COMMISSION REGULATION (EEC) No 2885/90

of 5 October 1990

on granting aid for the private storage of long flax fibre

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 Commission Regulation (EEC) No 3995/87 (2), and in particular Article 5 (1) thereof,

Whereas Article 5 of Regulation (EEC) No 1308/70 provides for granting private storage aid when the supply of flax fibre 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 aid beneficiary;

Whereas, during the current marketing year, Community production and imports of long flax fibre 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 fibre on the part of Community and of third country users has fallen compared to last year; whereas this situation may well continue owing to the current crisis in the linen industry;

Whereas the market situation has been characterized for some time by a marked fall in prices; whereas in view of the foreseeable development of demand for fibre this downward trend is likely to continue;

Whereas, because of a foreseeable reduction in the area sown, a fall in the production of flax during the coming marketing year is to be anticipated; whereas, it may be expected that at the end of the present marketing year the balance between the supply of fibres and the foreseeable demand for them will be restored;

Whereas an assessment of the market situation thus leads to the conclusion that a temporary imbalance does exist between the supply of long flax fibre and the foreseeable demand for such fibre; whereas in these circumstances aid for the private storage of such fibre should be granted in accordance with the provisions of 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 the subject of a contract should be specified taking into account the need on the one hand to gradually remove the surplus from the market 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 next harvest; whereas, in view of this, the duration of contracts should be eight to 10 months;

Whereas, since there is a risk that storage contracts will be made for a relatively large quantity of fibre, that quantity should be restricted to approximately one-third of Community production in order to guarantee normal supply to the market; whereas a maximum quantity for which each holder may take out storage contracts should therefore be set;

Whereas, to make storage aid available to holders of small quantities of fibre, the minimum quantity referred to in Article 3 (2) of Regulation (EEC) No 1524/71 should be adjusted;

Whereas by virtue of Article 8 (2) (b) of Regulation (EEC) No 1172/71 the term of existing contracts may in certain circumstances be curtailed; whereas, in addition to the aid to be paid where the obligation sunder the contract are fulfilled, the deduction to be made where the storage term is thus reduced should be specified;

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

(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.

HAS ADOPTED THIS REGULATION:

Article 1

For the purposes of this Regulation 'long flax fibre' means: flax, broken, scutched, hackled or otherwise processed but not spun, falling within CN codes 5301 21 00 and 5301 29 00.

Article 2

Intervention agencies of producer Member States shall grant in accordance with the provisions of Regulation (EEC) No 1524/71 and of this Regulation private storage aid for long flax fibre of Community origin.

Article 3

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

2. Contracts may be concluded only with holders in possession of the fibre before 1 June 1990 and for not more than 60 % of the amount held by them on 31 May 1990.

3. Notwithstanding Article 3 (2) of Regulation (EEC) No 1524/71, the minimum quantity per contract shall be 5 000 kilograms.

Article 4

1. Without prejudice to Article 8 (2) (b) of Regulation (EEC) No 1172/71, contracts shall be concluded at the option of the holder for eight, nine or 10 months.

2. Contracts must be concluded not later than 30 November 1990.

Article 5

1. The aid shall be ECU 2,50 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 shall mean 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, 5 October 1990.

For the Commission

Ray MAC SHARRY

Member of the Commission