COMMISSION REGULATION (EEC) No 2183/81

of 30 July 1981

laying down rules implementing the system of aid for cotton

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Act of Accession of Greece, and in particular paragraph 9 of Protocol 4 on cotton,

Having regard to Council Regulation (EEC) No 2169/81 of 27 July 1981 fixing general rules with regard to the system of aid for cotton [1], and in particular Article 11 thereof,

Having regard to Council Regulation (EEC) No 878/77 of 26 April 1977 on the exchange rates to be applied in agriculture [2], as last amended by Regulation (EEC) No 850/81 [3], and in particular Articles 4 (3) and 5 (1) thereof,

Whereas, in view of the fluctuations of world market prices which normally occur, the average world market price for unginned cotton should be determined at least once a month;

Whereas, if there are no representative offers or quotations for unginned cotton, the world market price for this product should be determined on the basis of the value of the products resulting from the ginning thereof,;

Whereas provision should be made for the adjustment of offers and quotations in order to compensate for any deviation from the presentation, quality, terms and place of delivery normally to be used for fixing the world market price;

Whereas account should also be taken during the transitional period of the customs duties applicable in the Community and, where appropriate, of the compensatory amount levied on imports pursuant to Council Regulation No 143/67/EEC of 21 June 1967 on the compensatory amount applicable to certain vegetable oils [4], as last amended by Regulation (EEC) No 2077/71 [5];

Whereas, in order to facilitate checks on entitlement to aid, and in particular on compliance with the minimum price, the conditions to be satisfied by the contracts provided for in Article 6 of Regulation (EEC) No 2169/81 should be specified;

Whereas Article 5 of Regulation (EEC) No 2169/81 provides that aid is to be paid in respect of quantities of unginned cotton provided they are effectively ginned, and whereas Article 10 provides that Member States are to check the entry of the products to the ginning plant and the ginning thereof; whereas, to ensure the effectiveness of such checks, the term 'ginning plant' should be defined and the checking procedure laid down;

Whereas the stock records of the processors should be used as a basis for this check;

Whereas, in order to facilitate the marketing of unginned cotton, the amount of aid applicable should be the amount in force on the day when the ginning plant lodges the application for aid;

Whereas in accordance with Article 8 of Regulation (EEC) No 2169/81 the Member States are to introduce a system of declarations of areas sown; whereas the procedures relating to this system and the relevant checks should be specified; whereas, taking into account the date the aid system enters into force, the system of declarations should be applied as from the 1982/83 marketing year; whereas, to ensure the efficient functioning of the aid system, provision should be made for the Member States to issue a certificate stating the quantity of cotton qualifying for aid and the amount of such aid, whereas, for administrative reasons, provisions should be made for the cotton to be ginned within a certain period;

Whereas, under Article 8 of Regulation (EEC) No 2169/81, in order to palliate the adverse consequences for beneficiaries of a delay in the payment of aid, due in particular to the fact that the amount of aid cannot be calculated until the quantity of product is ascertained, provision should be made for a proportion of the aid to be paid in advance and for a provisional percentage to be fixed each year on the basis of the estimated harvest; whereas, pursuant to this rule, the provisional percentage for 1981/82 should be fixed at 100 % of the aid due;

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[1] See page 2 of this Official Journal.
[2] OJ No L 106, 29. 4. 1977, p. 27.
[3] OJ No L 90, 4. 4. 1981, p. 1.
[4] OJ No 125, 26. 6. 1967, p. 2463/67.
[5] OJ No L 220, 30. 9. 1971, p. 1.

Whereas, to ensure the uniform application of the aid system, detailed rules for payment of the aid should be laid down ;

Whereas the minimum frequency of fixings of the aid should be specified ; whereas it will be sufficient to fix the aid at least once a month, subject to possible adjustments in the interim ;

Whereas Regulation (EEC) No 878/77 provides that, as regards the effects on rights and obligations obtaining at the time a representative rate is changed, the provisions of Council Regulation (EEC) No 1134/68 (1) concerning alterations in the relationship between the parity of the currency of a Member State and the value of the unit of account shall apply ; whereas, however, Article 4 (3) of Regulation (EEC) No 878/77 provides that a derogation from these provisions may be allowed ;

Whereas the rate for converting the minimum price into national currency should be the representative rate applicable on the day the contract is concluded and the amount of aid should be the amount which is applicable on the day the application is lodged ;

Whereas, to facilitate administration of the aid system, it is desirable that the Member States provide the Commission with regular information on the production and ginning of unginned cotton ;

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

HAS ADOPTED THIS REGULATION :

TITLE I

World price

Article 1

1. The world market price for unginned cotton shall be determined once a month. However, if the market situation changes significantly, the said price may be changed during the intervening period.

2. The said price shall be fixed per 100 kg and shall be equal to the sum of the value of 32 kg of ginned cotton and the value of 54 kg of cotton seed, less ginning costs evaluated at 11·3 ECU/100 kg.

These values shall be fixed on the basis of prices determined in accordance with Articles 2, 3 and 4.

Article 2

1. In determining the world market price for ginned cotton, the Commission shall refer to the offers and quotations most representative of the world market situation for unginned cotton, in particular those obtaining at the Liverpool Cotton Exchange for shipments to be made during the month in question and the following calendar month.

For the purposes of determining such price, the Commission may establish an average of the offers and quotations obtaining on one or more European exchanges for cotton originating in various supplier countries regarded as the most representative in international trade.

2. Where the offers and quotations relate to :

(a) ginned cotton of a qualtiy other than the quality for which the guide price was fixed, they shall be adjusted as shown in Annex A ;

(b) cotton delivered cif to a frontier crossing point other than Piraeus, they shall be adjusted on the basis of the difference in transport and insurance costs in relation to cotton delivered cif Piraeus, except where the provisions of the second subparagraph of paragraph 1 apply ;

(c) cotton delivered c and f, they shall be increased by 0·2 % to take insurance costs into account ;

(d) cotton delivered fas, fob or otherwise, they shall be increased, as appropriate, by loading, transport and insurance costs from the point of shipment or loading to the frontier crossing point ;

(e) cotton delivered cif, they shall be increased by 0·9 ECU/100 kg to take account of unloading and forwarding costs at Piraeus.

3. For the purposes of paragraph 2, only the lowest costs shall be taken into account.

4. For the 1981/82 marketing year the offers and quotations shall be increased by those customs duties applied in Greece when importing from other Member States.

Article 3

1. In determining the world market price for cotton seed, the Commission shall refer to the offers and quotations obtaining for the shipments nearest in date.

(1) OJ No L 188, 1. 8. 1968, p. 1.

2. Where the offers and quotations relate to :

(a) cotton seed of a quality other than that defined in Article 4 (3) of Regulation (EEC) No 2169/81, they shall be adjusted upward or downward by 2 % for each oil content point below or above the standard quality ;

(b) cotton seed delivered c and f, they shall be increased by 0·2 % to take insurance costs into account ;

(c) cotton seed delivered cif to a frontier crossing point other than Piraeus, they shall be adjusted on the basis of the difference in transport and insurance costs in relation to cotton seed delivered cif Piraeus ;

(d) cotton seed delivered fas, fob or otherwise, they shall be increased, as appropriate, by loading, transport and insurance costs from the point of shipment or loading to the frontier crossing point ;

(e) cotton seed delivered cif, they shall be increased by 0·3 ECU/100 kg in the case of cotton seed to take account of unloading and forwarding costs at Piraeus.

3. For the purposes of paragraph 2, only the lowest loading, transport and insurance costs shall be taken into account.

4. However, until the end of the 1981/82 marketing year, the most favourable offers and quotations recorded on the principal markets in Greece shall be taken into account.

Article 4

1. Where the provisions of Article 4 (4) of Regulation (EEC) No 2169/81 apply, the world market price for cotton seed shall be equal to the sum of the value of 12 kg of unprocessed cotton seed oil and the value of 75 kg of oilcake, less crushing costs which are calculated at 7·0 ECU/100 kg.

These values shall be fixed on the basis of prices determined in accordance with paragraph 2.

2. In determining the world market price for cotton seed oil and oilcake, the Commission shall refer to :

(a) the most favourable offers and quotations for a bulk product of Community origin or imported, delivered Piraeus ;

(b) offers and quotations relating to :

— the shipments nearest in date, and

— as regards oil, a raw product and, as regards oilcake, a product with a fat and protein content of 27 %.

3. Where the offers and quotations relate to oil rather than raw or oilcake with a fat and protein content other than 27 % they shall be adjusted on the basis of the difference in price from the quality referred to in the preceding paragraph recorded on the market during a reference period.

4. For imported products, where the offers and quotations do not relate to a product delivered Piraeus, adjustments shall be made in accordance with the detailed rules laid down for seeds, having regard to the nature of the product. In making such adjustments the Commission shall take into account the lowest costs.

Offers and quotations for oil shall be increased by the customs duties applied in the Community and, where appropriate, the compensatory amount levied on imports pursuant to Regulation No 143/67/EEC.

5. For products of Community origin, where there are no offers or quotations for a product delivered in bulk at Piraeus, the most favourable offers and quotations recorded on the other principal markets of the Community shall be taken into consideration.

6. However, until the end of the 1981/82 marketing year account shall be taken of the most favourable representative offers and quotations on the main Greek markets.

TITLE II

Aid

Article 5

1. The Commission shall fix the amount of aid for unginned cotton once a month so that it may be brought into effect on the first day of the month following the date of fixing. However, if the market situation changes significantly, the said amount may be changed during the intervening period.

2. However, at the first fixing of the aid, the Commission shall fix it so that it may be brought into effect from 1 September 1981.

3. The Commission shall communicate to the Member States :

— the total amount of aid, excluding deductions, for 100 kg of unginned cotton, as soon as that amount is fixed, and in all cases before the date of its entry into effect ;

— the percentage provided for in Article 8 (1) of Regulation (EEC) No 2169/81 as soon as it is determined.

4. Without prejudice to Article 7 (2) of Regulation (EEC) No 2169/81, the aid to be granted shall be that which is valid on the day the application for aid provided for in Article 6 of Regulation (EEC) No 2169/81 is lodged in accordance with Article 6 of the present Regulation.

Article 6

1. The application for aid shall be made in writing. It shall be lodged by the ginning plant with the agency appointed to inspect ginning plants by the producer Member State concerned. It shall be lodged in respect of each harvest on or before the date on which the application for supervised storage of the cotton is made, and in all cases not later than 30 April of the year following that of sowing.

For the 1981/82 marketing year, applications for aid shall be lodged from 1 September 1981.

2. The application for aid shall be valid only if it is accompanied by one or more contracts or by one or more declarations, drawn up in accordance with paragraphs 4 and 5.

3. The application for aid shall contain the following information :

— name, forename, address and signature of applicant.

— date of application,

— quantity of unginned cotton for which aid is requested,

— the quantity must be equal to the total quantity covered by all the contracts or declarations submitted at the same time. Where the contracts refer to an area, the application shall be regarded as relating to the total quantity which will be harvested on the area in question,

— a reference to the declaration of areas sown, as provided for in Article 7.

4. The contract provided for in paragraph 2 shall contain the following information :

(a) name, signature and address of the contracting parties ;

(b) the date on which it is concluded ;

(c) the year of sowing ;

(d) the quantity covered by the contract ; however, if the contract is concluded before the harvest, this information may be replaced by undertakings by the producer to deliver and by the ginning plant to take delivery of the quantity harvested on the area referred to in (e) ;

(e) the dimension of the area, in hectares and ares, on which the cotton is or will be grown, with the necessary particulars enabling the land to be indentified ;

(f) the selling price of the unginned cotton by unit of weight, with the specification that :

1. the price is fixed for cotton of standard quality, ex-holding :

2. the price is variable only for the increases or reductions in relation to the standard quality given in Annex B ;

(g) a clause providing that, should Article 7 (2) of Regulation (EEC) No 2169/81 be applied, the agreed price will be reduced by the amount by which the aid will be reduced.

5. Where the cotton is to be ginned on the grower's own premises or at another ginning plant on behalf of an individual or cooperative grower, the application for aid shall be accompanied by the following, as appropriate :

— a statement to the effect that the cotton will be ginned on the grower's own premises, or

— a statement to the effect that the cotton will be ginned on behalf of the grower ; this statement shall contain the undertaking that the benefit of the aid shall be passed on to the grower.

It shall be signed by the two parties concerned.

Article 7

With effect from the 1982/83 marketing year all cotton growers shall send an annual declaration of the areas sown before a date fixed by the Member State concerned and, except in cases of *force majeure,* not later than 15 June.

Article 8

1. All ginning plants shall lodge an application for supervised storage when the unginned cotton enters the ginning plant.

2. The application for supervised storage shall be made in writing. It shall be lodged with the agency authorized to inspect ginning plants, appointed by the producer Member State in question, not later than 30 April following the year of sowing. It may be presented only for one or more consignments. A 'consignment' shall mean a given quantity of unginned cotton, numbered on entry to the ginning plant and analysed in accordance with Article 10 (5).

3. The application for supervised storage shall contain :

— the name, forenames, address and signature of the applicant,

— the date of the application,

— the quantity of unginned cotton in respect of which the application is made,

— the number(s) of the consignment(s) concerned,

— a reference to the aid application.

4. The quantity taken into supervised storage under an aid application may not exceed the quantity specified in the said application by more than 10 %. Where the aid application refers to a contract relating to an area, the quantity qualifying for aid shall be determined by the Member State on the basis of the yields recorded in the region in question and, where appropriate, other particulars supplied by the applicant.

5. The weight of the quantity taken into supervised storage shall be determined after adjustment in accordance with the method set out in Annex C.

6. Where the quantity taken into supervised storage is less than the total quantity resulting from the application of paragraph 4, the competent agency shall deduct it from the quantity specified in the application until that quantity is exhausted.

Where the quantity taken into supervised storage exceeds the quantity resulting from the application of paragraph 4, the competent agency shall allow the excess quantity to qualify for the aid applying on the day it is taken into supervised storage.

7. As soon as the application for supervised storage is lodged, Member States shall, on request, grant those concerned an advance on the aid equal to the percentage provided for in Article 15, provided that security equal to the amount of aid to be advanced is given.

The security shall be given at the applicant's discretion in cash or in the form of a guarantee provided by an establishment meeting the criteria laid down by the Member State concerned.

The security shall be released *pro rata* to the quantities for which the obligation provided for in paragraph 8 is fulfilled.

The security shall be withheld *pro rata* to the quantities for which the obligation provided for in paragraph 8 is not fulfilled.

8. Except in cases of *force majeure,* the quantity taken into supervised storage must be ginned within a period laid down by the Member State concerned and in any case within 180 days of its entry into supervised storage.

9. The obligation referred to in paragraph 8 shall be considered to be fulfilled when the quantity ginned, as determined in accordance with the method set out in Annex C, does not fall by more than 2 % below the quantity indicated.

This quantity shall refer to a product with moisture and impurity contents corresponding to those in respect of which the aid is fixed.

Article 9

The aid shall be paid after it is established that the conditions laid down in this Regulation have been satisfied and, in particular, that the cotton taken into supervised storage was ginned during the period referred to in Article 8 (6).

If the total quantity ginned during the period in question is less than 98 % of the quantity taken into supervised storage, aid shall be paid *pro rata* to the quantities ginned.

Article 10

1. The agency appointed by the producer Member State shall verify with effect from the 1982/83 marketing year :

(a) the accuracy of the declarations of areas sown, on the basis of random inspections relating to not less than 5 % of the declarations ;

(b) that the contracts lodged fulfil the conditions laid down in Article 6, in particular compliance with the minimum price ;

(c) that the quantity of cotton for which aid is requested corresponds to the quantity of unginned cotton of Community origin produced on the area indicated in the contract(s) annexed to the application ;

(d) that the quantity of cotton for which aid is paid corresponds to the quantity of Community cotton effectively ginned ;

(e) that the stock records provided for in Article 6 of Regulation (EEC) No 2169/81 have been kept in accordance with Article 11. In particular, it shall verify that the invoices and other documents referred to in the second indent of Article 11 have been signed by the growers and indicate a price at least equal to the minimum price, corrected where appropriate in accordance with Annex B to take account of the quality delivered.

2. The competent agency shall allow as qualifying for aid only the quantity of cotton in respect of which all the conditions are fulfilled.

3. Except in cases of *force majeure,* unginned cotton whose entry into the ginning plant has been verified pursuant to paragraph 1 may not leave the plant unginned, save on prior authorization by the competent agency; otherwise, the entitlement to aid will be forfeited.

Prior authorization may be granted, in particular, for quantities which are to be ginned on behalf of the grower.

4. For the purposes of this Regulation 'ginning plant' shall mean:

(a) any building or other place within the precincts of a cotton ginning establishment;

(b) if the products concerned cannot be stored within those precincts, any place of storage situated outside them which is sufficiently secure for the purposes of control of the stored products and which has been approved in advance by the agency responsible for inspection.

5. The taking of samples, the reduction of laboratory samples to samples for analysis and the determination of cotton quality, of moisture content and of impurities shall be carried out by a uniform method for the whole Community. However, until a Community method is adopted, the Member States may continue to use the methods of their choice.

Article 11

The stock records provided for in Article 6 (2) of Regulation (EEC) No 2169/81 shall contain the following information, separately in respect of unginned cotton harvested inside the Community and unginned cotton harvested outside the Community:

— the quantities of unginned cotton, ginned cotton, seed, oil and cotton linters in stock at 1 September 1981, and on the first day of each subsequent month;

— in respect of each consignment of such products admitted after 1 September 1981, the number of the invoice or, where appropriate, the number of the receipt or any other equivalent document issued per consignment, with an indication of the quantity concerned;

— in respect of each consignment of such products leaving the premises after 1 September 1981, the number of the invoice, or, where appropriate, the number of the dispatch note or any other document issued per consignment, with an indication of the quantity concerned.

Article 12

1. The Italian Republic is hereby authorized, for the 1981/82 marketing year, to derogate from the measures provided for in Articles 6 to 11. The derogations adopted must be such as to ensure that only the products entitled to do so receive the aid.

The Hellenic Republic is hereby authorized, for the 1981/82 marketing year, to derogate from the measures provided for concerning the contracts referred to in Article 6 (2).

2. Where paragraph 1 is applied, Member States shall immediately notify the Commission of the measures taken.

TITLE III

General provisions

Article 13

1. The producer Member States shall communicate to the Commission:

(a) the name and address of the agencies appointed to implement the provisions of this Regulation, as soon as those agencies are appointed;

(b) not later than the 15th of each month, the quantities for which aid was requested during the preceding month;

(c) not later than the 15th of each month, the quantities taken into supervised storage during the preceding month;

(d) not later than 15 July each year,

— the areas sown with cotton during the current year,

— the average quality of ginned cotton and average yields of ginned cotton and cotton seeds, recorded during the current marketing year;

(e) not later than the month following the final month of each marketing year, the quantities for which aid was approved in respect of preceding marketing year.

2. The Commission shall send to the Member States regular summaries of the data supplied.

Article 14

The conversion rate to be applied to the minimum price shall be the representative rate in force on the date the contract is concluded.

The conversion rate to be applied to the aid shall be the representative rate in force on the day the aid application is lodged.

Article 15

For the 1981/82 marketing year, the percentage provided for in Article 8 (1) of Regulation (EEC) No 2169/81 shall be 100 % of the amount of aid to be granted.

Article 16

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

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

Done at Brussels, 30 July 1981.

For the Commission

The President

Gaston THORN

ANNEX A

Coefficients of equivalence for ginned cotton

Increase or reduction of price by :

(a) 1 % for each mm less or more than 28 mm ;

(b) 1·5 % for each half grade higher or lower than grade 5.

ANNEX B

Increases and reductions for unginned cotton

1. Increase or reduction of price by :

   (a) 1·2 % for each moisture point less or more ;

   (b) 1·2 % for each impurity point less or more ;

   (c) 1·0 ECU/100 kg for each half-point of fibres more or less.

2. Coefficients applicable to the difference in millimetres of ginned cotton in relation to the standard quality.

Length	% of price to be added	% of price to be subtracted
32	4	
31	3	
30	2	
29	1	
28	—	—
27		0·5
26		1
25		1·8

3. Coefficients applicable to the difference in grade of the ginned cotton in relation to the standard quality :

Grade	% of price to be added	% of price to be subtracted
3 and 3·5	+ 6·2	
4	+ 3·2	
4·5	+ 1·6	
5	—	—
5·5		1·8
6		4·2
6·5		6·9
7		9·3

Should the quality of unginned cotton be lower than grade 7, the price must be determined by mutual agreement between the contracting parties.

ANNEX C

Method for calculating weight of unginned cotton

$$\frac{100 - (i + h)}{100 - (i_1 + h_1)} \times q = X$$

i = impurity of unginned cotton the weight of which is to be calculated,

h = moisture of unginned cotton the weight of which is to be calculated,

i_1 = impurity, h_1 = impurity } of the standard quality,

q = quantity of unginned cotton as such (kg) the weight of which is to be calculated,

X = calculated weight of unginned cotton (kg).

Note:

Only the first two decimal figures are taken into account for moisture and impurity contents.