

## REGULATION No 136/66/EEC OF THE COUNCIL

of 22 September 1966

on the establishment of a common organisation of the market in oils and fats

THE COUNCIL OF THE EUROPEAN ECONOMIC COMMUNITY,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 42 and 43 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament<sup>1</sup>;

Whereas the situation on the Community market in oils and fats of vegetable or marine origin is characterised by high demand and low overall production; whereas Member States therefore depend to a large extent on the world market for supplies; whereas this situation generally justifies the removal of the various import barriers and their replacement, except where certain olive oil products are concerned, by the Common Customs Tariff, which makes it easier for industries to obtain supplies by allowing raw materials to enter the Community duty free while duties on finished products serve to protect these industries and secure consumers' supplies at reasonable prices;

Whereas, however, the removal of import barriers would leave the Community market in oil seeds, oleaginous fruit and their oils without defence against disturbances caused either by certain imports from third countries or by disparities, resulting from action by third countries, between prices for products derived from oil seeds and oleaginous fruit and prices for these seeds and fruit; whereas these disturbances are seriously prejudicial to the interests of producers and processing industries; whereas provision must therefore be made for appropriate measures to remedy this situation, international commitments being taken into account;

Whereas, because of the situation on the world market, certain sectors of agricultural and industrial

production in the Community would be adversely affected if the effects of the removal of import barriers were not offset by other measures; whereas olive oil consumption might decline if there was a substantial fall in the price of competing oils; whereas, furthermore, other oils and oil seeds are in direct competition with oils and oil seeds imported from third countries at a reduced rate of duty or duty-free;

Whereas olive growing and olive oil production are of special economic importance in certain regions of the Community, where they often constitute the most important source of income for a large proportion of the population; whereas olive oil is the most important source of oil and fats for large categories of consumers; whereas the growing of oil seeds, in particular colza, rape and sunflower seeds, contributes to the viability of farms by making it possible to improve technical and financial equilibrium; whereas it is therefore necessary to support these activities by appropriate measures;

Whereas to this end the marketing of Community crops of these products must ensure producers a fair income, the level of which may be determined by a production target price in the case of olive oil and by a target price in the case of oil seeds; whereas the difference between these prices and prices acceptable to the consumer represents the subsidy which should be granted to attain the desired objective;

Whereas consumer preferences make it possible to sell olive oil at a higher price than other products of a similar kind; whereas it is therefore possible, prices for competing products being taken into account, to determine a market target price that will, as a general rule, provide the producer with a large proportion of the requisite income in the form of receipts from sales;

Whereas the market target price for olive oil cannot attain its objective unless the price actually ruling on the market is as close as possible to the market price; whereas stabilising machinery should therefore be provided in producer Member States and at the Community frontier;

<sup>1</sup> OJ No 119, 3.7.1965, p. 2040/65.

Whereas the desired stability may be obtained within the Community by making it possible in production areas for olive oil to be offered to competent agencies of the Member States; whereas, because of the geographical concentration of production and consumption, the intervention price to be paid for oil by intervention agencies can be the same in all intervention centres; whereas, moreover, in order to ensure that there is a constant balance between supply and demand and to counteract the effects of fluctuations in production, provision should be made for the possibility of entrusting intervention agencies with the task of forming a buffer stock;

Whereas, in order to stabilise the Community market at the desired level, notably by ensuring that fluctuations in world market prices do not affect prices within the Community, provision should be made for charging an import levy corresponding to the difference between the threshold price derived from the market target price and prices ruling on the world market; whereas if protection is to be complete and consistent, a system which would have the same effect must be applied to oil-cake, other residues resulting from the extraction of olive oil and olives for oil production;

Whereas, in the case of olive oil used in the manufacture of preserved fish and vegetables, the levy must be suspended or a refund granted to enable manufacturers to meet competition from similar products manufactured with oil bought at world market prices;

Whereas supplies of olive oil to the consumer might be jeopardised if the ratio of world prices to Community prices were likely to lead to substantial exports of olive oil; whereas, furthermore, imports or exports of this product might in certain circumstances lead to market disturbances; whereas provision should therefore be made for dealing with such a situation;

Whereas, as far as oil seeds are concerned, farmers can be protected against any risks which may arise, despite the proposed system of subsidies, from the unsettled state of the market by intervention machinery involving the buying-in of quantities offered to the competent agencies at intervention prices which must, because the area of production is extensive and processing centres few, be fixed in the light of natural conditions of price formation;

Whereas the list of seeds to be covered by the system described above must be drawn up in such a way as to include the species which are most widely grown at the present time; whereas provision should however be made for the possibility of extending this system to other seeds where experience shows this to be necessary;

Whereas the abolition of measures encouraging the production of grape-pip oil in certain Member States calls for the adoption of special measures to enable the industry concerned to adapt to new market conditions;

Whereas the consistency of the provisions governing the common organisation of the market in oils and fats would be impaired if their effect were to be combined with those of subsidies incompatible with the Treaty; whereas, until such time as a common agricultural policy for flax is put into effect, an exception must be made in respect of subsidies on the production of linseed for oil extraction;

Whereas the common organisation of the market in oils and fats must take appropriate account, at the same time, of the objectives set out in Articles 39 and 110 of the Treaty;

Whereas, in order to facilitate implementation of the proposed measures, a procedure should be provided for establishing close co-operation between Member States and the Commission within a Management Committee;

HAS ADOPTED THIS REGULATION:

#### Article 1

1. A common organisation of the market in oil seeds, oleaginous fruit, vegetable oils and fats, and oils and fats of fish or marine mammals shall be established.

2. This Regulation shall cover the following products:

CCT heading No	Description of goods
(a) 12.01	Oil seeds and oleaginous fruit, whole or broken
(b) 12.02	Flours or meals of oil seeds or oleaginous fruit, non-defatted (excluding mustard flour)
15.04	Fats and oils, of fish and marine mammals, whether or not refined
ex 15.07	Fixed vegetable oils, fluid or solid, crude, refined or purified, excluding olive oil
15.12	Animal or vegetable oils and fats, wholly or partly hydrogenated, or solidified or hardened by any other process, whether or not refined, but not further prepared
15.13	Margarine, imitation lard and other prepared edible fats

CCT heading No	Description of goods
ex 15.17	Residues resulting from the treatment of fatty substances or animal or vegetable waxes, excluding those containing oil having the characteristics of olive oil
ex 23.04	Oil-cake and other residues (except dregs) resulting from the extraction of vegetable oils, excluding oil-cake and other residues resulting from the extraction of olive oil
(c) ex 15.07	Olive oil, crude, refined or purified
(d) ex 07.01 N	Olives, fresh or chilled
ex 07.02	Olives (whether or not cooked), preserved by freezing
ex 07.03 A	Olives provisionally preserved in brine, in sulphur water or in other preservative solutions, but not specially prepared for immediate consumption
ex 07.04 B	Dried, dehydrated or evaporated olives, whole, cut, sliced, broken or in powder, but not further prepared
(e) ex 15.17	Residues resulting from the treatment of fatty substances or animal or vegetable waxes, containing oil having the characteristics of olive oil
ex 23.04	Oil-cake and other residues resulting from the extraction of olive oil

## TITLE I

## Trade

## Article 2

1. The Common Customs Tariff shall be applied to the products listed in Article 1 (2) (a), (b) and (d).

2. A system of levies shall be applied to imports from third countries of the products listed in Article 1 (2) (c) and (e) and of those referred to in Article 15 (1).

## Article 3

1. Subject to the provisions of Article 2, the following shall be incompatible with the provisions of this Regulation in intra-Community trade:

- the levying of any customs duty or charge having equivalent effect;
- the application of any quantitative restriction or measure having equivalent effect;
- recourse to Article 44 of the Treaty.

2. In trade with third countries the following shall be incompatible with the provisions of this Regulation:

- the levying of any customs duty or charge having equivalent effect, other than those provided for by this Regulation;
- the application of any quantitative restriction or measure having equivalent effect, save where derogation therefrom is decided by the Council acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission.

3. The restriction of the import or export licences provided for in Article 17 to a specified category of those entitled to receive them shall be one of the measures considered as having effect equivalent to a quantitative restriction.

4. Intra-Community trade in the goods listed in Article 1 (2) shall be incompatible with the provisions of this Regulation where any products not in free circulation are used in their manufacture.

5. Until such time as national arrangements governing suspension or drawback of customs duties, levies or charges on products for re-export to third countries have been harmonised, and without prejudice to the provisions to be adopted in connection with such harmonisation, the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall take the necessary steps to counteract any disturbances on the olive oil market resulting from disparities between these national arrangements.

6. Where the products listed in Article 1 (2) (a) and (b) are imported from third countries in such quantities and under such conditions as might seriously prejudice or threaten to prejudice the interests of Community producers of the products listed in Article 1 (2), a compensatory amount may be charged on imports.

A compensatory amount may also be charged on imports of the products listed in Article 1 (2) where, as a result of direct or indirect subsidies or premiums granted in respect of these products by one or more third countries, or as a result of equivalent measures, actual offers of these products do not correspond to the prices which would prevail in the absence of such measures or practices and where such a situation is causing or is threatening to cause serious prejudice to Community production of the products listed in Article 1 (2).

The introduction of such compensatory amounts shall respect the international commitments under-

taken by the Member States and the Community. The amounts shall be fixed in accordance with rules to be adopted by the Council acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission.

## TITLE II

### Olive oil

#### Article 4

Before 1 October of each year the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall fix a single production target price, a single market target price, a single intervention price and a single threshold price for olive oil for the Community.

Subject to the provisions of Article 9, these prices shall remain in force throughout the following marketing year. The marketing year shall run from 1 November to 31 October.

These prices shall relate to a standard quality for oil corresponding to one of the definitions in the Annex referred to in Article 35. This standard quality shall be determined by the Council in accordance with the procedure referred to in the first paragraph.

They shall be fixed at the wholesale marketing stage exclusive of taxes.

#### Article 5

The production target price shall be fixed at a level which is fair to producers, account being taken of the need to keep Community production at the required level.

#### Article 6

The market target price shall be fixed at a level which will permit normal marketing of olive oil produced, account being taken of prices for competing products and in particular of the probable trend of these prices during the marketing year and the incidence of the monthly increases referred to in Article 9 on prices for olive oil.

#### Article 7

The intervention price, which guarantees that producers will be able to sell their produce at a price

which, allowing for market fluctuations, is as close as possible to the market target price, shall be equal to the market target price reduced by an amount large enough to allow for these fluctuations and for the transport of olive oil from production areas to consumption areas.

#### Article 8

The threshold price shall be fixed in such a way that the selling price for the imported product at the frontier crossing point referred to in Article 13 (2) shall be the same as the market target price.

#### Article 9

To enable sales to be staggered, the market target price, the intervention price and the threshold price shall be increased each month, for a period of ten months beginning 1 January, by an amount which shall be the same for all three prices.

The monthly increases, which shall be the same for each month, shall be fixed each year by the Council acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, account being taken of average storage costs and interest charges in the Community.

#### Article 10

1. Where the production target price is higher than the market target price ruling at the beginning of the marketing year, a subsidy equal to the difference between these two prices shall be granted to producers of olive oil extracted within the Community from olives harvested within the Community. Only oil to which the provisions of this paragraph have not already been applied shall be eligible for this subsidy.

2. The principles governing the grant of the subsidy provided for in paragraph 1 shall be defined by the Council acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission. Acting in accordance with the same procedure, the Council shall adopt measures to ensure that olive oil producers receive this subsidy only in respect of oils which meet the conditions set out in paragraph 1.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 38.

*Article 11*

1. In each producer Member State an intervention agency shall, under conditions to be laid down in accordance with the provisions of paragraph 5, buy in olive oil of Community origin offered to it at intervention centres in production areas. The intervention agency shall buy at the intervention price and at that price only.

If, however, the description or quality of the oil offered to the intervention agency does not correspond to that for which the intervention price was fixed, the buying-in price shall be adjusted by means of a scale of price increases and reductions.

Furthermore, if at the request of the intervention agency oil is delivered to a place other than the centre indicated by the seller when the offer is made, the resulting change in transport costs to the seller shall be taken into account when payment is being effected.

2. With a view to stabilising the market during the marketing year, intervention agencies may conclude storage contracts for Community olive oil pursuant to provisions adopted by the Council acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission.

3. Olive oil bought in by intervention agencies shall not be sold by them on the Community market on terms which might impede price formation at the level of the market target price.

4. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall determine the main intervention centres and lay down criteria to be applied when other centres are being determined; the latter shall be determined in accordance with the procedure laid down in Article 38 after consultation with the Member States concerned.

5. Detailed rules for the application of this Article, and in particular those concerning the quality and size of the consignments offered under paragraph 1, shall be adopted in accordance with the procedure laid down in Article 38.

*Article 12*

To mitigate the effects of harvest fluctuations on the balance between supply and demand and in this way to stabilise consumer prices, the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the

Commission, may require intervention agencies to form a buffer stock of olive oil. It shall, in accordance with the same procedure, lay down the conditions governing the formation, management and disposal of the buffer stock.

*Article 13*

1. If the threshold price is higher than the c.i.f. price, a levy equal to the difference between these two prices shall be charged on imports of unrefined olive oil from third countries.

2. The c.i.f. price, calculated for a Community frontier crossing point, shall be determined on the basis of the most favourable purchasing opportunities on the world market.

The frontier crossing point shall be fixed by the Council acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, account being taken of the extent to which this point is representative for imports.

When the most favourable purchasing opportunities are being determined, only those offers which correspond to actual purchasing opportunities for quantities which are representative of the market shall be taken into account.

Prices shall be adjusted to allow for any deviations from the description or quality for which the threshold price was fixed.

3. Where free quotations on the world market are not a determining factor for the offer price and where this price is lower than world market prices, a price determined on the basis of the offer price shall be substituted for the c.i.f. price in respect of these imports and these imports only.

4. The levy shall be fixed by the Commission. The criteria for determining the c.i.f. price and the price referred to in paragraph 3 shall be laid down and detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 38.

*Article 14*

1. A levy shall be charged on imports of refined olive oil from third countries. This levy shall be composed of a variable component corresponding to the levy applicable to the quantity of olive oil needed for its production (which may be fixed at a standard rate) and a fixed component to protect the processing industry.

2. Detailed rules for the application of this Article shall be adopted by the Council acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission.

#### Article 15

1. On imports from third countries of olives falling within sub-headings Nos 07.01 N and 07.03 A, excluding those for purposes other than the production of oil, a levy derived from the levy applicable to olive oil pursuant to Article 13 and based on the oil content of the imported product shall be charged in addition to the rate of duty in the Common Customs Tariff. The levy shall be reduced by the amount resulting from application of the customs duty to the value of the imported product. This amount may be fixed at a standard rate.

2. On imports from third countries of the products listed in Article 1 (2) (e) a levy derived from the levy applicable to olive oil and based on the oil content of the imported product shall be charged.

However, the levy shall only be charged if commitments undertaken within GATT are respected.

3. Detailed rules for the application of this Article, and in particular those concerning the determination of oil content which may be fixed at a standard rate, shall be adopted by the Council acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission.

#### Article 16

The levy applicable to an import shall be that in force on the day of importation.

#### Article 17

1. Imports from third countries of any of the products listed in Article 1 (2) (c), (d) and (e) shall be conditional on the submission of an import licence. Exports of olive oil to third countries shall be conditional on the submission of an export licence.

These licences shall be issued on application by the party concerned under rules to be adopted by the Council acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission. These rules may require the lodging of a deposit.

2. Import and export licences shall be valid from the date of issue until the end of the third month following the month of issue.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 38.

#### Article 18

1. When olive oil is exported to third countries:

- the difference between prices within the Community and prices on the world market may be covered by a refund where the former are higher than the latter;
- a levy equal at most to the difference between prices on the world market and prices within the Community may be charged where the former are higher than the latter.

2. Provisions for the application of this Article shall be adopted by the Council acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission.

#### Article 19

Olive oil used in the manufacture of preserved fish and vegetables shall benefit from a system of production refunds or from full or partial suspension of the import levy.

Provisions for the application of this Article shall be adopted by the Council acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission.

#### Article 20

1. If the olive oil market in the Community experiences or is threatened with serious disturbances by reason of:

- imports from third countries of the products listed in Article 1 (2) (c), (d) and (e), in particular where the intervention agencies have been led to buy in substantial quantities of olive oil under Article 11 (1); or
- exports of olive oil to third countries, in particular where the market price for olive oil might substantially exceed or threaten to exceed the level of the market target price, or where it has been decided to dispose of the buffer stock,

appropriate measures may be applied until such disturbance or threat of disturbance has ceased.

2. The Council, acting in accordance with the voting procedure, laid down in Article 43 (2) of the

Treaty on a proposal from the Commission, shall determine the nature of the measures which may be applied and shall adopt provisions for the application of this Article.

### TITLE III

#### Other vegetable oils and oil seeds produced in the Community

##### Article 21

The oil seeds to which the provisions of Articles 22 to 29 shall apply are:

- colza and rape seed,
- sunflower seed.

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, may decide to extend these provisions to other oil seeds.

##### Article 22

1. Each year in time to allow farmers to plan their production, and for the first time in 1966, the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall fix a single target price for each species of oil seed for the Community and a basic intervention price calculated for an intervention centre to be determined in accordance with the same procedure.

Subject to the provisions of Article 25, these prices shall remain in force throughout the marketing year beginning in the following calendar year. They shall relate to a standard quality and shall be fixed at the wholesale marketing stage exclusive of taxes.

The dates on which each marketing year begins and ends, the date before which the target prices and basic intervention prices must be fixed, and the standard quality for each species of seed shall be determined by the Council acting in accordance with the procedure referred to in the first subparagraph.

2. In good time before the beginning of each marketing year, the Council, acting in accordance with the procedure referred to in paragraph 1, shall determine the main intervention centres and fix the derived intervention prices applicable in these centres.

Acting in accordance with the same procedure, the Council shall lay down criteria for determining other

centres and fixing other derived intervention prices. These centres shall be determined and these prices shall be fixed in accordance with the procedure laid down in Article 38 after consultation with the Member States concerned.

##### Article 23

Target prices shall be fixed at a level which is fair to producers, account being taken of the need to keep Community production at the required level.

##### Article 24

The derived intervention price, which guarantees that producers will be able to sell their produce at a price which, allowing for market fluctuations, is as close as possible to the target price, shall be equal to the target price reduced by an amount large enough to allow for these fluctuations.

The derived intervention prices shall be fixed at a level which will allow seeds to move freely within the Community under natural conditions of price formation and in accordance with the needs of the market.

##### Article 25

To enable sales to be staggered, the target price and the intervention price shall be increased each month, for a period of at least five months beginning with the third month of the marketing year, by an amount which shall be the same for both prices.

The monthly increases, which shall be the same for each month, shall be fixed each year by the Council acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, account being taken of average storage costs and interest charges in the Community.

##### Article 26

1. In each Member State an intervention agency shall, under conditions to be laid down in accordance with the provisions of paragraphs 2 and 3, buy in seeds of Community origin offered to it at intervention centres. The intervention agency shall buy at the intervention price and at that price only.

If, however, the quality of the seeds offered to the intervention agency does not correspond to that for which the intervention price was fixed, the buying-in price shall be adjusted by means of a scale of price increases and reductions.

Furthermore, if at the request of the intervention agency the seeds are delivered to a place other than the centre indicated by the seller when the offer is made, the resulting change in transport costs to the seller shall be taken into account when payment is being effected.

2. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall lay down:

- (a) the conditions under which intervention shall take place during the last two months of the marketing year;
- (b) the principles governing the disposal by intervention agencies of seeds bought in by them.

3. Detailed rules for the application of this Article, and in particular those concerning the quality and size of the consignments offered, shall be adopted in accordance with the procedure laid down in Article 38.

#### Article 27

1. Where the target price in force for a species of seed is higher than the world market price for that seed determined in accordance with the provisions of Article 29, a subsidy shall be granted for seed of that species harvested and processed within the Community. Subject to exceptions made pursuant to paragraph 3, this subsidy shall be equal to the difference between these prices.

2. Where entitlement to the subsidy provided for in paragraph 1 is acquired during the first two months of the marketing year, a further allowance for early marketing may be granted.

3. The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall lay down:

- (a) the principles governing the grant of the subsidy provided in paragraph 1;
- (b) the principles governing the fixing of the amount of the subsidy under abnormal conditions;
- (c) rules for checking entitlement to the subsidy; these may cover seeds of Community origin and seeds imported from third countries; in the case of the latter provision may be made for a system of import licences accompanied by a deposit;

(d) the conditions under which advance fixing of the amount of the subsidy may be allowed;

(e) provisions for the application of paragraph 2.

4. The amount of the subsidy shall be fixed by the Commission.

5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 38.

#### Article 28

1. A refund may be granted on exports to third countries of oil seeds harvested within the Community; the amount of this refund may not exceed the difference between prices within the Community and on the world market where the former are higher than the latter.

2. Provisions for fixing and, where appropriate, for the advance fixing of the refund referred to in paragraph 1 shall be adopted by the Council acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission.

#### Article 29

The world market price, calculated for a Community frontier crossing point, shall be determined on the basis of the most favourable purchasing opportunities, prices being adjusted where appropriate, to take the prices of competing products into account. The criteria for such determination shall be laid down and the frontier crossing point to be fixed for each species of seed shall be specified by the Council acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission.

#### Article 30

For a period of five years from the date on which it abolishes national measures having the effect of increasing prices for vegetable oils other than olive oil, each Member State may grant subsidies for the extraction of oil from the pips of grapes harvested within the Community.

#### Article 31

Until such time as a common agricultural policy for flax is put into effect, Member States may grant subsidies on the production of linseed for oil extraction.



*Article 32*

The subsidies provided for in Articles 30 and 31 may be granted only in respect of products which have benefited from direct or indirect price support in the Member State concerned during the marketing year preceding the date on which this Regulation begins to apply.

The subsidies must be granted from the first marketing year in which this Regulation is applied and only to the extent necessary to maintain this price support.

Member States shall communicate to the Commission any information concerning the introduction, calculation and granting of these subsidies before they become operative.

## TITLE IV

## General provisions

*Article 33*

Save as otherwise provided in this Regulation, Articles 92, 93 and 94 of the Treaty shall apply to the production of and trade in the products listed in Article 1.

*Article 34*

Measures taken by Member States to increase the price for other vegetable oils in relation to that for olive oil so as to ensure an outlet for nationally produced olive oil shall be incompatible with the application of this Regulation to the products listed in Article 1 (2) (c).

*Article 35*

Without prejudice to the harmonisation of legislation on olive oil for human consumption, Member States shall, for the purposes of intra-Community trade and trade with third countries, except in respect of exports to third countries, adopt the descriptions and definitions of olive oil set out in the Annex to this Regulation.

*Article 36*

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, may alter the list of products set out in Article 1 or adopt in respect of them any measures derogating from this Regulation to take account of special conditions which may affect these products.

*Article 37*

1. A Management Committee for Oils and Fats (hereinafter called the 'Committee') shall be established, consisting of representatives of Member States and presided over by a representative of the Commission.

2. Within the Committee the votes of Member States shall be weighted in accordance with Article 148 (2) of the Treaty. The Chairman shall not vote.

*Article 38*

1. Where the procedure laid down in this Article is to be followed, the Chairman shall refer the matter to the Committee either on his own initiative or at the request of the representative of a Member State.

2. The representative of the Commission shall submit a draft of measures to be taken. The Committee shall deliver its Opinion on such measures within a time limit to be set by the Chairman according to the urgency of the questions under consideration. An Opinion shall be adopted by a majority of twelve votes.

3. The Commission shall adopt measures which shall apply immediately. However, if these measures are not in accordance with the Opinion of the Committee, they shall forthwith be communicated by the Commission to the Council. In that event the Commission may defer application of the measures which it has adopted for not more than one month from the date of such communication.

The Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty, may take a different decision within one month.

*Article 39*

The Committee may consider any other question referred to it by its Chairman either on his own initiative or at the request of the representative of a Member State.

*Article 40*

At the end of the transitional period, the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, shall decide in the light of experience whether to retain or amend the provisions of Article 38.

*Article 41*

1. Council Regulation No 25<sup>1</sup> on the financing of the common agricultural policy and the provisions adopted in implementation thereof shall apply to the market in the products listed in Article 1 from the date on which this Regulation begins to apply.

2. The compensatory amounts provided for in Article 3 (6) shall be considered as levies in relation to third countries within the meaning of Article 11 (4) of Council Regulation No 130/66/EEC<sup>2</sup> on the financing of the common agricultural policy.

*Article 42*

This Regulation shall be so applied that appropriate account is taken, at the same time, of the objectives set out in Articles 39 and 110 of the Treaty.

*Article 43*

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

It shall apply to the products listed in Article 1 (2) (c), (d) and (e) from 1 November 1966 and to the other products listed in Article 1 from 1 July 1967.

Should transitional measures be necessary to facilitate the transition from the system in force in the Member States to that established by this Regulation, in particular if the introduction of this system on the dates provided for would give rise to substantial difficulties in respect of certain products, such measures shall be adopted in accordance with the procedure laid down in Article 38.

Their validity shall be limited to the first year of application of this Regulation to each product.

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

Done at Brussels, 22 September 1966

*For the Council*

*The President*

B. W. BIESHEUVEL

<sup>1</sup> OJ No 30, 20.4.1962, p. 991/62.

<sup>2</sup> OJ No 165, 21.9.1966, p. 2965/66.

## ANNEX

## Descriptions and definitions referred to in Article 35

1. *Virgin olive oil* (the expression 'pure virgin olive oil' may also be used): olive oil produced by mechanical processes and free from any admixtures of other types of oil or of olive oil extracted in a different manner.

Virgin olive oil is classified as follows:

- (a) *Extra*: olive oil of absolutely perfect flavour, with a free fatty acid content expressed as oleic acid of not more than 1 g per 100 g;
  - (b) *Fine*: olive oil with the same characteristics as 'Extra' but with a free fatty acid content expressed as oleic acid of not more than 1.5 g per 100 g;
  - (c) *Ordinary* (the expression 'semi-fine' may also be used): olive oil of good flavour with a free fatty acid content expressed as oleic acid of not more than 3.3 g per 100 g;
  - (d) *Lampante* (lamp-oil): off-flavour olive oil or olive oil with a free fatty acid content expressed as oleic acid of more than 3.3 g per 100 g.
2. *Refined olive oil* (the expression 'pure refined olive oil' may also be used): olive oil obtained by refining virgin olive oil.
  3. *Pure olive oil*: oil consisting of a blend of virgin olive oil and refined olive oil.
  4. *Olive-residue oil*: oil obtained by treating with solvents the products falling within heading No ex 23.04 listed in Article 1 (2) (e).
  5. *Refined olive-residue oil*: oil obtained by refining the oil specified in 4, intended for human consumption.
  6. *Refined olive-residue oil and olive oil*: oil consisting of a blend of refined olive-residue oil and virgin olive oil.
  7. *Olive-residue oil for technical use*: any oil extracted from the products falling within heading No ex 23.04 listed in Article 1 (2) (e) other than those specified in 1 to 6.
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