COMMISSION REGULATION (EEC) No 2368/92
of 12 August 1992
fixing the 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 Spain and Portugal,

Having regard to the Act of Accession of Greece, and in particular paragraphs 3 and 10 of Protocol 4 on cotton annexed thereto, as amended by Protocol 14 annexed to the Act of Accession of Spain and of Portugal, and Regulation (EEC) No 4006/87 (1),

Having regard to Council Regulation (EEC) No 2169/81 of 27 July 1981 laying down the general rules for the system of aid for cotton (2), as last amended by Regulation (EEC) No 2053/92 (3), and in particular Article 5 (1) thereof,

Whereas, pursuant to Article 5 of Regulation (EEC) No 2169/81, aid must be granted for unginned cotton harvested in the Community when the world market price for unginned cotton is below the guide price;

Whereas the aid is equal to the difference between these two prices;

Whereas the guide price for cotton has been fixed by Council Regulation (EEC) No 2055/92 for the 1992/93 marketing year (4);

Whereas the abatement of the subsidy which arises, where appropriate, from the system of maximum guaranteed quantities for the 1992/1993 marketing year, has not, to date, been fixed; whereas this provisional abatement should be fixed taking account of the 15% limit referred to in the first subparagraph of Article 3 (2) of Council Regulation (EEC) No 1964/87 (5), as last amended by Regulation (EEC) No 2052/92 (6), and the harvest forecasts; whereas the abatement should therefore be set at ECU 15 419 per 100 kg;

Whereas the world market price for unginned cotton is determined periodically on the basis of the world market prices recorded for ginned cotton and cotton seed, taking into account the estimated yield of the Community harvest in cotton seed and in ginned cotton and also the net cost of ginning;

Whereas the world market price for ginned cotton and cotton seed is determined in accordance with Article 4 of Regulation (EEC) No 2169/81;

Whereas, if the world market price for unginned cotton cannot be determined as described above, this price shall be established on the basis of the most recent price determined;

Whereas the world market price for unginned cotton is equal to the sum of the values for ginned cotton and cotton seed defined in Article 1 of Commission Regulation (EEC) No 1201/89 of 3 May 1989 laying down rules implementing the system of aid for cotton (7), as last amended by Regulation (EEC) No 2756/91 (8), minus the cost of ginning;

Whereas the above values are established on the basis of the prices determined in accordance with Articles 2 and 3 of Commission Regulation (EEC) No 1201/89; whereas the world market price is determined on the basis of the most favourable offers and quotations recorded, excluding offers and quotations which cannot be regarded as representative of the real market trend;

Whereas the necessary adjustments must be made in cases where the offers and quotations recorded do not satisfy the requirements indicated above;

Whereas, pursuant to Article 4 (4) of Regulation (EEC) No 2169/81, if there are no suitable offers or quotations for determining the world market price for cotton seed, that price shall be established on the basis of the most favourable offers and quotations for cotton seed recorded on the Community market or, if those offers and quotations cannot be established on the basis of the value of the products obtained from processing the seed in the Community, less the processing cost; whereas this value is determined in accordance with Article 4 of Regulation (EEC) No 1201/89;

Whereas, if the subsidy system is to operate normally, subsidies should be calculated on the following basis:

— in the case of currencies which are maintained in relation to each other at any given moment within a band of 2,25 %, a rate of exchange based on their central rate, multiplied by the corrective factor provided for in the last paragraph of Article 3 (1) of Council Regulation (EEC) No 1676/85 (9), as last amended by Regulation (EEC) No 2205/90 (10),

(1) OJ No L 377, 31. 12. 1987, p. 49.
(2) OJ No L 211, 31. 7. 1981, p. 2.
(3) OJ No L 215, 30. 7. 1992, p. 12.
(4) OJ No L 215, 30. 7. 1992, p. 14.
(5) OJ No L 184, 3. 7. 1987, p. 14.
(6) OJ No L 215, 30. 7. 1992, p. 10.
(7) OJ No L 123, 4. 5. 1989, p. 23.
(8) OJ No L 264, 20. 9. 1991, p. 21.
(9) OJ No L 164, 24. 6. 1985, p. 1.
(10) OJ No L 201, 31. 7. 1990, p. 9.

— for the other currencies, an exchange rate based on an average of the ecu rates published in the *Official Journal of the European Communities*, C series, over a period to be determined, multiplied by the coefficient referred to in the preceding indent;

Whereas the aid must be fixed once a month, and in such a way that it can be applied from the first day of the month following the date of fixing; whereas it may be altered between fixings;

Whereas it follows from applying these provisions to the offers and quotations known to the Commission that the aid for cotton should be as set out in this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

1. The aid for unginned cotton provided for in Article 5 of Regulation (EEC) No 2169/81 shall be ECU 73,290 per 100 kilograms.

2. However, the amount of the aid will be confirmed or replaced with effect from 13 August 1992, which appear to have been offered in the largest quantities.

Article 2

This Regulation shall enter into force on 13 August 1992.

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

Done at Brussels, 12 August 1992.

For the Commission

Ray MAC SHARRY

Member of the Commission