COUNCIL REGULATION (EEC) No 1964/87

of 2 July 1987

adjusting the system of aid for cotton introduced by Protocol No 4 annexed to the Act of Accession of Greece

THE COUNCIL 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 11 of Protocol No 4 on cotton annexed to it, as amended by Protocol No 14 attached to the Act of Accession of Spain and Portugal,

Having regard to the proposal from the Commission (1),

Having regard to the opinion of the European Parliament (2),

Having regard to the opinion of the Economic and Social Committee (3),

Whereas examination of the operation of the system introduced for cotton by Protocol No 4 reveals a need for adjustment;

Whereas provision should be made to reduce the amount of production aid where the estimated production exceeds the maximum quantity guaranteed for the marketing year in question; whereas in the interests of sound management, provision should also be made that in cases where the actual production differs from the estimated production, the maximum quantity guaranteed for the ensuing marketing year must be accordingly adjusted;

Whereas cotton is grown in some of the least-favoured areas of the Community; whereas a study should be carried out which deals with the impact of cotton-growing in the regions concerned; whereas provision should be made for altering the maximum guaranteed quantity if the study's findings show this to be necessary;

Whereas experience may show that other adjustments to the system provided for by the abovementioned protocol are necessary; whereas provision should be made therefore for enabling the Council to adjust the system,

HAS ADOPTED THIS REGULATION:

Article 1

This Regulation provides for adjustments to the system of aid for the production of cotton provided for in paragraph 3 of Protocol No 4 attached to the Act of Accession of Greece.

Article 2

1. Before the beginning of each marketing year, the Council, acting by a qualified majority on a proposal from the Commission, shall determine the maximum guaranteed quantity. Such quantity, which shall be fixed in the light of production during a reference period and the foreseeable trend of demand, may not exceed 752 000 tonnes of unginned cotton.

2. When the production of unginned cotton, estimated at the beginning of the marketing year, exceeds the maximum quantity guaranteed for the year in question, the amount of aid shall be reduced by an amount obtained by multiplying the norm price by a coefficient which increases in line with the amount by which estimated production exceeds the maximum quantity guaranteed.

However for the 1987/88, 1988/89 and 1989/90 marketing years, this reduction in the amount of aid may not be greater than 15 %, 20 % and 25 % respectively of the norm price.

Where the first subparagraph, when applied to the actual production instead of to the production estimated prior to the beginning of the marketing year, would result in a reduction in the amount of aid different from that which has been granted, the maximum quantity guaranteed for the following marketing year shall be adjusted to allow for this situation.

3. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt the rules for the determination of the coefficient referred to in paragraph 2.

Article 3

1. The Commission shall, before the 1988/89 marketing year, submit to the Council a report on the functioning of the system based on a norm price, for unginned cotton and on the development of cotton-growing in the least-favoured areas of the Community.

The Council, acting by a qualified majority on a proposal from the Commission and after consulting the European Parliament shall, if the report shows this to be necessary, decide on a change in the maximum guaranteed quantity specified in Article 2.

(1) OJ No C 89, 3. 4. 1987, p. 39.
(2) OJ No C 156, 15. 6. 1987.
(3) OJ No C 150, 9. 6. 1987, p. 8.

2. Not later than five years after the implementation of this Regulation the Commission shall submit to the Council a report on the operation of the aid scheme.

The Council, acting in accordance with the procedure referred to in the second subparagraph of paragraph 1 shall, if the report shows this to be necessary, decide on any adjustments to the system.

Article 4

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

It shall apply with effect from the 1987/88 marketing year.

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

Done at Brussels, 2 July 1987.

For the Council

The President

K. E. TYGESEN