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COMMISSION REGULATION (EEC) No 1201/89
of 3 May 1989
laying down rules implementing the system of aid for cotton

(OJ L 123, 4.5.1989, p. 23)

Amended by:

		Official Journal		
		No	page	date
►**M1**	Commission Regulation (EEC) No 2733/89 of 8 September 1989	L 263	15	9.9.1989
►**M2**	Commission Regulation (EEC) No 2432/90 of 21 August 1990	L 228	23	22.8.1990
►**M3**	Commission Regulation (EEC) No 2756/91 of 19 September 1991	L 264	21	20.9.1991
►**M4**	Commission Regulation (EEC) No 2328/92 of 31 July 1992	L 223	15	8.8.1992
►**M5**	Commission Regulation (EEC) No 1785/93 of 30 June 1993	L 163	9	6.7.1993
►**M6**	Commission Regulation (EEC) No 2046/93 of 27 July 1993	L 185	19	28.7.1993
►**M7**	Commission Regulation (EC) No 2064/95 of 29 August 1995	L 204	8	30.8.1995
►**M8**	Commission Regulation (EC) No 2878/95 of 13 December 1995	L 301	21	14.12.1995
►**M9**	Commission Regulation (EC) No 905/96 of 21 May 1996	L 122	5	22.5.1996
►**M10**	Commission Regulation (EC) No 1437/96 of 23 July 1996	L 184	29	24.7.1996
►**M11**	Commission Regulation (EC) No 1645/96 of 30 July 1996	L 207	3	17.8.1996
►**M12**	Commission Regulation (EC) No 1740/97 of 5 September 1997	L 244	1	6.9.1997
►**M13**	Commission Regulation (EC) No 1664/98 of 28 July 1998	L 211	9	29.7.1998
►**M14**	Commission Regulation (EC) No 1624/1999 of 23 July 1999	L 192	39	24.7.1999

NB: This consolidated version contains references to the European unit of account and/or the ecu, which from 1 January 1999 should be understood as references to the euro — Council Regulation (EEC) No 3308/80 (OJ L 345, 20.12.1980, p. 1) and Council Regulation (EC) No 1103/97 (OJ L 162, 19.6.1997, p. 1).

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COMMISSION REGULATION (EEC) No 1201/89

of 3 May 1989

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 Protocol 4 on cotton, as last amended by Regulation (EEC) No 4006/87 ([1]),

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 ([2]), as last amended by Regulation (EEC) No 791/89 ([3]), and in particular Article 11 thereof,

Having regard to Council Regulation (EEC) No 1676/85 of 11 June 1985 on the value on the unit of account and the conversion rates to be applied for the purposes of the common agricultural policy ([4]), as last amended by Regulation (EEC) No 1636/87 ([5]), and in particular Article 12 thereof,

Whereas, in view of the fluctuations which normally occur in world market prices, 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 of any compensatory amount levied on imports pursuant to Regulation (EEC) No 143/67/EEC of the Council of 21 June 1967 on the compensatory amount aplicable to certain vegetable oils ([6]), as amended by Regulation (EEC) No 2077/71 ([7]);

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 actually 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;

([1]) OJ No L 377, 31. 12. 1987, p. 49.
([2]) OJ No L 211, 31. 7. 1981, p. 2.
([3]) OJ No L 85, 30. 3. 1989, p. 7.
([4]) OJ No L 164, 24. 6. 1985, p. 1.
([5]) OJ No L 153, 13. 6. 1987, p. 1.
([6]) OJ No 125, 26. 6. 1967, p. 2463/67.
([7]) OJ No L 220, 30. 9. 1971, p. 1.

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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, it should be laid down that the cotton be ginned within a certain period;

Whereas, pursuant to 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, provision should be made for a proportion of the aid to be paid in advance;

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 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 in the interests of clarity Commission Regulation (EEC) No 2183/81 ([1]), as last amended by Regulation (EEC) No 2993/88 ([2]) should be repealed and replaced by this Regulation;

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

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Article 1

▼M14

1. The Commission shall determine the world market price for unginned cotton in euro for the period 1 September to 31 March. The price shall be determined on the last working day preceding the first, 11th and 21st of each month and shall enter into force on the day following the date on which it is determined. The working days taken into account shall be those applied by the Commission. The exchange rate for the euro used to determine the world market price shall be that applicable on the day on which the offers and quotations referred to in Article 2 are established. However, in the event of significant changes in the world market price referred to in the first subparagraph, the Commission may amend the said price without delay.

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2. The price, fixed per 100 kilograms, shall be equal to a percentage of the world market price for ginned cotton determined in accordance with Article 2.

This percentage shall be set at:

— 20,6 if the price is less than ECU 110 per 100 kilograms,

— 23,0 if the price is ECU 110 or more but less than ECU 130 per 100 kilograms,

— 24,4 if the price is ECU 130 or more per 100 kilograms.

([1]) OJ No L 211, 31. 7. 1981, p. 35.
([2]) OJ No L 270, 30. 9. 1988, p. 61.

▼M7

3. The Commission shall communicate to the Member States the price fixed per 100 kilograms of unginned cotton, as soon as that amount is fixed, and in any case before the date of its coming into force.

Article 2

1. In determining the world market price for ginned cotton the Commission shall establish an average of the offers and quotations obtaining on one or more European exchanges for cotton delivered cif originating in various supplier countries regarded as the most representative in international trade for shipments to be made during the nearest in date and concerning the marketing year for which the price is determined.

2. Where the offers and quotations relate to:

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

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

(c) 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; only the lowest costs shall be taken into account.

3. Where the world market price cannot be determined in accordance with paragraph 1, the second subparagraph of Article 4 (2) of Regulation (EC) No 1554/95 shall apply.

The offers and quotations taken into account shall be increased by ECU 1 304 per 100 kilograms to take account of unloading and forwarding costs at Piraeus.

Whereas the offers and quotations relate to 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 as against cotton delivered cif at Piraeus. Paragraph 2 shall also apply.

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TITLE II

Aid

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Article 5

1. Not later than 15 July the Commission shall fix the amount of aid for unginned cotton applicable for each period for which a world market price has been determined in accordance with Article 1 (1).

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2. On the same date as the world market price for unginned cotton as referred to in Article 1(1) is fixed and for the same period, the Commission shall fix:

— from 1 September, the advance referred to in the first subparagraph of Article 5(3a) of Council Regulation (EC) No 1554/95 [1],

— from 16 December, the advance referred to in the second subparagraph of Article 5(3a) of Regulation (EC) No 1554/95.

On application by the parties concerned, advances paid before 16 December shall be increased to take account of the amount referred to in the second indent of the first subparagraph, except where the difference between the two amounts is less than ECU 1/100 kg. Such applications

[1] OJ L 148, 30. 6. 1995, p. 48.

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shall be accompanied by proof that an additional security designed to ensure that Article 9(8) is complied with has been lodged.

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3. Without prejudice to Article 6 of Regulation (EC) No 1554/95 and Article 6 of this Regulation, the aid to be granted shall be that which is valid on the day the application for aid referred to in Article 7 of Regulation (EC) No 1554/95 is lodged in accordance with Article 7 of this Regulation. However, if the aid application is lodged:

— between 1 and 15 April of the marketing year for which the aid is applied for, the aid to be granted shall be that valid on the preceding 31 March, less 1 % per working day of delay,

— after 15 April of the said marketing year, the aid application shall be rejected.

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Article 6

The increase in the amount of the aid, provided for in Article 2 (4) of Regulation (EEC) No 1964/87, shall be established as follows:

(a) the difference between the total budgetary expenditure on the aid system established after Article 2 (3) of Regulation (EEC) No 1964/87 has been applied and ECU 770 million shall be divided by the combined actual production of the Member States whose actual production exceeds the GNQ. The increase shall be equal to the result obtained except where (b) is applied and shall be without prejudice to the second subparagraph of Article 2 (4) of Regulation (EEC) No 1964/87;

(b) if the actual production in Spain and Greece exceeds the GNQ and if in one of those Member States the aid amount increased pursuant to (a) exceeds one of the ceilings fixed in the second subparagraph of Article 2 (4) of Regulation (EEC) No 1964/87, the aid amount applicable in that Member State shall be equal to that provided for at the lowest ceiling. The aid amount applicable in the other Member State shall be equal to the amount increased pursuant to (a) plus that proportion of the increase of the first Member State exceeding the aforementioned ceiling, in compliance with the second subparagraph of Article 2 (4) of Regulation (EEC) No 1964/87.

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Article 7

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, between 1 May preceding the marketing year for which the aid is applied for and 30 April following, and on or before the date on which the application for supervised storage of the cotton is made. ►M11 It shall be lodged, for each harvest, between 1 September and 31 March of the marketing year in question, but in no event before the date on which the application for supervised storage referred to in Article 9 is lodged. ◄

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

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

— the date of the application,

— quantity of unginned cotton for which aid is requested,

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— a reference to the application for supervised storage if already lodged.

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Article 8

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1. All Community cotton growers shall send an annual declaration of areas sown to cotton by means of the 'area' aid application form provided for in the integrated administration and control system (IACS) before a date set by the Member State concerned. The agricultural plot or plots concerned shall be identified in accordance with the system for identifying agricultural plots provided for under IACS. Where applicable, the grower shall submit a corrected declaration to take account of the area actually sown to cotton by 1 July of the following year at the latest.

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2. If the areas declared differ from those found during the inspections referred to in Article 12 (1) (a), the Member States shall adjust the declarations concerned. They shall take such adjustments into account in determining the total area declared.

Article 9

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 ►M8 31 March ◄ following the year of sowing. It may be presented for one or more consignments.

►M12 However, Member States may set the time limit for lodging applications at an earlier date than that referred to in the previous subparagraph provided this does not distort in a significant way trade in the sector. In such a case, Member States shall adopt the new time limit no later than 30 days before the established time limit and shall immediately inform the Commission thereof. ◄ ►M14 However, in the event of unfavourable weather conditions, Member States may, during the last five working days in March, authorise the placing under supervision of the cotton concerned. In such case, Member States shall inform the Commission thereof no later than 10 days before that period. ◄

A 'consignment' shall mean a given quantity of unginned cotton, numbered on entry to the ginning plant ►M7 ——————— ◄.

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Member States shall take the necessary measures to ensure that the unginned cotton entering ginning plants is of sound, fair and merchantable quality. Member States shall refuse the placing into supervised storage of the quantities which do not meet these standards.

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3. The application for supervised storage shall contain:

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

— the date of application,

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

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

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— as the case may be, a reference to the aid application lodged on the same day or a statement that it will be lodged at a later date.

4. Where the aid application is lodged after the application for supervised storage is lodged, the quantities for which the aid is applied

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for shall be set off against the applications for supervised storage, in chronological order of the lodging of the applications.

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(SIC! 8.) From the start of supervised storage and with effect from 16 October following the start of the marketing year, Member States shall, on request, grant those concerned an advance on the aid, provided a security at least equal to 110% of the advance is lodged. The advance shall be equal to the amount of the advance in ecus per 100 kilograms valid on the day on which the application for supervised storage was lodged multiplied by the quantities to which the application relates. The security shall take one of the forms provided for in Article 8 of Regulation (EEC) No 2220/85. The security shall be forfeited pro rata to the amount by which the advance to be paid exceeds the amount of the aid to be granted.

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Article 10

1. Not later than when a quantity is taken into supervised storage, one or more contracts and/or declarations drawn up in accordance with paragraphs 2 and 3 shall be submitted ►M4 for each consignment. ◄ to the agency referred to in Article 7 (1).

2. A contract as provided for in paragraph 1 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; the total quantity given in a number of contracts referring to a single aid application may not be less than that given in the aid application concerned.

If the contract is concluded before the harvest, this information shall be replaced by undertakings by the producer to deliver and by the buyer to take delivery of the quantity harvested on the area in question; in such cases the quantity shall be determined by the Member State on the basis of the yields recorded in the region concerned and any other relevant information supplied by the interested party;

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(e) the area, expressed in hectares and ares, with identification of the agricultural plot or plots in accordance with the system for identifying agricultural plots laid down under IACS;

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(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;

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2. the price is subject only to the adjustments determined by common consent which are proportional to the difference in quality in relation to the standard quality.

(g) a clause providing that, should Article 6 of Regulation (EC) No 1554/95 and, where appropriate, Article 6 of this Regulation be

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applied, the agreed price for a product of standard quality will be reduced by the amount by which the aid will be reduced;

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(h) a reference to the declaration of areas sown provided for in Article 8; however, if the declaration is not available when the contract is concluded, a reference to it shall be added to the contract as soon as the declaration is received;

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(i) the terms of payment and in particular the time limit for payment of the selling price.

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3. The following provisions shall apply where the cotton is to be ginned on behalf of an individual producer or a producer group as referred to in Article 7(2) of Regulation (EC) No 1554/95.

(a) No later than 10 days before the date of first placing in supervised storage, the ginning undertaking concerned shall submit a declaration to the agency referred to in Article 7(1) to the effect that the cotton is to be ginned on behalf of an individual producer or, as the case may be, of a producer group.

In addition, such declarations, to be signed by both parties concerned, shall specify:

(i) the way the ginning undertaking is to administer applications for supervised storage as provided for in Article 9 and aid applications as provided for in Article 7;

(ii) the way individual producers or producer groups are to prove they have fulfilled their obligations regarding entitlement to the aid to the ginning undertaking;

(iii) an undertaking that the aid will be passed on to the individual producer or the producer group.

(b) Where ginning is carried out on behalf of a producer group, fulfilment of the undertaking provided for in point (a)(iii) shall imply provision by the group of proof of the undertaking to pay each member the minimum price, adjusted in accordance with paragraph 2(g). To that end, the group shall in particular supply the price at which the producers deliver the unginned cotton, as determined in accordance with paragraph 2(f).

(c) Paragraph 2(h) shall apply *mutatis mutandis* where the cotton is ginned on behalf of an individual producer or a producer group.

(d) Without prejudice to Articles 7 and 9, applications for supervised storage and aid applications shall include a reference to the declaration provided for in (a).

(e) At the request of the individual producer or the producer group concerned, the documents referred to in Articles 7 and 9 concerning applications for supervised storage and aid applications may be sent to them by the competent agency.

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Article 11

Within 120 days of its entry into supervised storage and in any case before ►M8 20 April ◄ of a given marketing year, the ginning plant shall notify the Member State of the quantity of ginned cotton produced from the quantity of unginned cotton taken into supervised storage. The quantity of ginned cotton shall be established in accordance with the method set out in Annex B.

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Article 12

1. The agency appointed by the producer Member State shall verify:

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

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(b) that the contracts lodged fulfil the conditions laid down in Article 10, in particular compliance with the minimum price and the proportional nature of any adjustment thereto. A reduction of the agreed price can be considered disproportional only if the reduction indicated in the contract to take account of the difference in the length or grade of the cotton fibre delivered compared to those parameters for cotton of standard quality is clearly unreasonable in terms of the real depreciation in value of the cotton delivered.

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

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(d) the accuracy of the data communicated by the ginning plants in accordance with Article 11.

(e) that the stock records provided for in ►M13 Article 7(1) and (2) ◄ of Regulation (EC) No 1554/95 have been kept in accordance with Article 13 of this Regulation. In particular, it shall verify that the invoices and other documents referred to in the second indent of Article 13 have been signed by identifiable suppliers who can justify to the satisfaction of the Member State concerned the origin of the unginned cotton and the reference to the declaration of areas sown and that they indicate a price at least equal to the minimum price, corrected where appropriate to take account of the quality delivered.

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(f) by cross-checks, that the agricultural plots mentioned in the contracts correspond to those declared by the growers in their 'area' aid applications.

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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.

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Prior authorisation may be granted in particular for quantities ginned on behalf of an individual producer or of a producer group.

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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.

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Article 13

The stock records provided for in ►M7 ►M13 Article 7(1) and (2) of Regulation (EC) No 1554/95 ◄ ◄ shall contain the following information, separately in respect of unginned cotton harvested inside the Community and unginned cotton harvested outside the Community:

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— the quantity of ginned cotton produced by reference to the consignments of unginned cotton taken into supervised storge.

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— the quantities of unginned cotton, ginned cotton, seed, oil and cotton linters in stock on the first day of each month,

— in respect of each consignment of such products received, 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 sent out, 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.

TITLE III

General provisions

Article 14

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 ►**M12** 15 May ◄ each year:

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

— a summary of the quantities for which aid was approved in respect of the current marketing year.

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(e) by 15 August at the latest each year:

— the areas shown to cotton during the current year, if necessary adjusted in accordance with Article 8 (2),

— the corresponding estimated production of unginned cotton as referred to in ►**M13** the first subparagraph of Article 5(3a) ◄ of Regulation (EC) No 1554/95.

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(f) by 25 November at the latest each year, the most recent figures on quantities placed in supervised storage and the revised production estimate for unginned cotton as referred to in the second subparagraph of Article 5(3a) of Regulation (EC) No 1554/95.

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Where the world market price of unginned cotton change in the course of a month, the data specified in (b) shall be broken down for each period in respect of which a different world market price applies. The data specified in ►**M13** the second indent of (d) ◄ shall be broken down by the same periods as apply in the case of (b).

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2. Where significant irregularities are uncovered by 6 % or more of the inspections carried out in accordance with Article 12 (1) (a), the Member States shall so inform the Commission without delay, stating what measures have been adopted.

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

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Article 15

The exchange rate for the euro to be applied to the minimum price, the amount of the advance and the aid shall be that of the date of entry into force of the world market price for unginned cotton applicable when the consignment of cotton in question is placed under supervised storage.

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Article 16

1. Regulation (EEC) No 2183/81 is hereby repealed.

2. In all Community instruments where reference is made to Regulation (EEC) No 2183/81 or to certain Articles of that Regulation, those references shall be construed as references to this Regulation or to the corresponding Articles hereof.

Article 17

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

It shall apply to cotton harvested from the 1989/90 marketing year onwards.

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

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ANNEX A

Coefficients of equivalence for ginned cotton

Increase or reduction of price by:

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

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

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ANNEX B

Determination of the weight of a consignment of ginned cotton

1. A consignment of ginned cotton means a quantity of ginned cotton produced from a given consignment or consignments of unginned cotton taken into supervised storage.

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2. Without prejudice to point 4, the weight as such of a consignment of ginned cotton is to be increased by 0,6 % for each half-point of moisture below 8,5 % and reduced by the same percentage for each half-point of moisture above 8,5 %.

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The moisture content of a consignment:

— is established by the inspection agency appointed by the Member State by the taking of samples which must relate to at least 5 % of the consignment produced by each ginning plant or,

— is equal to the average moisture content recorded for each ginning plant as a result of the taking of samples referred to in the first indent if the consignment in question has not been sampled. This moisture content is to be communicated to the ginning plant by the inspection agency.

3. Without prejudice to point 4, the weight as such of a consignment of ginned cotton is to be adjusted as follows:

1. for consignment the grade of which is determined by the inspection agency appointed by the Member State, the table below applies:

Grade	Percentage by which weight is adjusted
3,5 and less	plus 1,5
4	plus 1
4,5	plus 0,5
5	—
5,5	minus 0,5
6	minus 1
6,5	minus 1,5
7	minus 2
7,5	minus 2,5
8	minus 4
8,5 and more	minus 5

2. for the consignments for which a grade is not established by the inspection agency appointed by the Member State, the weight as such is adjusted by taking into account the average impurity content recorded for each ginning plant on the basis of the samples taken by the inspection agency which must relate to at least 5 % of the consignments for which a grade is not established. This impurity content is to be communicated to the ginning plant by the inspection agency.

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The actual weight is to be increased by 0,6 % for each half-point of impurities below 2,5 % and reduced by the same percentage for each half-point of impurities above 2,5 %.

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4. However, if the ginned cotton is not stored under normal storage conditions, in particular if it is not kept in a dry place or if the moisture content of the outer layers of the bale exceeds the limits practised by the trade, the determination of weight as described above can proceed only after the limits practised by the trade are complied with.