COUNCIL REGULATION (EEC) No 2261/84

of 17 July 1984

laying down general rules on the granting of aid for the production of olive oil and of aid to olive oil producer organizations

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 2260/84 (2), and in particular Article 5 (4) thereof,

Having regard to the proposal from the Commission,

Whereas Article 5 of Regulation No 136/66/EEC introduced a system of production aid for olive oil; whereas this aid in respect of areas under olives at a certain date is granted to growers who are members of the producer organizations specified in Article 20c (1) of Regulation No 136/66/EEC and whose average production is at least 100 kilograms of oil per marketing year and to other growers on the basis of the number and production potential of olive trees and of the yields of such trees, as determined according to a standard method, and provided that the olives produced have actually been harvested;

Whereas, pending the establishing of a register of olive cultivation, aid for the growers concerned should be calculated on the basis of the average yields of olive trees;

Whereas, in order to ensure the proper operation of the system of aid, it is necessary to determine the types of olive oil in respect of which aid is granted;

Whereas, in order to ensure the proper operation of the system aid, the rights and obligations of all those concerned, namely growers producer organizations and associations of producer organizations and also the Member States concerned should be laid down;

Whereas the basis should be a system of crop declarations made by growers;

Whereas the olive oil producer organizations referred to in Article 20c (1) of Regulation No 136/66/EEC must have a minimum number of members or represent a minimum percentage of growers or of oil production; whereas these minimum numbers or percentages must be fixed at levels compatible, on the one hand, with the need for efficiency of the organizations and, on the other hand, with facilities for verification available in the producer Member States; whereas to ensure the efficient management of the organizations, certain additional conditions to be fulfilled by member growers should be laid down;

Whereas the associations of olive oil producer organizations referred to in Article 20c (2) of the said Regulation must be composed of a minimum number of groups or represent a minimum percentage of national production; whereas these minimum numbers or percentages should be set at levels which enable the special coordination and checking work incumbent on such associations to be carried out in an effective manner;

Whereas Article 20c of the said Regulation specifies that producer organizations and associations of producer organizations should carry out certain verification and coordination tasks; whereas the precise nature of these tasks should therefore be defined;

Whereas, in the interests of proper administration, producer organizations and associations thereof must apply to the competent national authorities for recognition in good time before the beginning of the marketing year; whereas the Member State concerned should decide on their application within a reasonable time;

Whereas, in accordance with Article 20d (1) of the said Regulation, a percentage of the aid may be retained to contribute towards the expenditure incurred by producer organizations and associations thereof on making checks; whereas steps should be taken to ensure that the sums retained are used only for the financing of the tasks provided for in Article 20c (1) and (2) of the said Regulation;

Whereas Article 20d (2) of the said Regulation provides that only associations are to qualify for an advance on the amount of the aid; whereas for reasons of sound management this advance should not exceed a certain percentage of the amount of the aid;

Whereas, in order to ensure the proper operation of the system of production aid for growers who belong to producer organizations, provision should be made for paying aid only in respect of the quantities obtained in approved mills; whereas, for the purposes of approval, the mills concerned should fulfil a number of conditions;

(1) OJ No 172, 30. 9. 1966, p. 3025/66.
(2) See page 1 of this Official Journal.

Whereas the aid in question is of considerable advantage to oil producers and represents a financial burden on the Community; whereas, in order to guarantee that the aid is granted only in respect of oil which qualifies therefor, provision should be made for an appropriate system of administrative checks;

Whereas, in the interests of proper administration of the aid system, provision should be made for Member States to determine the quantity of olive oil eligible for aid in cases where the actual production of an olive grower is in doubt;

Whereas experience has shown that, despite the large number of specific checks introduced, the number of growers to be supervised makes detailed and effective checking and verification difficult; whereas it is necessary to resolve these difficulties by setting up in each Member State a computerized file containing all the information needed to facilitate checking and the prompt detection of irregularities,

HAS ADOPTED THIS REGULATION:

CHAPTER 1

General provisions

Article 1

As from the 1984/85 marketing year, the general rules laid down in this Regulation shall apply to the granting of the production aid for olive oil referred to in Article 5 of Regulation No 136/66/EEC.

Article 2

1. Production aid shall be granted in respect of olive oil provided that it meets the specifications laid down in points 1 and 4 of the Annex to Regulation No 136/66/EEC and the areas under olives are covered by the declaration provided for in Article 1 (1) of Regulation (EEC) No 1590/83 (1) or satisfy the conditions laid down in Article 1 (2) of that Regulation.

2. The aid shall be granted to olive growers established in the Member States. For the purposes of this Regulation an olive grower shall be any grower of olives which are used to produce oil.

3. The aid shall be granted on application by the parties concerned to the Member State in which the oil has been produced.

(1) OJ No L 163, 22. 6. 1983, p. 39.

4. In the case of olive growers who are members of a producer organization as specified in Article 20c (1) of Regulation No 136/66/EEC and whose average production is not less than 100 kilograms of olive oil per marketing year, the aid shall be granted, in accordance with the first indent of Article 5 (2) of that Regulation, in respect of the quantity of oil actually produced at an approved mill, subject to Article 7.

In the case of other olive growers, the aid shall be granted in accordance with the second indent of Article 5 (2) of Regulation No 136/66/EEC and shall be equal to that resulting from applying the olive yields and oil yields, fixed according to the standard method provided for in Article 18 to the number of olive trees in production.

5. For the 1984/85 and 1985/86 marketing years, producer Member States shall determine which olive growers whose average production is at least 100 kilograms of oil per marketing year are entitled to aid granted according to the quantity of oil actually produced by applying the olive yields and oil yields fixed pursuant to Article 18 to the number of olive tress in production.

6. Before 31 March 1986, the Council, acting by a qualified marjority on a proposal from the Commission, shall lay down the criteria to be applied from the 1986/87 marketing year onwards for determining which olive growers have an average production of at least 100 kilograms of oil per marketing year.

CHAPTER 2

Obligations incumbent on olive growers

Article 3

1. Each olive grower shall, at the beginning of the marketing year and before a date to be determined, submit to the competent authorities of the Member State concerned a crop declaration containing, on the first occasion it is lodged:

— particulars of the olive trees grown and their location,

— a copy of the declaration submitted for the purpose of compiling the olive-cultivation register. As regards Greece and until the olive-cultivation register has been compiled in that Member State, this declaration may be replaced by that referred to in Article 1 (1) of Regulation (EEC) No 1590/83.

2. For the following marketing years each olive grower shall, before a date to be determined, lodge a supplementary declaration indicating any changes that have occurred or stating that his previous crop declaration remains applicable.

3. Olive growers who are members of a producer organization shall, by a date to be determined, lodge with the organization of which they are members an individual aid application providing evidence that the olives have been crushed or a sales invoice for the olives or both documents.

4. The olive growers referred to in paragraph 3 shall lodge the crop declaration and aid application through their organization.

5. An olive grower may not be a member of more than one producer organization for areas located in a given administrative area and may not lodge more than one crop declaration and one aid application for those areas.

If an olive grower leaves the organization before the end of the period mentioned in the first indent of Article 20c (1) (g) of Regulation No 136/66/EEC, he may not join another organization provided for by this Regulation during the remainder of the period.

Producer organizations shall notify the Member State concerned of the names of olive growers referred to in the second subparagraph.

6. In the case of olive growers who are not members of a producer organization, the crop declaration submitted individually shall count as an aid application provided that it is supplemented before a date to be determined by :

— a declaration that they have for the marketing year in question harvested their olives, and

— information on the intended use of the olives.

7. Olive growers who fail to comply with the obligations laid down in this Article shall be refused aid.

CHAPTER 3

Producer organizations

Article 4

1. Without prejudice to the other requirements of Article 20c (1) of Regulation No 136/66/EEC a producer organization may not be recognized under that Regulation unless :

(a) it consists, in the case of organizations producing and increasing the market value of olives and olive oil, of at least 700 olive growers ; or

(b) it consists, in other cases, of at least 1 200 olive growers ; should one or more organizations producing and increasing the market value of olives and olive oil be a member of the organization in question, the growers concerned shall be considered individually for the purposes of calculating the minimum number of growers required ; or

(c) it represents at least 25 % of the olive growers or of olive oil production in the economic region in which it has been set up.

2. Only the following may belong to a producer organization : olive growers who own an olive grove which they exploit or olive growers who have been exploiting an olive grove for a period of at least three years.

To this end, olive growers shall submit to the producer organizations of which they are members the information needed to establish that they are persons exploiting an olive grove and information on any changes which have occurred since their application for membership.

3. For the purposes of this Regulation, 'economic region' shall mean a region which, under criteria to be fixed by the Member State concerned, possesses similar production conditions from the point of view of olive growing.

4. Member States shall take any necessary action to encourage the setting up of producer groups as specified in Regulation (EEC) No 1360/78 (1) or of other organizations for producing and increasing the market value of olives and olive oil which can be recognized as producer organizations for the purposes of this Regulation.

Article 5

1. Producer ogranizations wishing to obtain recognition from the beginning of a marketing year shall apply to the competent authority of the Member State concerned by 30 June of the previous marketing year at the latest.

2. By 15 October, following receipt of the application, at the latest, the competent authority shall, after checking whether the organization meets the requirements of Article 20c (1) of Regulation No 136/66/EEC and of Article 4, take a decision on the application and notify it forthwith to the organization concerned and to the Commission.

Recognition shall take effect from the beginning of the marketing year following that in which application was made.

(1) OJ No L 166, 23. 6. 1978, p. 1.

3. Recognized producer organizations shall by 30 June of each year declare to the competent authority any changes made in their structure since their recognition or last annual declaration and report any notices of withdrawal of or application for membership received.

The competent authority shall ascertain, on the basis of this statement and of any appropriate enquiries, whether the conditions for recognition continue to be met.

If they are no longer met or if the structure of an organization does not allow for its members' production to be verified, the competent authority must, without delay and at the latest before the beginning of the following marketing year, withdraw recognition and notify its decision to do so to the Commission.

Article 6

1. Recognized producer organizations shall :

— lodge the crop declarations of all their members in accordance with Article 3 (1),

— make on-the-spot checks on the data given in a percentage of these declarations to be determined,

— submit once per month in a standardized form suitable for computer processing as provided for in Article 16 the aid applications of their members. Aid shall be requested for the quantity produced by those members who have completed their oil production, provided that the checks specified in Article 8 have been made and the resulting obligations discharged.

All applications relating to the production of a single marketing year must, on pain of preclusion, be lodged before a date to be specified.

2. In cases where a producer organization belongs to an association of such organizations, the crop declarations and aid applications of the olive grower members must be submitted by the association.

Article 7

In cases where an olive grower who is a member of a producer organization

— has also rented olive groves for a period of less than three years,

— has sold either some or all of his olive production, and

— has joined the organization during the marketing year,

the quantity of oil for which aid is received may not be greater than that determined by the standard method of applying to the number of olive trees in production the olive yields and oil yields fixed as provided for in Article 18.

Article 8

1. Before submitting the aid application each producer organization shall verify the quantity of olive oil in respect of which aid is applied for by each of its members. For the purposes of this verification the organization shall check in particular :

— that the production of olives declared by each grower as having been pressed in an approved mill tallies with the particulars given on his crop declaration, on the basis of criteria to be determined,

— that the particulars supplied by each grower as to the quantities of olives pressed and the quantities of oil obtained correspond to the quantities of olives and oil stated in the stock records of approved mills.

2. Producer organizations shall forward the files on their members to the competent authorities of the Member State concerned in the following cases :

— where the particulars referred to in the first indent of paragraph 1 appear not to tally after the organization has obtained all supporting documents and any information that may be used to establish the quantity actually produced,

— where the particulars referred to in the second indent of paragraph 1 appear not to correspond,

— where the particulars of the crop declaration do not correspond to the situation revealed by the checks.

CHAPTER 4

Associations of producer organizations

Article 9

1. Without prejudice to the requirements of Article 20c (2) of Regulation No 136/66/EEC an association may not be recognized unless it comprises at least 10 producer organizations recognized under Article 5 or a number of organizations accounting for at least 5 % of the olive oil produced in the Member State concerned.

However, the producer organizations comprising an association must be from two or more economic regions.

2. The provisions on recognition and withdrawal thereof set out in Article 5 shall also apply to associations.

Article 10

The associations specified in Article 20c (2) of Regulation No 136/66/EEC :

— shall coordinate the activities of the organizations of which they are composed and ensure that these activities accord with the provisions of this Regulation, and in particular shall directly and in accordance with a percentage to be determined verify the manner in which the checks specified in Articles 6 and 8 have been carried out,

— shall lodge with the competent authorities the crop declarations and the aid applications forwarded to them by the organizations of which they are composed,

— shall receive from the Member State concerned advances on the production aid, as mentioned in Article 12, and the balance of the aids, and shall forthwith divide them amongst the producers who are members of the organizations of which they are composed.

CHAPTER 5

Rules common to olive oil producer organizations and associations thereof

Article 11

1. The amount of the sum withheld referred to in Article 20d (1) of Regulation No 136/66/EEC shall be used in the following way :

(a) a sum to be determined shall be paid to each association on the basis of the number of members of the producer organizations of which it is composed ;

(b) the balance shall be paid to all the producer organizations on the basis of :

— the number of individual aid applications lodged with each organization by its members,

— checks carried out under the aid procedure.

2. Member States in which olive oil is produced shall ensure that the sums made over to the associations and to producer organizations in application of paragraph 1 are used by them only for financing the activities for which they are responsible under this Regulation.

3. If sums are not used, in whole or in part, as specified in paragraph 2, they must be repaid to the Member States concerned, and shall be deducted from the expenditure financed by the EAGGF.

4. In order to facilitate the operation of associations and producer organizations, Member States are authorized to pay to them, at the beginning of each marketing year, and advance to be calculated on a flat-rate basis on the number of members.

5. Producer Member States shall lay down rules regarding allocation of the aid and the time limits for payment to olive growers.

Article 12

1. Producer Member States shall be authorized to pay associations of producer organizations an advance on the amount of the claimed aids.

2. During the 1984/85, 1985/86 and 1986/87 marketing years, the advance referred to in paragraph 1 to each grower shall not exceed :

— the amount resulting from applying the olive yields and oil yields fixed according to Article 18, to the number of olive trees in production as stated in the crop declaration, or the amount resulting from the quantity mentioned in the application if that quantity is less than that referred to above, or

— 50 % of the amount resulting from the average of the aids actually paid during the two preceding marketing years.

Article 13

1. Member States shall approve only mills whose proprietors :

(a) have forwarded to the relevant Member State, in accordance with rules to be determined, full information on their technical equipment and actual pressing capacity and any changes in this information ;

(b) have agreed to undergo any check provided for under the aid procedure, to accept on their premises any means of control deemed necessary and to allow any checks on their accounts ;

(c) have not been subject, during the preceding marketing year, to proceedings for irregularities noted during checks made pursuant to Article 14 and pursuant to this Article as regards approval for the 1984/85 marketing year ;

— have not been subject to proceedings for irregularities noted during checks made for the 1983/84 marketing year pursuant to Articles 7 and 9 of Regulation (EEC) No 2959/82 (1), and

(1) OJ No L 309, 5. 11. 1982, p. 30.

— have not had their approval withdrawn for a period extending beyond 31 October 1984 in pursuance of that Regulation ;

(d) agree to keep standardized stock records meeting criteria to be determined.

2. Member States shall verify before granting approval whether the conditions for approval are fulfilled, and in particular shall check on the spot the technical equipment and actual pressing capacity of mills.

3. During the 1984/85 and 1985/86 marketing years, the Member States concerned may grant provisional approval to the mill involved as soon as an application for approval containing the information referred to in paragraph 1 has been submitted.

Such provisional approval shall become definitive as soon as the Member State concerned has ascertained that the conditions for approval laid down in paragraph 1 are fulfilled.

Should it be found that one of the conditions specified in paragraph 1 is not fulfilled, the provisional approval shall be withdrawn.

4. In cases where one of the conditions for approval set out in paragraph 1 is no longer fulfilled, approval shall be withdrawn for a period in keeping with the gravity of infringement.

5. In cases where approval is withdrawn in accordance with paragraphs 3 and 4, no new application for approval may be granted at any time during the period of withdrawal :

— to the same natural or legal person operating the mill in question, or

— to any natural or legal person who wishes to operate the mill in question, unless that person can show, to the satisfaction of the Member concerned, that the application for fresh approval is not intended to circumvent the sanction imposed.

6. Should the withdrawal of a mill's approval have serious consequences on the pressing capacity in a given production zone, it may be decided to approve the mill under special control arrangements.

CHAPTER 6

System of checks

Article 14

1. Each producer Member State shall apply a system of checks to ensure that the product in respect of which aid is granted is eligible for such aid.

2. Producer Member States shall verify the activities of each producer organization and association and, in particular, that the checking operations have been carried out by these bodies.

3. In the course of each marketing year and during the oil-pressing period in particular, producer Member States shall carry out on-the-spot checks on the activities and the stock records of a percentage of approved mills to be determined.

The mills selected must be representative of the pressing capacity of a production zone.

4. In the case of the olive oil defined at point 1 of the Annex to Regulation No 136/66/EEC and produced by growers who are not members of a producer organization, checking shall be by sampling on the spot and must verify :

— that the crop declarations are accurate,

— that the olives harvested are to be used to produce oil and, if possible, that they have actually been processed into oil.

The checks shall be carried out on a percentage of growers to be determined on the basis of holding sizes in particular.

5. For these checks and verifications Member States shall use *inter alia* the computerized data files provided for in Article 16.

These files shall be used to guide the checking operations to be carried out pursuant to paragraphs 1 to 4.

Article 15

1. Member States shall determine the quantity of oil eligible for aid on the basis of the applications submitted under Articles 3 and 6, taking into account all relevant facts, and in particular all the checks and verifications provided for in this Regulation.

The quantity of olive oil referred to in point 4 of the Annex to Regulation No 136/66/EEC for which aid may be given shall be determined on the basis of production of the type of oil defined at point 1 of that Annex.

2. In the case of producers whose files have been forwarded to it by their organization in accordance with Article 8 (2) the Member State shall determine the quantity of oil for which aid shall be given.

3. Where the checks specified in Articles 13 and 14 do not confirm the figures in the stock records of an approved mill, the Member State concerned shall, without prejudice to any sanctions which may be imposed on the mill, determine, for each producer who is a member of an organization which has had its olive crop pressed in the mill in question, the quantity of oil for which aid shall be given.

4. For the purpose of determining the quantity eligible for aid in cases covered by paragraphs 2 and 3, the Member State shall in particular, use the olive yields and oil yields fixed in accordance with the standard method of Article 18.

Article 16

1. Each producer Member State shall draw up and keep up to date permanent computerized files of olive and olive-oil production data.

2. These files must contain at least the following information :

(a) for each olive grower and for each marketing year for which he has made an application for aid :

— the information contained in the crop declaration provided for in Article 3,

— the quantities of oil produced for which an application for production aid has been made and the quantities for which aid is paid,

— the information resulting from the on-the-spot checks made on the olive grower ;

(b) for producer organizations and associations of producer organizations, all information needed to verify their activities in connection with the present aid system and also the results of checks made by the Member States ;

(c) for oil mills and for each marketing year the data appearing in the stock records, information on technical equipment and pressing capacity and the results of checks made pursuant to this Regulation ;

(d) the indicative annual yields for each homogeneous production zone.

Article 17

1. The files referred to in Article 16 shall be confidential.

The following shall have access to them :

— the national authorities empowered by the Member State,

— Commission employees in cooperation with the competent officials of the Member States and in accordance with Regulation (EEC) No 729/70 (1), as last amended by Regulation (EEC) No 3509/80 (2), particularly with regard to the procedures laid down,

— producer organizations and associations thereof, as regards the aspects which the Member States deem necessary in order to check effectively on their respective existing members.

2. The information files set up and the processing systems used in checking them must be compatible with the computerized systems used by each producer Member State for the register of olive cultivation.

CHAPTER 7

Final provisions

Article 18

The olive yields and oil yields mentioned in the second indent of the first subparagraph of Article 5 (2) of Regulation No 136/66/EEC shall be fixed by homogeneous production zones, at the latest by 31 May of each year, on the basis of the figures supplied by producer Member States not later than 30 April of each year.

Article 19

Detailed rules for the application of this Regulation shall be adopted in accordance with the procedure laid down in Article 38 of Regulation No 136/66/EEC.

The following shall be fixed in accordance with the same procedure :

— the yields referred to in Article 18,

— the sum referred to in Article 11 (1) (a).

Article 20

In order to ensure a smooth transition from the arrangements currently in force to those established under this Regulation, the Commission may decide on any necessary measures for the 1984/85 marketing year in accordance with the procedure referred to in Article 38 of Regulation No 136/66/EEC.

With a view to ensuring the respect of the objectives of this Regulation whilst taking into consideration specific problems which may arise in certain Member States in the application of these provisions, the Member States concerned may, after consulting the

(1) OJ No L 94, 28. 4. 1970, p. 2.
(2) OJ No L 367, 31. 12. 1980, p. 87.

Commission, whilst taking into consideration any additional criteria, grant for a transitional period of three marketing years, from the marketing year 1984/85, provisional recognition to such producers' organizations and their associations which make a request.

Article 21

Before the end of the third year of application of this Regulation, the Commission will submit to the Council a resport on the working of the arrangements laid down by this Regulation accompanied by proposals enabling the Council to revise the arrangements.

Article 22

The Member States shall notify the Commission of the measures taken pursuant to this Regulation.

Article 23

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Communities.*

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

Done at Brussels, 17 July 1984.

For the Council

The President

A. DEASY