COUNCIL REGULATION (EEC) No 3465/87

of 17 November 1987

amending Regulation (EEC) No 389/82 on producer groups and associations thereof in the cotton sector

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 paragraphs 9 and 11 of Protocol 4 thereto, as amended by Protocol 14 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),

Whereas, pursuant to paragraph 11 of Protocol 4, no later than five years after the implementation of the system introduced pursuant to that Protocol, the system is to be the subject of a review;

Whereas, in accordance with the abovementioned Protocol, the common measures provided for by Regulation (EEC) No 389/82 (3) apply also in Spain and consequently the needs of cotton production in this Member State should be taken into account;

Whereas, in accordance with the said Regulation, Greece adopted provisions for the establishment of groups and associations thereof in the cotton sector and implemented an aid programme for investments by those groups and associations thereof;

Whereas the implementation of the common measures provided for has aroused great interest among cotton producers, particularly as regards investments by cotton producer groups in mechanized harvesting equipment;

Whereas, taking into account the specificity of producer groups in Spain and in particular the importance of their economic activity, conditions relating to the minimum relating to the minimum size of associations of producer groups should be adapted to the current situation in that Member State;

Whereas, in order to accelerate the application of the measures provided for in Articles 4 and 5 of Regulation (EEC) No 389/82, certain conditions, in particular those relating to the duration and the limits on the aid for the launching of groups and associations thereof, should be relaxed;

Whereas producer groups and associations thereof may often not be established while complying with the conditions laid down in Article 2 (1) (b) of Regulation (EEC) No 389/82 in order to qualify for certain aids for investments, in particular in packaging, ginning and storage facilities; whereas taking into account the specific character of the cotton sector, access to such aids should consequently be extended to other undertakings also, on condition that the participation of producers of the basic product in the economic advantages arising from their investments is ensured;

Whereas the encouragement of cotton production in the Community constitutes a worthwhile alternative to the replacement of intensive irrigated crops of which there is often a surplus in the Community;

Whereas, to achieve that objective, efforts in this sector should be intensified taking into account in addition the limited financial resources of the regions concerned; whereas as a consequence the common measures should be extended, adequate financial resources should be provided for the requirements of those regions and the Community rates of contribution should be raised from 40 % to 50 % of eligible expenditure by the Member States,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 389/82 is hereby amended as follows:

1. The following indent shall be added to the second subparagraph of Article 2 (1) (b):

'— associations in Spain must represent least seven groups and control an annual volume of at least 20 000 tonnes of unginned cotton.'

2. In Article 4:

(a) paragraphs (1) and (2) shall be replaced by the following:

'1. The Member States concerned shall grant aid to groups and associations, in respect of the five years following the date of their recognition, to encourage their formation and to facilitate their administrative operation. Such aid may be paid over seven years following the date of recognition.

2. The amount of aid granted to groups and associations for the first, second, third, fourth and fifth years respectively:

(1) OJ No C 237, 3. 9. 1987, p. 8.
(2) OJ No C 305, 16. 10. 1987.
(3) OJ No L 51, 23. 2. 1982, p. 1.

(a) shall be equal to a maximum of 5 %, 5 %, 4 %, 3 % and 2 % of the value of products :

— coming from producer groups and associations thereof as referred to in Article 1,

— to which recognition relates and which are placed on the market ;

(b) may not, however, exceed the actual formation and administrative operating expenditure.' ;

(b) paragraph 3 shall be deleted and paragraph 4 shall become paragraph 3 ;

(c) paragraph 5 shall become paragraph 4 and shall be replaced by the following :

'4. The actual formation and administrative operating expenditure within the meaning of paragraph 2 (b) shall be determined in accordance with Regulation (EEC) No 2084/80 (1).' ;

(d) paragraph 6 shall become paragraph 5.

3. The following subparagraph shall be added to Article 5 (1) :

'However, the aid referred to in the first subparagraph relating to storage, ginning and packaging facilities may also be granted to other undertakings provided that the programmes referred to under (c) include :

— investments which the said undertakings contemplate making in storage, ginning and packaging facilities ;

— an assurance as to the adequate, lasting participation of cotton producers in the economic advantages arising from the investments, and/or the obligation to conclude supply contracts between groups and the said undertakings, of a duration of at least five years.'

4. Article 10 shall be replaced by the following :

'Article 10

1. The period for carrying out the common measures shall be 10 years from the date of entry into force of this Regulation.

2. Before the end of the period provided for in paragraph 1, the Commission shall submit to the Council a report on progress in the common measures.

3. The estimated total cost of carrying out the common measures to be borne by the Guidance section of the European Agricultural Guidance and Guarantee Fund shall be 40 million ECU, 3 million ECU of which may be used for the application of Title I.

4. Article 6 (5) of Regulation (EEC) No 729/70 shall apply to this Regulation.'

5. In Article 11 (2), '40 %' shall be replaced by '50 %'.

6. In Article 13, the phrase '..... within the sphere of the aid provided for in Article 4 (2) and (3)...' shall be replaced by '...within the sphere of the aid provided for in Article 4 (2)...'.

Article 2

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 26 February 1987.

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

Done at Brussels, 17 November 1987.

For the Council

The President

L. TØRNÆS