**This document is meant purely as documentation tool and the institutions do not assume any liability for its contents**

►**B**

# COMMISSION REGULATION (EC) No 2366/98

## of 30 October 1998

## laying down detailed rules for the application of the system of production aid for olive oil for the 1998/99, 1999/2000 and 2000/01 marketing years

(OJ L 293, 31.10.1998, p. 50)

Amended by:

| | | Official Journal | | |
|---|---|---|---|---|
| | | No | page | date |
| ►**M1** | Commission Regulation (EC) No 1273/1999 of 17 June 1999 | L 151 | 12 | 18.6.1999 |
| ►**M2** | Commission Regulation (EC) No 648/2001 of 30 March 2001 | L 91 | 45 | 31.3.2001 |

Corrected by:

►**C1** Corrigendum, OJ L 145, 10.6.1999, p. 39 (2366/98)

▼B

# COMMISSION REGULATION (EC) No 2366/98

## of 30 October 1998

## laying down detailed rules for the application of the system of production aid for olive oil for the 1998/99, 1999/2000 and 2000/01 marketing years

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation No 136/66/EEC of 22 September 1966 on the establishment of a common organisation of the market in oils and fats [1], as last amended by Regulation (EC) No 1638/98 [2], and in particular Article 5 thereof,

Having regard to Council Regulation (EC) No 1638/98 of 20 July 1998 amending Regulation No 136/66/EEC on the establishment of a common organisation of the market in oils and fats, and in particular Articles 2(4) and 4 thereof,

Having regard to 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 organisations [3], as last amended by Regulation (EC) No 1639/98 [4], and in particular Article 19 thereof,

Whereas Article 3 of Regulation (EEC) No 2261/84 provides for the lodging of a crop declaration; whereas certain concepts such as that of 'olive tree in production' should be precisely defined, and the content and schedule of producers' notifications should be laid down, to ensure up-to-date knowledge of the oil-producing sector and to improve such knowledge before the start of the 2001/02 production year, when it is planned to introduce a reform;

Whereas to avoid seriously endangering market equilibrium, Article 4 of Regulation (EC) No 1638/98 provides that no aid under any scheme in force from 1 November 2001 may be paid in respect of olive trees planted after 1 May 1998 except in connection with the conversion of an old olive plantation or with a programme approved by the Commission; whereas the concept of 'additional olive trees' and 'new plantings' must therefore be defined, as must the relevant arrangements for declaration, identification and approval; whereas programmes for additional plantings should specify the number of dead or burnt olive trees that can be replaced without leading to an increase in overall production;

Whereas pending in-depth examination of the methods at present used by the Member States, it is necessary to prolong application into the 1998/99 crop year of the provisions of Commission Regulation (EEC) No 3061/84 laying down detailed rules for the application of the system of production aid for olive oil [5], last amended by Regulation (EC) No 2455/97 [6];

Whereas for the purposes of approval, Article 13(1) of Regulation (EEC) No 2261/84 requires mill-owners to comply with certain conditions; whereas the conditions for approval introduced should be such as to ensure effective control arrangements; whereas mills should be equipped for automatic weighing of batches of olives entering the mill; whereas the information recorded should include particulars of the destination of oil leaving the mill;

---

(1) OJ 172, 30. 9. 1966, p. 3025/66.
(2) OJ L 210, 28. 7. 1998, p. 32.
(3) OJ L 208, 3. 8. 1984, p. 3.
(4) OJ L 210, 28. 7. 1998, p. 38.
(5) OJ L 288, 1. 11. 1984, p. 52.
(6) OJ L 340, 11. 12. 1997, p. 26.

▼B

Whereas in accordance with Article 14 of Regulation (EEC) No 2261/84, each producer Member State must apply a system of checks to ensure that the product in respect of which aid is granted is eligible for such aid; whereas consequently aid applications must include the particulars required for such a system to be applied; whereas to that end, certain obligations should be laid upon olive-growers and upon producer organisations and associations thereof;

Whereas olive-growers can have their olives pressed in a Member State other than the Member State of production; whereas with a view to the correct application of the aid scheme, provision should be made for administrative collaboration between the Member State where the oil is obtained and the Member State of origin of the olives;

Whereas the factors to be taken into consideration to determine the quantity eligible for aid should be defined; whereas rules should be laid down for determining the quantity eligible for aid in cases where the quantity for which aid is requested and/or the number of trees indicated in the crop declaration cannot be checked or cannot be accepted when checks are carried out;

Whereas pending in-depth examination of the scheme at present in force, it is necessary to prolong application of the provisions of Commission Regulation (EEC) No 3061/84 concerning recognition of producers' organisations and associations thereof, and the arrangements for financing them on the basis of aid withheld in accordance with Article 20d of Regulation No 136/66/EEC;

Whereas Article 2 of Regulation (EC) No 1638/98 provides that, during the 1998/99 to 2000/01 marketing years, work on the olive cultivation register provided for in Commission Regulation (EEC) No 2276/79 of 16 October 1979 laying down detailed rules for the drawing-up of a register of olive cultivation in the Member States producing olive oil [1], last amended by Regulation (EEC) No 1279/89 [2], should focus on the creation, updating and utilisation of a geographic information system (GIS); whereas consequently, with a view to ensuring compatibility with the databases of the integrated administration and control system provided for in Council Regulation (EEC) 3508/92 of 27 November 1992 establishing an integrated administration and control system for certain Community aid schemes [3], last amended by Regulation (EC) No 820/97 [4] and in Regulation (EEC) No 3887/92 of 23 December 1992 laying down detailed rules for applying the integrated administration and control system for certain Community aid schemes [5], last amended by Commission Regulation (EC) No 1678/98 [6], the information to be included in the oil cultivation GIS should be specified along with centralisation methods, arrangements, criteria and technical tolerances; whereas with a view to Community financing it is necessary to determine in what conditions the oil cultivation GIS of a Member State or region shall be deemed to have been completed;

Whereas the oil cultivation GIS must enable information in crop declarations to be verified; whereas it is necessary to provide for a procedure for the examination of discrepancies between those declarations and the estimates of the oil cultivation GIS; whereas in cases where the discrepancy cannot be resolved, the consequences for the quantity of olive oil eligible for aid must be determined;

Whereas, in case the GIS has not been completed, provision should be made for a minimum number of on-the-spot checks of crop declarations; whereas, for the 1998/99 marketing year, the oil cultivation GIS must be set up in all the Member States and whereas efforts should therefore concentrate on that task;

---

(1) OJ L 262, 18. 10. 1979, p. 11.
(2) OJ L 127, 11. 5. 1989, p. 24.
(3) OJ L 355, 5. 12. 1992, p. 1.
(4) OJ L 117, 7. 5. 1997, p. 1.
(5) OJ L 391, 31. 12. 1992, p. 36.
(6) OJ L 212, 30. 7. 1998, p. 23.

▼B

Whereas arrangements must be laid down for on-the-spot controls, specifying in particular the number of declarations that should be checked on the spot in areas where the oil cultivation GIS has not been completed; whereas, to check consistency between information in applications for aid and information in the stock records of mills, in-depth controls of a representative proportion of mills should be organised, with penalties for consignees of oil who refuse to be inspected or are unable to prove that they have taken delivery of the oil;

Whereas the measures provided for in this Regulation should be taken into account in the work schedule of control agencies provided for in Commission Regulation (EEC) No 27/85 of 4 January 1985 laying down detailed rules for the application of Regulation (EEC) No 2262/84 laying down special measures in respect of olive oil [1], last amended by Regulation (EEC) No in 3602/92 [2];

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Oils and Fats,

HAS ADOPTED THIS REGULATION:

## CHAPTER 1

## Crop declarations

*Article 1*

1. For the purposes of granting aid for the production of olive oil as provided for in Article 5 of Regulation 136/66/EEC, before 1 December of each marketing year olive growers shall lodge crop declarations covering their olive trees in production and details of the olive groves they manage as at 1 November of the marketing year to which the declarations correspond.

2. For the purposes of this Regulation:

(a) 'olive tree in production' means a living olive tree of a species classed as domestic, permanently established, irrespective of age or condition, possibly possessing several trunks separated from one another at the base by less than two metres;

(b) 'olive-growing parcel' means:

— a parcel of olive-trees as defined by the Member State concerned, or, if no such definition exists,

— a continuous tract of land covered, over an area greater than that referred to in the second indent of Article 24(1), by olive trees in production each of which is less than 20 metres from another olive tree;

(c) 'scattered olive trees' means olive trees in production which do not fulfil the conditions necessary to constitute a group of trees on an olive-growing parcel;

(d) 'area under olive trees' means the area of an olive-growing parcel, or, for each scattered olive tree, an area of 1 are;

(e) 'farmer' and 'holding' mean the concepts as defined for the integrated system provided for in Article 1(4) of Council Regulation (EEC) No 3508/92.

3. Crop declarations shall be lodged with the competent agency of the Member State or, where applicable, the producer organisation of which the olive grower concerned is a member.

[1] OJ L 4, 5. 1. 1985, p. 5.
[2] OJ L 366, 15. 12. 1992, p. 31.

▼B

*Article 2*

From the 1998/99 marketing year, crop declarations shall include at least:

(a) the surname, forenames and address of the olive grower;

(b) the location or locations of the holding;

(c) the total number of olive-trees in production, including scattered olive trees;

(d) the land register references of the olive-growing parcels of the holding or, where no land register is kept, a full description of the holding and of the olive-growing parcels;

(e) for each olive-growing parcel: the number of olive trees in production, the principal variety, and details of any irrigation or associated crops present.

*Article 3*

1. Where a crop declaration has already been lodged with the competent body, the crop declaration for the current crop year shall simply indicate the references to the previous declaration and any changes which have occurred since then. For the 1998/99 and 1999/2000 marketing years, any changes shall be taken into account having regard to the definitions in force and the information required for crop declarations under Regulation (EEC) No 3061/84 for 1997/98.

If there is no change in the information in question, the crop declarations shall be lodged at the same time as the aid applications and shall simply state that there is no change as compared with the previous declaration.

2. Declarations made under Regulation (EEC) No 3061/84 shall be replaced by a full crop declaration in accordance with Articles 1 and 2 ►**M1** not later than ◄ in the course of the 1999/2000 and 2000/01 marketing years.

*Article 4*

1. To constitute a basis for the payment of aid to olive growers under the common organisation of the market in oils and fats in force from 1 November 2001, additional olive trees planted after 1 May 1998 must be identified geographically and included in a national or regional programme approved by the Commission under the procedure laid down in Article 38 of Regulation No 136/66/EEC.

Olive trees shall be deemed to be identified geographically where they appear in the graphical reference database provided for in Article 24 or, failing this, where the competent agency of the Member State has cartographical information allowing the trees to be located.

2. For the purposes of Article 4 of Regulation (EC) No 1638/98, 'additional olive tree' means an olive tree planted after 1 May 1998, other than one replacing an olive tree grubbed after 1 May 1998:

— in the geographical area covered by a conversion programme, or

— if grubbing and replacements are recorded individually, on the holding of the olive grower in question.

The grubbed olive tree referred to in the preceding subparagraph must not be one that has already been recorded as having been replaced by another tree; and must be one which, before grubbing, was an olive tree in production identified geographically.

3. Programmes covering additional olive trees submitted to the Commission for approval must contain the following information in particular:

(a) the total number of olive trees in production and the corresponding areas in the geographical zone concerned at the date of presentation of the programme,

▼B

(b) the number of olive trees planted and grubbed, as provided for in the programme, and the corresponding areas,

(c) where applicable, the number of dead or burnt olive trees to be replaced, with a description of the circumstances,

(d) the geographical locations of the olive trees grubbed, dead or burnt.

*Article 5*

1. New planting from 1 November 1995 to 31 October 1998 shall be covered by a declaration before 1 April 1999 including the information referred to in Article 2 or, where applicable, references to an earlier declaration containing the same information. The declaration of new planting shall be accompanied by documents proving to the satisfaction of the Member State either that:

— all or some of the trees were planted prior to 1 May 1998; or that:

— planting was carried out after 1 May 1998 and before 1 November 1998, and was accompanied by grubbing in that period of a number (to be specified) of olive trees in production.

Proof may take the form of sales invoices from nurseries, delivery documents for young plants or any other documents recognised by the Member State.

2. From 1 November 1998, the olive growers concerned shall lodge prior declarations of intention to plant, indicating the number and location of the olive trees in question and, where applicable, the number and location of olive trees to be grubbed, or which have been grubbed and not replaced after 1 May 1998.

No later than the end of the second month following that in which the declarations as referred to in the first subparagraph are lodged, the Member States shall inform the growers concerned whether:

— the planned planting involves the replacing of grubbed trees and cannot therefore be deemed to involve additional olive trees within the meaning of Article 4(2),

▼M1

— the planned planting involves additional olive trees covered by a programme approved under Article 4 of Regulation (EC) No 1638/98 and therefore qualifies for aid after 31 October 2001,

▼B

— the planned planting involves additional olive trees not constituting a basis for the payment of aid after 31 October 2001.

3. In the context of crop declarations as referred to in Article 2, any olive trees planted must be specified, along with:

(a) a reference to the prior declaration referred to in paragraph 2, and

(b) as, appropriate:

— an indication of the number of olive trees in production that have been grubbed and which the new trees replace, or

— a reference to the programme approved by the Commission under which the planting in question is being carried out.

▼M2

4. Before 31 October 2001, the Member States shall notify the Commission of the measures taken to monitor the application of the above paragraphs 2 and 3 and to penalise offenders, and of the number of olive trees from the 1998/99 and 1999/2000 marketing years regarding which, in accordance with paragraph 2:

— a declaration of intention to plant was lodged,

— the Member State considers that they are replacement plantings of grubbed trees,

▼M2

— the Member State considers that they are plantings under an approved programme, in accordance with Article 4,

— the Member State considers that they are additional plantings not eligible for aid after 31 October 2001.

▼B

CHAPTER 2

**Yields**

▼M1

*Article 6*

1. For the purposes of fixing the olive yields and oil yields referred to in Article 18 of Regulation (EEC) No 2261/84, not later than 31 May of the marketing year in question, producer Member States shall provide the Commission with:

(a) for each of the homogeneous zones referred to in paragraph 3, in accordance with the method indicated in that paragraph for the data in question:

— the average olive yield in kilograms per olive tree harvested for olives for oil,

— elements that allow an assessment of the breakdown of the sample monitored for the purposes of estimating olive yields by regional area,

▼M2

— an estimate of the number of olive trees in production,

— an estimate of the area under olives,

— the average yield of virgin olive oil per kilogram of olives;

▼M1

(b) for each of the regional areas referred to in paragraph 2, in accordance with the method indicated in that paragraph for the data in question:

— the average olive yield in kilograms per olive tree harvested for olives for oil, and the accuracy of the estimate,

— the average percentage of trees harvested for olives for oil as against the total trees declared, and the accuracy of the estimate,

— the average yield of all virgin olive oils per kilogram of olives and the average percentages of lampante virgin olive oil, ordinary virgin olive oil, virgin olive oil and extra virgin olive oil established in accordance with paragraph 4;

(c) for each of the Member States concerned, an evaluation based on the results referred to in points (a) and (b) of:

— the olive and olive oil yields per tree harvested,

— the percentage and number of trees harvested,

— the percentage and production of lampante virgin olive oil, ordinary virgin olive oil, virgin olive oil and extra virgin olive oil.

2. The regional areas are set out in the Annex.

Without prejudice to Article 28, a sample of 100 holdings shall be monitored in each regional area in order to check the crop declarations and to record:

— the total number of olive trees harvested for olives for oil,

— the quantities of olives delivered to mills.

▼M1

The data shall be be recorded on the spot at an appropriate time. Where a holding carries out several deliveries, at least one of those deliveries shall be subject to an on-the-spot check. A system for the quality control of data shall be introduced. Unreliable data shall be excluded from calculations.

The sample of holdings to be monitored shall be selected at random from all agricultural holdings that have lodged an aid application in one of the two marketing years preceding that for which the yields are to be estimated. The holdings shall be stratified by:

— homogenous zone as referred to in paragraph 3,

— size,

— possibly other criteria judged necessary by the Member State.

Preparation and drawing of the samples at national level shall take place in the presence of experts from several national bodies and, where appropriate, from the Commission.

For the purposes of granting aid, olive growers shall be obliged to collaborate in assessing yields where required.

3. The homogenous zones shall be determined by the Member States taking account in particular of:

— the geographical location and the agronomic characteristics of the terrain,

— the predominant varieties and the age of olive trees and the most common type of shape pruning,

— the need for a limited number of zones that remain constant over time and do not go beyond the boundaries of a regional area.

The Member States shall notify the Commission before 1 January of the marketing year concerned of the list and description of the homogenous zones laid down or of any amendments, duly justified, to the list previously laid down.

Within each homogeneous zone, the Member States shall establish a sampling plan and a method allowing experts to estimate the average olive yield per olive tree harvested for olives for oil.

Where the aggregated average yields estimated by experts for the homogenous zones do not coincide at the regional-area level with the confidence interval for the average yield based on the monitoring of the holdings provided for in paragraph 2, the experts' estimates shall be adjusted accordingly.

4. The average yield of all virgin olive oils per kilogram of olives and the percentages of the various categories of virgin olive oil shall be established on the basis of the results provided for the marketing year concerned by the approved mills subject to in-depth checks under the first subparagraph of Article 30(1).

The results for each regional area shall be calculated on the basis of the aggregate data for the mills checked, taking account of the quantities of olives processed by those mills in the area in question.

5. The Member States shall notify the Commission before 1 January of the marketing year concerned, on the basis of experts' estimates and information relating to previous marketing years, of an initial estimate of the olive and olive oil yields within each regional area.

▼B

CHAPTER 3

**Approved mills**

*Article 7*

From the 1998/99 marketing year, for the purposes of granting approval to mills:

(a) the information referred to in Article 13(1)(a) of Regulation (EEC) No 2261/84 must include the following:

— oil storage capacity,

— actual pressing capacity per eight-hour working day,

— a description of the technical equipment installed or operating at the mill, with details of the type, make, model and hourly capacity of each unit;

(b) among the means of inspection for mills which have produced more than 20 tonnes of oil in the previous marketing year, the facilities must include an automatic system for weighing olives and recording the weights and an electricity meter specifically for the pressing equipment.

However, from the 1999/2000 marketing year, point (b) shall apply to mills with a capacity, as referred to in the second indent of (a), greater than 2 tonnes of oil per eight-hour working day. That provision shall apply to other mills from the 2000/01 marketing year.

In addition, as soon as the information concerned is available, mills must issue olive growers with certificates as provided for in Article 12(1) and must comply with the inspection conditions laid down by the Member State.

▼M2

---

▼B

*Article 8*

Under the inspection arrangements provided for in Article 14 of Regulation (EEC) No 2261/84, the Member States shall make provision:

(a) in particular by analysis of samples, for verifying that the oil matches the descriptions and definitions in point 1 of the Annex to Regulation No 136/66/EEC and that it is not contaminated by undesirable substances, in particular solvents;

(b) from the 1998/99 marketing year:

— for stock records linked to the financial accounts to be kept, containing at least the information specified in Article 9(1) and, where applicable, references to analyses carried out,

— for monthly statements of this information to be sent ►M1 not later than the 10th day ◄ of the month following the month concerned ►M2 to the agency responsible for checks or, in the absence of such an agency, to the competent agency ◄; however, for mills that have produced less than 20 tonnes of oil in the previous marketing year, the monthly statement shall include only the quantitative information indicated in Article 9(1)(b), (c), (d) and (f),

— for checking of the method of disposing of waste water;

(c) from the 1999/2000 marketing year, for supplies of olive oil to meet one of the following requirements:

— ►C1 either, where the quantity sold is less than 50 litres ◄ or where no sale has taken place, that it has been supplied against

▼B

issue of a receipt showing at least the quantity concerned, and the references and signature of the consignee;

— or, where the oil has been sold, that it has been supplied in reusable immediate packings of a maximum capacity of 200 litres, fitted with a sealing device that cannot be resealed and bearing a serial number, the approval number of the mill and the marketing year; or

— or where the oil has been sold, that it has been supplied against the issue of an invoice and a bank record of the payment;

▼M2

(d) for a system of additional checks which involves in particular transmitting daily information on the quantities of olives pressed, the quantities of oil and olive residue obtained, the stocks of oil present and the amount of electricity consumed. Without prejudice to the monthly statement, that information shall be transmitted on the next working day to the inspection agency or, in the absence of such an agency, the competent agency.

▼B

*Article 9*

1. Stock records as provided for in Article 8(b) shall include, in respect of each day:

(a) the quantities of olives entering the mill batch by batch, with the name of the producer or the owner of each batch;

(b) the quantities of olives pressed;

(c) the quantities of oil obtained;

(d) the quantities of oil purchased or obtained from 1 December 1998, indicating the consignor; quantities relating to November 1998 shall be indicated as an aggregate;

▼M1

(e) the quantities of olive residues obtained, determined by weighing or on a flat-rate basis;

▼B

(f) the quantities of oil leaving the mill batch by batch, with the name of the consignee and an indication whether the consignee is a producer covered by the first indent of paragraph (c) of Article 8;

(g) the quantities of olive residue leaving the mill:

— batch by batch, with the name of the consignee in the case of sale to an extraction establishment,

— determined on a flat-rate basis, with the name of the consignee in other cases,

— weighed batch by batch, where the mill has a weighbridge.

2. At the request of the authorities responsible for checking the stock records, the mill shall present:

(a) from 1 July and from the 1998/99 marketing year, the quantity of olive oil ►M1 obtained ◄ since the beginning of the marketing year, broken down by batch of olives entering the mill and by producer concerned;

(b) from the 1999/2000 or 2000/01 marketing year in accordance with the second paragraph of Article 7, automatically recorded weights of batches of olives entering the mill;

(c) from the 1999/2000 marketing year, a register of quantities supplied, broken down in accordance with the three indents of Article 8(c), indicating the references of the consignee of the oil;

(d) where the oil and/or olive residue obtained is sold, the sales invoice for each batch and, from the 1999/2000 marketing year, the bank statements showing payment for the oil.

▼B

3. Quantities of olive residue as referred to in paragraph 1 may be determined on a flatrate basis by multiplying the quantity of olives pressed by a coefficient shown in the technical specifications of the mill or, failing this, the following indicative coefficients:

— 0,35 for mills with a traditional production cycle,

— 0,45 for mills with a continuous three-stage production cycle,

— 0,70 for mills with a continuous two-stage production cycle.

▼M2

*Article 9a*

1. Approval shall be withdrawn from any mill failing to fulfil the conditions referred to in Article 13(1) of Regulation (EEC) No 2261/84, as laid down in Articles 7, 8 and 9 of this Regulation, for a period of time in keeping with the seriousness of the infringement.

The withdrawal of approval referred to in the first subparagraph shall apply without prejudice to other penalties, including financial penalties, applicable under Article 11a of Regulation No 136/66/EEC.

2. In the case of irregularities other than those referred to in paragraph 3, Member States may decide not to withdraw approval and to apply a different penalty if the mill, when an infringement of the conditions for approval is first found, implements the measures needed to rectify that infringement within a time period to be laid down by the Member State and in any case not more than 90 days. That deadline shall be notified to the party concerned no later than 45 days after an infringement is first found.

3. In the case of the penalties referred to in paragraph 1, approval shall be withdrawn from a mill for a period of between one and five marketing years if the Member State finds irregularities including a substantial difference between the quantities of olives pressed or oil produced and the quantities shown in the stock records, or inadequacy in the stock records or in the communication thereof.

The irregularities referred to in the first subparagraph shall be considered to exist where one of the following conditions is found:

(a) a difference involving an increase of more than 25 % or 30 tonnes of oil between the total quantity of olive oil declared since the beginning of the marketing year and the quantity based on:

— plant capacity,

— energy use or workforce capacity,

— the quantities of olives entering the mill and the quantities pressed,

— the quantities and, where necessary, the composition of olive residue obtained,

— or the actual stocks of olives, oils or residues;

(b) the existence, based on an analysis of the samples referred to in Article 8(a), of oils that do not comply with the characteristics of virgin olive oils set out in point 1 of the Annex to Regulation No 136/66/EEC;

(c) a delay between December and April of the same marketing year of more than:

— 20 days in the case of transmission of the monthly statements referred to in Article 8(b).

However, the minimum value of the difference referred to in point a shall be 50 tonnes for mills with a capacity of more than 5 tonnes per working day of eight hours or an annual capacity of more than 500 tonnes.

▼B

*Article 10*

1. For the purposes of control, olive growers referred to in Article 9(1)(f) having received more than 200 litres of oil shall keep until the end of the marketing year following that in question a record of the destination of the oil produced from their olives, or where appropriate a sales invoice or other documentary evidence.

Moreover, the grower shall present to the competent body in the Member State or where appropriate to the producers' organisation of which he is a member, from the 1999/2000 marketing year and before 1 December, a declaration of the quantities for each main destination of the oil obtained in the preceding marketing year, and a statement of the stock situation on 1 November.

►M2 'Producers' organisations shall notify the information in the second subparagraph to the control agency or, in the absence of such as agency, to the competent body in the Member State ◄, before 1 January. The Member States shall notify the Commission thereof before 15 January.

2. The main consignees of oil as referred to in Article 9(1)(f) other than those referred to in paragraph 1 shall hold at the disposal of the control authorities the documents necessary to enable the authorities to check that the said consignees did indeed take delivery of the oil in question. The definition of 'main consignee' and the determination of the necessary documents shall be a matter for the Member State.

▼M2

3. In the absence of the declaration of the quantities for each destination and the statement of the stock situation referred to in paragraph 1, the Member State concerned shall apply an appropriate penalty.

*Article 11*

1. Producer Member States shall notify the Commission, no later than the 10th day of the second month following the month in question, of the aggregate quantity of olive oil produced since the start of the marketing year, based on the aggregate of the mills' monthly statements.

2. At the request of a mill whose approval has been withdrawn, the Member State may grant approval under the special control arrangements on the conditions laid down by Article 13(6) of Regulation (EEC) No 2261/84. Those conditions shall be fulfilled only where the olive oil production of the mill concerned during the period from November to March inclusive is higher than the available processing capacity in that period in the previous marketing year of other mills in the same NUTS level III region as the mill in question or on an island forming part of a NUTS level III region.

The Member State concerned shall present to the Commission no later than the second month following withdrawal, an application from the mill for approval under the special control arrangements specifying the reasons and the type of controls it undertakes to apply to the mill concerned. If the Commission fails to deliver an opinion within 45 days, the application shall be considered to have been accepted.

In the case of approval withdrawn between 1 August and 31 March, at the request of the mill concerned and where production fulfils the conditions referred to in the first subparagraph, the Member State may grant temporary approval under its proposed special control arrangements, until expiry of the deadline laid down by the Commission in the second subparagraph.

▼B

CHAPTER 4

**Applications for and grant of aid**

*Article 12*

1. Aid applications may be lodged by any olive grower who has lodged a crop declaration. They shall include at least the following information:

(a) the surname, forenames and address of the olive grower;

(b) the quantity of virgin olive oil produced;

(c) the location(s) of the holding and of the parcels on which the olives were harvested, with a reference to the crop declaration;

(d) the approved mill(s) at which the oil was produced, with details of the quantities of olives used and of oil produced by each mill;

(e) where appropriate, from the 1999/2000 crop year, the quantity of olives supplied to a table olive processing firm, indicating the firm's references.

Aid applications must be accompanied by a certificate from the mill, the form and content of which shall be decided by the Member States, corroborating the details referred to under (d).

2. Where olive growers have sold some or all of their olives, the aid applications shall include, in addition to the information specified in paragraph 1:

(a) the surname, first names and address of the purchaser;

(b) a copy of the invoice for the sale of the olives;

(c) a copy of the certificate from the mill confirming the details referred to in paragraph 1(d).

3. Aid applications shall be submitted by olive growers before 1 July of each marketing year:

— to the producer organisation, where olive growers are members of such an organisation,

— to the competent authorities of the Member State concerned, where olive growers are not members of a producer organisation.

Except in cases of *force majeure*, where applications are submitted late, the aid to which the olive growers would have been entitled had their applications been submitted on time shall be reduced by 1 % per working day. Applications submitted more than 25 days late shall be inadmissible.

4. Olive growers wishing to receive the advance on the aid provided for in Article 12 of Regulation (EEC) No 2261/84 must submit an application for the advance with their aid applications.

5. The Member States shall notify the Commission before ►M2 5 September ◄ of each marketing year of the number of aid applications and the quantities of olive oil concerned.

*Article 13*

Where part or all of an olive grower's production is pressed at an approved mill located in a Member State other than that in which the olives were harvested, the aid application shall be submitted to the competent agency of the Member State where the oil was produced.

In such cases, after checking the mill concerned, the latter Member State shall forward the aid application and the information concerning the check at the mill to the Member State of origin of the olives. After checking that all the requirements for the grant of the aid have been met, the Member State where the olives were harvested shall pay the production aid.

▼B

*Article 14*

1. Olive growers shall be eligible for aid in respect of the quantity of virgin olive oil they actually produce, plus the flat-rate quantity of olive-residue oil provided for in paragraph 2.

However, the quantity on which aid may be paid in respect of crop declarations and aid applications for the 1998/99, 1999/2000 and 2000/01 marketing years in the cases referred to in Article 15 of Regulation (EEC) No 2261/84 and Article 2(3) of Regulation (EC) No 1638/98 shall be determined in accordance with Article 15.

2. The quantity of olive-residue oil on which the aid may be paid shall be equal to 8 % of the quantity of virgin olive oil produced from the olives from which the residue has come and in respect of which entitlement to aid has been recognised in accordance with Article 2(4) of Regulation (EEC) No 2261/84.

3. For the purposes of determining the quantity of virgin olive oil actually produced, as from the 1998/99 marketing year the competent agency shall take account in particular of:

— the basic data in the register of olive cultivation or the geographical information system (GIS) for olive cultivation as regards production potential. In areas not currently covered by the olive cultivation register or the GIS, the information contained in crop declarations shall be used;

— the information from the computerised files referred to in Article 27;

— evidence of pressing provided by approved mills;

— the results of checks carried out.

4. For the purposes of fixing actual production as referred to in Article 17a(2) of Regulation (EEC) No 2261/84, the Member States concerned shall inform the Commission before ►**M2** 15 May ◄ following each marketing year of the quantity on which the aid is payable.

*Article 15*

1. In cases as provided for in Article 15(2) and (3) of Regulation (EEC) No 2261/84 where the quantity covered by aid applications is not confirmed by the approved mill, the quantity of oil from that mill on which each olive grower concerned is eligible for aid shall be determined by the Member State in accordance with Article 15(4) of that Regulation.

However, without prejudice to any claims which the olive growers concerned might make against the mill, the quantity on which aid is payable may not exceed 75 % of the quantity covered by each aid application submitted or 75 % of the quantity obtained by multiplying the average yields for the homogeneous production zone by the number of olive trees concerned. The number of trees shall be established pro rata as a function of the quantity of oil concerned in cases where aid is requested for oil obtained in several mills.

2. Where the number of trees shown in the crop declaration is greater than that actually found, the quantity on which aid is payable and, where applicable, any other penalties shall be determined on the basis of the percentage by which the number of trees declared exceeds the actual number in accordance with Article 28(4):

— where that percentage in excess is 55 % or less, the aid shall be granted on the quantity referred to in the first subparagraph of Article l4(1), less a corrective amount; the corrective amount shall be equal to the quantity in question multiplied by the percentage and by a coefficient given by the following scale:

▼B

| Percentage in excess | Coefficient |
|---|---|
| greater than 0 but not greater than 5 | 0 |
| greater than 5 but not greater than 15 | 0,005 |
| greater than 15 but not greater than 25 | 0,0075 |
| greater than 25 but not greater than 35 | 0,010 |
| greater than 35 but not greater than 45 | 0,0125 |
| greater than 45 but not greater than 55 | 0,015 |

— where the percentage in excess is greater than 55 % but not greater than 75 %, the olive grower and the parcels concerned shall not be eligible under the aid scheme for the marketing year in question,

— where the percentage in excess is greater than 75 %, the olive grower and the parcels concerned shall not be eligible under the aid scheme for the marketing year in question or the following marketing year.

*Article 16*

▼M2

1. Without prejudice to paragraph 2, subject to the results of the checks carried out, the Member States shall pay the advance referred to in Article 12 of Regulation (EEC) No 2261/84 from 16 October of each marketing year.

2. Payment of at least 25 % of the advance shall be deferred in the case of:

(a) producers who lodge an aid application for production:

— that is more than twice the quantity resulting from the application to the number of olive trees declared of the average yield of the homogeneous zone in which the holding is mostly located,

— that comes mainly from a homogeneous zone for which aid applications correspond to total production exceeding by more than 30 % the quantity resulting from the application of the average yield for the zone to the number of olive trees on the holdings which are mostly located in that zone;

(b) producers whose production comes mainly from mills for which it has been proposed that approval be withdrawn for a period of between one and five years.

The margins by which the quantities resulting from average yields are exceeded, as referred to in point a, may be adjusted up or down by about 20 % by the Member States before 15 October of each marketing year taking account of the yields of the regional area.

Payment of the advance shall be suspended until 1 April following the end of the marketing year concerned in the cases referred to in point a, or until a decision is taken on the proposals as referred to in point b. However, Member States may decide not to suspend payment of the advance or to reduce the period of suspension in cases where an additional analysis provides objective proof of the yield given in the declarations of the party concerned.

▼B

►M2 3. ◄ After carrying out all the requisite checks and subject to the results thereof, the Member States shall pay the balance of the aid to producers within 90 days of the fixing by the Commission of actual production for the marketing year concerned and of the unit amount of production aid as provided for in Article 17a(2) of Regulation (EEC) No 2261/84.

▼B

CHAPTER 5

**Producer organisations and associations thereof**

*Article 17*

Without prejudice to the other conditions laid down in Article 20c of Regulation No 136/66/EEC, Chapters 3 and 4 of Regulation (EEC) No 2261/84 and this Regulation, producer organisations and associations thereof may not be recognised unless they have given an undertaking:

(a) to have the administrative structure required for the performance of the tasks with which they are entrusted;

(b) to have the qualified staff required for the performance of such tasks;

(c) to draw up quarterly reports on their work and to keep records relating to their management activities;

(d) subject to observance of the time limit laid down in Article 12(3),

— in the case of organisations which are nonmembers of an association, to submit to the competent authority each month the aid applications forwarded to them by their members during the preceding month,

— in the case of organisations which are members of an association, to forward to the association each month the aid applications submitted to them by their members during the preceding month,

— in the case of associations of producer organisations, to submit to the competent authority each month the aid applications forwarded to them during the preceding month by their member organisations.

Recognition shall depend on observance of all the conditions set out in this Article.

*Article 18*

For the purposes of verifying compliance with the condition laid down in Article 4(2) of Regulation (EEC) No 2261/84, producer organisations shall require their members to provide copies of the title deeds, contracts or other documents on the basis of which they manage their olive groves. Those copies shall be annexed to the producer organisation's register of members.

*Article 19*

1. Producer organisations which make up an association must represent at least one third of the economic regions referred to in Article 4(3) of Regulation (EEC) No 2261/84.

2. The verification provided for in the first indent of Article 10 of Regulation (EEC) No 2261/84 shall cover 5 % of the checks carried out by the association's member producer organisations. Associations shall prepare a detailed report on each check carried out and shall immediately forward a copy thereof to the Member State concerned, and to the control agency if necessary.

*Article 20*

1. Before 1 January of each marketing year, producer organisations or, where appropriate, associations thereof shall submit their members' crop declarations and any amendments thereto to the competent agency of the Member State concerned.

▼B

2. Producer organisations or, where appropriate, associations thereof shall submit the aid applications for the marketing year in progress to the competent agency of the Member State concerned before 1 August of each marketing year. However, aid applications lodged late by olive growers may be submitted by the organisation or association by 14 August of each marketing year.

3. After conducting the checks provided for in Article 8(1) of Regulation (EEC) No 2261/84, producer organisations shall forward their members' applications for advances to the competent agency of the Member State concerned.

*Article 21*

1. Before 31 April of each marketing year, the following amounts shall be fixed on the basis of forecasts for the overall aid withheld in accordance with Article 20d of Regulation No 136/66/EEC and within the ceiling of the foreseeable resources for each Member State:

(a) the unit amount to be allocated to associations for each of their member producer organisations;

(b) the unit amount to be allocated to producer organisations for each individual aid application submitted.

In order to determine the number of members of producer organisations to be taken into consideration for the purposes of applying point (a), only members who have submitted at least one application to the organisation during the period covering the current and the three previous marketing years shall be taken into account.

The balance of the aid withheld in accordance with Article 20d of Regulation No 136/66/EEC shall be divided among the producer organisations on the basis of the quantity of olive oil on which the aid is granted through each organisation.

Without prejudice to Article 11(3) of Regulation (EEC) No 2261/84, in cases where associations have discharged all their responsibilities under Community rules and have not used the entire sum raised by the financing arrangement provided for in point (a), they must divide the balance among their member producer organisations on the basis of the number of members of such organisations.

2. However, where the aid withheld in accordance with Article 20d(1) of Regulation No 136/66/EEC is not sufficient to grant the amounts resulting from the application of paragraph 1(a) and (b) to the producer organisations and associations thereof, the Member States concerned may contribute towards the payment of certain costs arising from the checks carried out by such bodies.

In such cases, the Member States may grant amounts which differ from those specified in paragraph 1 (a) and (b) to the producer organisations and associations thereof, but in no circumstances may the latter amounts be exceeded.

3. Advances as provided for in Article 11(4) of Regulation (EEC) No 2261/84 may not exceed:

— in the case of associations, 70 % of the sum obtained by multiplying the unit amount fixed for the preceding marketing year pursuant to paragraph 1(a) by the number of members of their member producer organisations, or

— in the case of producer organisations, 70 % of the sum obtained by multiplying the unit amount fixed for the preceding marketing year pursuant to paragraph 1(b) by the number of foreseeable applications.

▼B

CHAPTER 6

**Geographical information system for olive cultivation**

*Article 22*

The geographical information system for olive cultivation provided for in Article 2(1) of Regulation (EC) No 1638/98, hereinafter referred to as the 'olive cultivation GIS', shall cover olive growers who have submitted crop declarations as provided for in Article 1 of this Regulation and aid applications as provided for in Article 12.

*Article 23*

1. A computerised alphanumerical database shall be established to record the following information relating to each agricultural holding or parcel, as the case may be:

— the information from crop declarations and aid applications, with any amendments thereto,

— the quantities of olive oil and, where applicable, of table olives on which aid has been paid,

— the information referred to in Article 10(1),

— the results of on-the-spot checks.

2. The alphanumerical system for identifying agricultural parcels shall be the same as that used for the integrated administration and control system (IACS), supplemented, where necessary, to cover areas under olive trees.

*Article 24*

1. A computerised graphical reference database containing the parcels covered by a significant number of declarations shall be established for the administrative units designated by the Member States. It shall comprise the following three sets of graphical information:

— digital orthophotographs,

— the boundaries of the administrative units and of the parcels as shown in the land register or, where none exists, in the parcel identification system established by the Member State,

— the location of the individual olive trees.

The Member State shall fix the minimum size of olive-growing parcels below which no boundaries shall be determined. That minimum size may not be greater than 10 ares.

For administrative units not included in the graphical reference database, the Member States shall set up an alternative system to ensure that declarations are valid.

2. The graphical reference database shall apply a homogeneous projection system to the whole country and shall ensure that the different layers of information are geometrically consistent over space and time.

The graphical reference database shall be updated periodically to ensure that it contains the most recent information available and that the orthophotographs are no more than five years old.

3. The digital orthophotographs shall comply with the geometrical standards for mapmaking on a 1:10 000 scale and, from the radiometric point of view, shall have a maximum pixel size of one metre. They shall comply with market standards as regards mosaicking and tone.

▼B

Parcel boundaries shall be in raster or vector format, as available, complying with the standards for map making on a 1:10 000 scale. In all cases, the system introduced shall possess the topological properties needed to provide easy access to parcels, monitoring of boundary fluctuations over the four previous marketing years and access to the characteristics of parcels in the alphanumerical database.

4. Olive growers who have lodged crop declarations may access the information in the graphical reference base and may, on application, receive a copy of the alphanumerical and graphical information concerning them.

*Article 25*

1. The area of agricultural parcels and the number of olive trees in the graphical reference base shall be determined by any suitable means as defined by the competent body, in particular by photo-interpretation of recent, very high resolution aerial or satellite photographs. However, on-the-spot inspections must be conducted where clear results cannot be obtained by photo-interpretation.

Scattered olive trees shall be identified, and their location plotted approximately.

The Member States, shall lay down technical tolerances regarding the accuracy of area measurements and tree counting, taking account of official documents available and the local situation.

2. Numbers of olive trees in each as determined by reference to the graphical reference database shall be compared with the information in crop declarations included in the alphanumerical database.

Where the declared number of olive trees on the holding differs by more than 3 % from the number determined in accordance with paragraph 1, the crop declaration shall be deemed to contain a discrepancy.

3. The olive growers concerned shall be notified where their declarations contain discrepancies. The growers concerned shall be granted a period of grace of up to three months, at the Member State's discretion, in which to provide justifications for the discrepancy or, when first informed thereof, to amend their declarations.

At the grower's request, where the justifications provided are insufficient for the Member State to accept the declared data, amended where applicable, a check shall be carried out in the presence of both parties, the cost of which is to be borne by the grower should the declared data, whether or not amended pursuant to the first subparagraph, not be confirmed.

4. The number of olive trees determined for each parcel shall correspond:

— to the data from the declaration, where applicable as amended pursuant to paragraph 3, where no discrepancies are found or where any discrepancies are smaller than those determined in accordance with paragraph 1,

— to the data determined in accordance with paragraph 1, where the olive grower has failed to reply within the period of grace allowed on notification of a discrepancy,

— to the data recorded after the check provided for in the second subparagraph of paragraph 3, in other cases.

5. The areas calculated in accordance with paragraph 1 and the numbers of olive trees determined for each parcel, and the totals per holding, shall be recorded in the alphanumerical database.

▼B

*Article 26*

1. The olive cultivation GIS of a Member State or region shall be deemed to have been completed once, for the zone in question:

(a) the alphanumerical database as provided for in Article 23(1) includes the information on all crop declarations and aid applications for the most recent marketing year;

(b) the graphical reference database as provided for in the first and second subparagraphs of Article 24(1) gives the location of all the parcels covered by the database and included in the alphanumerical database;

(c) the numbers of olive trees on parcels in the database referred to at (a) and those in the database referred to at (b) have been compared pursuant to Article 25(2) and the number of declarations containing discrepancies making it impossible to determine the data to be recorded pursuant to Article 25(4) represents less than 5 % of all crop declarations.

2. Without prejudice to the results of verifications made in the course of clearance of EAGGF accounts, expenditure on setting up the olive cultivation GIS and the periodical updating of the graphical reference database shall be eligible for Community financing for the 1998/99, 1999/2000 and 2000/01 marketing years.

3. The Member States shall inform the Commission of national measures taken pursuant to Articles 23 to 26.

Before 1 January 1999 the Member States shall present a report to the Commission on the situation of the olive cultivation GIS as at 1 November 1998.

By 1 November 1999 the Commission shall determine whether the olive cultivation GIS for any region or Member State has been completed on the basis of a report from the Member State concerned in accordance with the procedure laid down in Article 38 of Regulation No 136/66/EEC.

## CHAPTER 7

## **Controls**

*Article 27*

1. The permanent computerised files of olive and olive-oil production data provided for in Article 16 of Regulation (EEC) No 2261/84 shall include:

(a) the alphanumerical database and the graphical reference database of the olive cultivation GIS provided for in Articles 23 and 24 and the results of the checks provided for in Article 25;

(b) the files of new planting containing the information referred to in Article 5 and the results of the checks provided for in Article 29;

(c) the files of producer organisations and associations thereof containing the information referred to in Article 16(2)(b) of Regulation (EEC) No 2261/84;

(d) the files of mills containing information on the conditions for approval referred to in Article 7, the stock records provided for in Article 8 and the results of the checks provided for in Article 30;

(e) the files of the homogeneous production zones containing the information referred to in Article 6.

2. The files referred to in paragraph 1, with the exception of the graphical reference database, shall enable the data of the current and four previous marketing years at least to be consulted directly and immediately.

▼B

The Member States may establish decentralised files provided the latter are of homogeneous design, are compatible with each other and are accessible centrally at the paying agency and the control agency. The olive cultivation GIS databases must be compatible with those of the integrated system.

The identification codes of olive growers, producer organisations and associations thereof, mills and homogeneous production zones shall be either assigned to the individual persons or bodies concerned once and for all or automatically convertible to enable aggregates and searches over the five marketing years referred to in the first subparagraph to be conducted immediately.

Without prejudice to the checks to be carried out, in particular cross-checks between files, and the results to be notified, the files shall contain archives of the historical data available for the marketing years prior to those referred to in the first subparagraph and, from 31 October 2001 at the latest, shall allow the information contained in them:

— to be automatically aggregated at regional and Member State level,

— to be automatically compared between files.

*Article 28*

1. From the 1998/99 marketing year,

(a) checks of crop declarations shall comprise at least:

— comparisons with the data in the graphical reference database and, where applicable, adjustments in accordance with Article 25,

— cross-checks to show that parcels declared actually exist and to prevent any duplication of aid granted under this scheme or other aid schemes involving declarations of areas;

(b) checks of aid applications shall comprise the verifications referred to in the second and third indents of Article 14(3a) of Regulation (EEC) No 2261/84.

Checks to ensure that the crop declarations and aid applications tally shall in particular take account of:

— the olive and oil yields fixed in accordance with Article 18 of that Regulation for the zone in which the holding or holdings of origin of the olives pressed are located;

— the average olive and oil yields in municipalities where the holding or holdings of origin of the olives pressed are located, if such yields are available in the Member States.

In cases where the checks made under the first subparagraph reveal inconsistencies, the procedure laid down in Article 25(2) and (3) for the number of olive trees shall apply *mutatis mutandis* to the other anomalous or missing information. However, the quantity of oil for which aid has been requested may not be changed.

2. Notwithstanding the first subparagraph of paragraph 1, in regions where the olive cultivation GIS has not yet been completed, on-the-spot inspections shall be conducted on 1 % of all crop declarations in the 1998/99 marketing year, 5 % in 1999/2000 and 10 % in 2000/01.

At least two thirds of the declarations referred to in the first subparagraph shall be declarations that have not been checked on the spot during the previous two marketing years.

3. During the on-the-spot checks, all the information in crop declarations and aid applications shall be verified, and in particular:

— the location of each parcel and the number of olive trees therein,

— the destination of the oil in the case referred to in Article 10(1),

▼B

— consistency between the olive trees on holdings and the quantity of oil covered by aid applications.

Aid applications specifying an inconsistent quantity of oil shall be rejected.

4. For each marketing year from 1998/99, a percentage shall be established, where applicable, for the number of trees declared over and above the number of trees determined in accordance with Article 25(4) or found during the checks referred to in paragraphs 1 and 2.

That percentage in relation to the number of trees determined shall be equal to the difference between the number of trees declared and the number determined, where that difference is greater than zero, multiplied by 100.

*Article 29*

1. Where there is insufficient proof or where there is doubt, the Member States shall conduct on-the-spot checks before 1 November 1999 of declarations as provided for in Article 5(1).

Planting and grubbing operations carried out in the period from 1 May to 31 October 1998 shall be determined on the basis of all the information to be supplied by the growers, at the request of the competent agency of the Member State, and of the situation found on the spot, particularly as regards the size of trees. Once all the checks have been made, growers shall be given the benefit of the doubt.

2. At least 10 % of declarations as provided for in Article 5(2) and (3) in respect of each marketing year shall be checked before the end of the following marketing year.

*Article 30*

1. From the 1998/99 marketing year, the checks as provided for in Article 14(3) of Regulation (EEC) No 2261/84 shall include an in-depth check of the consistency of the information and data supplied for each marketing year by at least 30 % of approved mills selected on the basis of risk analysis. However, the number of checks in each Member State shall not be less than the number of checks on mills carried out under the 1997/98 marketing year.

In addition, to establish that the information is recorded and the conditions for approval are met, cursory checks shall be conducted at the following percentages of the mills at least:

— 5 % in 1998/99,

— 10 % in 1999/2000,

— 20 % in 2000/01.

2. In-depth checks shall comprise:

(a) an on-the-spot inspection of equipment, quantities and types of product in stock, accounts and other relevant documents;

(b) comparisons between the various data provided by the mills or available from other sources, in particular with supplies, the destination of oil and olive residue, electricity and water consumption and labour employed;

(c) comparisons between the quantities in the stock records and the overall quantities in the aid applications lodged by the olive growers concerned;

(d) the other checks referred to in Article 8; the sample analyses referred to in Article 8(a) shall be carried out for at least 25 % of the samples taken.

▼B

3. Moreover, for at least 10 % of in-depth checks, the Member State shall check the suppliers of goods or services or the consignees of the oil or of the olive residue referred to in Article 10 or in Article 9(1)(g) respectively.

If the consignee of the oil or of the olive residue refuses to submit to the check, or if the competent body has evidence showing that delivery was not taken of the oil or olive residue in question:

— in the case referred to in Article 10(1), he shall be liable to pay the Member State an amount double that of the aid for the quantity of oil concerned,

— in the case referred to in Article 10(2), the Member State shall apply a penalty commensurate with the quantity of oil concerned.

Amounts collected by the Member State shall be deducted from the expenditure of the European Agricultural Guidance and Guarantee Fund by the paying bodies or departments in the Member State.

▼M2

4. A mill shall be subject to the additional checks referred to in Article 8(d) where:

(a) checks are unable to verify the mill's declarations in numerous cases or where significant volumes are concerned, and in particular where the majority of the checks carried out pursuant to paragraph 3 do not provide any proof of delivery of the quantities of olive oil declared by the mill in question;

(b) these are justified by the irregularities for which penalties are sought, particularly where a proposal to withdraw approval for between one and five marketing years is involved;

(c) approval has been granted under the special control arrangements referred to in Article 13(6) of Regulation (EEC) No 2261/84;

(d) at least 25 % of the total production of the mill is received from producers referred to in Article 16(2)(a), except where an additional analysis provides objective proof to the satisfaction of the Member State.

The additional checks shall apply from the second month following the month of the checks in question, and at least until the end of the following marketing year or, where appropriate, until the Member State decides on a proposed penalty.

▼B

*Article 31*

▼M1

Where an agency is entrusted with the task of carrying out checks as provided for in this Regulation, it shall also carry out the assessment of olive and olive oil yields by regional area referred to in Article 6. This work shall be shown in the agency's work schedule drawn up in accordance with Articles 3 and 4 of Regulation (EEC) No 27/85.

▼B

Notwithstanding Article 4(1) and (2) of Regulation (EEC) No 27/85, the work schedule for the 1998/99 marketing year shall be adjusted as necessary and presented to the Commission before 1 December 1998 for approval before 1 January 1999. The adjusted schedule and the corresponding budget shall be approved definitively by the Member State concerned by 15 January 1999 at the latest.

▼B

CHAPTER 8

**General**

*Article 32*

Producer Member States shall take all measures necessary to inform the olive growers, the mills and the other operators concerned of the penalties provided for in or pursuant to the Community regulations, in particular for cases where crop declarations or aid applications do not correspond to the truth.

Producer Member States shall forward provisions adopted pursuant to this Regulation to the Commission immediately. ►**M2** In particular, the Member States shall notify the Commission in the course of the month preceding the start of each marketing year of the national provisions in force providing for penalties for each case of irregularity. ◄

Before 1 January 2000 and 1 January 2001, producer Member States shall present a summary report of the number of checks carried out under Articles 28, 29 and 30, the number of cases where adjustment was required, with an indication of the information or quantities concerned, and the penalties imposed or under consideration, along with a brief assessment of the control arrangements set up and any difficulties encountered.

*Article 33*

Regulation (EEC) No 2276/79 is repealed with effect from 1 November 1999.

Regulation (EEC) No 3061/84 shall continue to apply solely to measures relating to marketing years prior to 1998/99 until 31 October 1999. It is repealed with effect from 1 November 1999.

*Article 34*

This Regulation shall enter into force on 1 November 1998.

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

▼M1

*ANNEX*

**Regional areas referred to in Article 6(2)**

SPAIN

1. NUTS III ‘Jaen’ region
2. All NUTS III ‘Granada’, ‘Malaga’ and ‘Seville’ regions
3. NUTS III ‘Cordoba’ region
4. NUTS II ‘Castile-La Mancha’ region
5. All NUTS II ‘Catalonia’ and ‘Valencia’ regions
6. NUTS II ‘Extremadura’ region

ITALY

1. All NUTS III ‘Foggia’ and ‘Bari’ regions
2. All NUTS III ‘Taranto’, ‘Brindisi’ and ‘Lecce’ regions
3. All NUTS III ‘Cosenza’, ‘Crotone’ and ‘Catanzaro’ regions
4. All NUTS III ‘Vibo Valentia’ and ‘Reggio di Calabria’ regions
5. NUTS II ‘Sicily’ region
6. NUTS II ‘Campania’ region
7. NUTS II ‘Lazio’ region
8. NUTS II ‘Abruzzo’ region
9. NUTS II ‘Tuscany’ region

GREECE

1. NUTS III ‘Irakleio’ region
2. All NUTS III ‘Lassithi’, ‘Rethymni’ and ‘Chania’ regions
3. NUTS II ‘Peloponnese’ region
4. NUTS II ‘Western Greece’ region
5. NUTS II ‘Ionian Islands’ region
6. NUTS II ‘Continental Greece’ region
7. NUTS III ‘Lesbos’ region

PORTUGAL

1. NUTS II ‘Alentejo’ region
2. NUTS II ‘North’ region
3. NUTS II ‘Centre’ region

FRANCE

NUTS II ‘Provence-Alpes-Côte d’Azur’ region