COMMISSION REGULATION (EEC) No 870/88

of 30 March 1988

providing for the granting of aid for the private storage of short flax fibres and of hemp fibres

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1308/70 of 29 June 1970 on the common organization of the market in flax and hemp [1], as last amended by Regulation (EEC) No 3995/87 [2], and in particular Article 5 (1) thereof,

Whereas Article 5 of Regulation (EEC) No 1308/70 provides for the granting of private storage aid when the supply of flax fibres shows a temporary imbalance when compared with foreseeable demand; whereas Council Regulation (EEC) No 1172/71 of 3 June 1971 laying down general rules concerning private storage aid for flax and hemp fibres [3] specifies the principal items to be taken into account to ascertain the existence of such an imbalance, as well as the recipients;

Whereas, during the current marketing year, Community production and imports of short flax and of hemp fibres are likely to be such as to suggest that the quantities available will be higher than in the previous marketing year;

Whereas during recent months the demand for fibres on the part of Community and of third country users is down on last year; whereas that situation threatens to continue owing to the current crisis in the dry spinning of flax and of the paper-making industry, the most important outlets for such fibres;

Whereas a feature of the market situation has for some time been a market fall in prices for such fibres; whereas that downward trend is likely to continue owing to the foreseeable development of demand for the fibres in question;

Whereas the imblance on the market is basically due to the poor weather conditions in the summer of 1987, which led to an abnormally high yield of short flax fibres; whereas a normal yield for such fibres may be anticipated for the forthcoming harvest; whereas, on that assumption and on account of the foreseeable maintenance of areas sown, a fall in the production of short flax fibres is to be anticipated in the forthcoming marketing year; whereas it may be expected that the balance between the supply of short flax fibres and their foreseeable demand will be restored towards the beginning of the coming marketing year; whereas, as hemp fibres have the same outlet, the restoration of balance will be reflected on the market for hemp fibres;

Whereas an assessment of the market situation, of which the main points are set out above, thus leads to the conclusion that a temporary imbalance does exist between the supply of short flax fibres and of hemp fibres and the foreseeable demand for such fibres; whereas, in those circumstances, aid for the private storage of such fibres should be granted in accordance with Commission Regulation (EEC) No 1524/71 of 16 July 1971 laying down detailed rules concerning private storage aid for flax and hemp fibres [4];

Whereas the maximum quantity which may be covered by contracts should be specified taking into account the need on the one hand to remove the surplus from the market gradually and on the other to simplify the administration of the system of storage aids;

Whereas the temporary imbalance referred to above is likely to last until the beginning of the next harvest; whereas under those conditions the term of such contracts should be set at six months;

Whereas, pursuant to Article 8 (2) (b) of Regulation (EEC) No 1172/71, the term of existing contracts may in certain circumstances be curtailed; whereas provision should therefore be made, in addition to the aid to be paid, where the obligations under the contracts are fulfilled, for the deductions to be made where the storage aid is thus reduced;

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:

Article 1

Intervention agencies of producer Member States shall grant private storage aid for short flax fibres and for hemp fibres of Communty origin pursuant to the provisions of Regulation (EEC) No 1524/71 and of this Regulation.

[1] OJ No L 146, 4. 7. 1970, p. 1.
[2] OJ No L 377, 31. 12. 1987, p. 34.
[3] OJ No L 123, 5. 6. 1971, p. 7.
[4] OJ No L 160, 17. 7. 1971, p. 16.

Article 2

For the purposes of this Regulation :

(a) *'short flax fibres'* or *'flax tow'* means flax fibres corresponding to CN code 5301 30 10 ;

(b) *'hemp fibres'* means hemp corresponding to CN code 5302 90 00 other than waste.

Article 3

1. The maximum quantity per contract shall be 200 tonnes.

2. Contracts may be concluded only with persons in possession of the product on 31 December 1987.

Article 4

1. Without prejudice to Article 8 (2) (b) of Regulation (EEC) No 1172/71, contracts shall be concluded for a term of six months.

2. Contracts must be concluded not later than 6 May 1988.

Article 5

1. The aid shall be 1 ECU per 100 kilograms per month.

2. Should Article 8 (2) (b) of Regulation (EEC) No 1172/71 be applied, the aid shall be reduced in proportion to the reduction in the term of the contract.

Article 6

For the purposes of this Regulation a month means a period of 30 days.

Article 7

This Regulation shall enter into force on the day following 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 March 1988.

For the Commission

Frans ANDRIESSEN

Vice-President