Datei in Übereinstimmung mit Artikel 5 der genannten Verordnung freigegeben.

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(83) 599 final

Brussels, 18 October 1983

Proposal for a

COUNCIL REGULATION (EEC)

fixing for the 1983/84 marketing year the representative market price and the threshold price for olive oil and the percentages of the consumption aid to be retained in accordance with Article 11(5) and (6) of Regulation No 136/66/EEC

(submitted to the Council by the Commission)

COM(83) 599 final

EXPLANATORY MEMORANDUM

1. This proposal for a Regulation concerns the fixing of the representative market price and the threshold price for olive oil for 1983/84 and, in respect of the same marketing year, the percentage of the consumption aid which is to finance, on the one hand, the operation of recognized trade organizations and, on the other, certain measures to promote the consumption of olive oil.
2. Under Article 7 of Council Regulation No 136/66/EEC the representative market price is fixed at a level which permits normal marketing of the olive oil produced, account being taken in particular of prices for competing products and the probable trend of such prices during the marketing year.
3. Experience has shown that when there is too large a price gap between olive oil and seed oil there follows a drop in olive oil consumption, which jeopardizes the marketing of the crop.

The Commission has therefore stated, when submitting its proposals for representative market prices for recent marketing years, that the representative market price for olive oil should, in its opinion, be fixed in such a way as to produce a 2.3 : 1 ratio between olive oil and seed oil.

4. However, if there is suddenly a major change in market prices, this should be acknowledged with particular caution, as the decision of the consumer may be solely influenced by price. Also taking into account the importance of intervention stocks which, at 30 September 1983 amounted to approximately 123 000 tonnes, the Commission considers, by way of exception, to modify the price ratio for the 1983/84 marketing year and to fix it at 2,2 : 1.
5. For seed oils the present position is that prices have risen very considerably on both the world and the Community markets, owing largely to a particularly poor harvest in the United States of America this year. The outlook for 1984 however is that because of the high prices at the moment

a big increase in areas sown must be expected, particularly for soya. Even if the present high prices show a decline in 1984 (as an increase in soya production is expected next year), this fall in price will only be around the middle of the year.

In these circumstances the Commission considers that the average price of oilseeds in 1984 will be in the region of 120 000 LIT/100 kg in Italy, principal producer state and consumer of olive oil.

6. The above considerations lead the Commission to propose a representative market price of 196,87 ECU/100 kg. This is 37,37 ECU higher than the 1982/83 price.

The resulting consumption aid works out, compared with last year, as follows:

	<u>1982/83</u>	<u>1983/84</u>
Production target price:	302.77	319.42
Less production aid:	<u>66.60</u>	<u>70.26</u>
Difference:	236.17	249.16
Representative market price	<u>159.50</u>	<u>196,87</u>
Difference (Consumption aid)	76.67	52,29

Reduction in 1983/84 consumption aid from 1982/83: - 24,38 (- .32 %)

This Reduction will give a 72,5 mio ECU reduction in EAGGF expenditure in the amount (231,2 mio ECU) entered for the sector in the 1984 budget.

7. Under Article 11(3) of Regulation No 136/66/EEC Member States may be assisted by one or more recognized trade organizations in the operation of the consumption aid scheme. Article 11(5) of the said Regulation provides that the percentage of the consumption aid which recognized trade organizations may retain to finance the work they carry out is to be fixed by the Council. In the light of past experience, a figure of 2.2% would appear to be both necessary and sufficient. This percentage should keep the total revenue of these organizations at a level comparable with that taken into consideration for the previous marketing year.

8. In view of the general situation as well as the sums still available from amounts returned in respect of previous marketing years and promotion projects already undertaken, the Commission feels that, for 1983/84, the percentage of the consumption aid that may be allocated to certain projects for the promotion of the consumption of olive oil may be kept at 0.

9. The threshold price must be fixed in such a way as to ensure that the imported product's selling price is the same as the representative market price. In this connection the cost of unloading and placing the imported product in storage and the percentage of consumption aid retained should be taken into consideration.

In the light of the above the price in question should be fixed at 193,25 ECU/100 kg.

9. In the case of Greece, the amount of the consumption aid for 1983/84 must be fixed as laid down in the Treaty of Accession. In the light of the criteria laid down therein the amount of the consumption aid should be 36,98 ECU/100 kg, compared with 29.33 ECU/100 kg for the last year.

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THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation No 136/66/EEC of 22 September 1966 on the establishment of a common organization of the market in oils and fats ⁽¹⁾, as last amended by Regulation (EEC) No 1413/82 ⁽²⁾, and in particular the second subparagraph of Article 4 (4) and Article 11 (6) thereof,

Having regard to the proposal from the Commission,

Whereas the representative market price should be fixed in accordance with the criteria laid down in Articles 7 and 10 of Regulation No 136/66/EEC;

Whereas the threshold price should be fixed in such a way that the selling price for the imported product at the frontier crossing point fixed pursuant to Article 9 of Regulation No 136/66/EEC is the same as the representative market price, account being taken of the effect of the measures referred to in Article 11 (6) of the above Regulation;

Whereas it follows from the application of these criteria that the representative market price and the threshold price should be fixed at the levels given in Article 1 of this Regulation;

Whereas, under Article 11 (5) and (6) of Regulation No 136/66/EEC, a certain percentage of the consumption

aid should be used during each olive marketing year firstly for financing the recognized trade organizations referred to in paragraph 3 of the said Article and, secondly, for financing measures to promote the consumption of olive oil in the Community; whereas the said percentage should be fixed for the 1983/84 marketing year,

HAS ADOPTED THIS REGULATION:

Article 1

For the 1983/84 marketing year, the representative market price and the threshold price for olive oil shall be fixed as follows:

- representative market price: ~~196,87~~ 196,87 ECU per 100 kilograms,
- threshold price: ~~193,25~~ 193,25 ECU per 100 kilograms.

Article 2

1. For the 1983/84 marketing year, the percentage of the consumption aid, referred to in Article 11 (5) of Regulation No 136/66/EEC, is hereby fixed at 2,2.

2. For the 1983/84 marketing year, the percentage of the consumption aid to be allocated for the campaigns and projects, referred to in Article 11 (6) of Regulation No 136/66/EEC, is hereby fixed at 0.

Article 3

This Regulation shall enter into force on 1 November 1983.

⁽¹⁾ O.J. No 172, 30. 9. 1966, p. 3025/66.

⁽²⁾ O.J. No L 162, 12. 6. 1982, p. 6.

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

Done at

For the Council

FINANCIAL STATEMENT

Date : 6.10.1983

1. BUDGET HEADING : B 1211 APPROPRIATIONS 1983 : 207 MECU DRAFT 231,2 MECU
 B 1221 (BRS 2) 5 MECU BUDGET 1984 : : 6 MECU

2. TITLE : Draft Council Regulation fixing for the 1983/84 marketing year the representative market price and the threshold price for olive oil and the percentages of the consumption aid to be retained

3. LEGAL BASIS : Articles 4 and 11 of Regulation No' 136/66/EEC.

4. AIMS OF PROJECT : To fix for olive oil for the 1983/84 marketing year
 - the representative market price
 - the threshold price
 - the percentages of the consumption aid to be retained.

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (83)	FOLLOWING FINANCIAL YEAR (84)
5.0 EXPENDITURE			
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) 1211	158,7 mio ECU	-	158,7 mio ECU
- NATIONAL ADMINISTRATION			
- OTHER			
5.1 RECEIPTS			
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)			
- NATIONAL			
 1985 1986	
5.0.1 ESTIMATED EXPENDITURE	Measure to be applied in 1983/84 only.		
5.1.1 ESTIMATED RECEIPTS			

5.2 METHOD OF CALCULATION A representative market price of 1968,7 ECU/t gives a consumption aid of 522,9 ECU/t for EUR 9 and 369,8 ECU/t for Greece. The estimated total amount of aid to be paid out in 1984 works out as follows :

EUR 9 : 250.000 t x 522,9 ECU/t =	130,7 mio ECU
GR : 80.000 t x 369,8 ECU/t =	<u>29,6 mio ECU</u>
EUR 10	160,3 mio ECU (A)
Double rate coefficient : 0,99 =	158,7 mio ECU (B) (1)

The amount proposed for assignment to promotional measures is 0 %.

6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE PROPOSED 1984 BUDGET ? YES/XX

6.1 ~~CAN THE PROJECT BE FINANCED BY ...~~ X/XX/XX

6.2 ~~...~~ X/XX/XX

6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY ? YES/XX

OBSERVATIONS : This proposal gives a reduction in expenditure of roughly 72,5 mio ECU compared with the estimate in the 1984 draft budget.
 (1) It is proposed that the trade organizations be allowed to retain ^{2,2}7 % of the total amount of 158,7 mio ECU (i.e. 3,5 mio ECU) for the financing of their work.