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(Acts whose publication is obligatory)

COMMISSION REGULATION (EC) No 1740/97

of 5 September 1997

amending Regulation (EEC) No 1201/89 laying down rules implementing the system of aid for cotton

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the Act of Accession of Greece, and in particular Protocol 4 on cotton, as last amended by Council Regulation (EC) No 1553/95 (1),

Having regard to Council Regulation (EEC) No 1964/87 of 2 July 1987 adjusting the system of aid for cotton introduced by Protocol 4 annexed to the Act of Accession of Greece (2), as last amended by Regulation (EC) No 1553/95, and in particular Article 2 (4) thereof,

Having regard to Council Regulation (EC) No 1554/95 of 29 June 1995 laying down the genral rules for the system of aid for cotton and repealing Regulation (EEC) No 2169/81 (3), as amended by Regulation (EC) No 1584/96 (4), and in particular Article 11 (1) thereof,

Whereas Commission Regulation (EEC) No 1201/89 of 3 May 1989 (5), as last amended by Regulation (EC) No 1645/96 (6), lays down the detailed rules for implementing the system of aids for cotton; whereas, in order to improve the administration and control of the system and to avoid the risk of double payments on the same land, certain provisions of the integrated administration and control system (IACS) should be made applicable to the system;

Whereas, in particular, the lodging of declarations of areas sown to cotton should be harmonized with the relevant rules provided for under IACS; whereas identification of the areas sown to cotton must be carried out in accordance with IACS; whereas an additional measure consisting in carrying out cross-checks with the system provided for in the integrated system should be added to the controls carried out by Member States;

Whereas Article 9 (2) of Regulation (EEC) No 1201/89 lays down a time limit for the lodging of applications for supervised storage; whereas, in avoid to prevent the excessive withholding of unginned cotton by producers and, as a result, the deterioration of the quality of the stored product, Member States should be given the possibility of setting an earlier date;

Whereas Article 9 (8) of Regulation (EEC) No 1201/89 provides for operators, upon application, to be granted an advance on the aid under certain conditions; whereas, with a view to clarification, the method for calculating the advance where it relates to several supervised storage operations carried out on different dates should be specified;

Whereas Article 14 (1) of Regulation (EEC) No 1201/89 sets 15 August as the date by which certain information relating to the current marketing year should be reported each year; whereas this date should be brought forward in order to make that information more useful in the management of the sector; whereas the same provision also sets 15 August as the date by which the areas sown to cotton in the following marketing year are communicated each year; whereas, in order to facilitate the proper functioning of the system a communication covering the relevant estimated production should be added;

Whereas the second subparagraph of Article 15 of Regulation (EEC) No 1201/89 provides for the possibility to fix in advance the agricultural conversion rate for the aid; whereas that provision can only be applied under certain precise conditions, in particular the mechanism for the advance fixing of aid as referred to in Articles 13 to 17 of

(1) OJ L 148, 30. 6. 1995, p. 45.
(2) OJ L 184, 3. 7. 1987, p. 14.
(3) OJ L 148, 30. 6. 1995, p. 48.
(4) OJ L 206, 16. 8. 1996, p. 16.
(5) OJ L 123, 4. 5. 1989, p. 23.
(6) OJ L 207, 17. 8. 1996, p. 3.

Commission Regulation (EEC) No 1068/93 of 30 April 1993 on detailed rules for determining and applying the agricultural conversion rates [1], as last amended by Regulation (EC) No 1482/96 [2]; whereas as a result of the abolition of that mechanism in the cotton sector the advance fixing of the green rate should also be abolished;

Whereas Annex B to Regulation (EEC) No 1201/89 sets the rules for adjusting the weight of unginned cotton as a function of fibre quality criteria; whereas, with a view to harmonization, those adjustments should be aligned with those practised on the world market;

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

Regulation (EEC) No 1201/89 is hereby amended as follows:

1. Article 8 (1) is replaced by the following:

'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.'

2. In Article 9 (2), the following subparagraph is inserted between the first and second subparagraphs:

'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.'

3. In Article 9 (8) is replaced by the following:

'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.'

4. Article 10 (2) (e) is replaced by the following:

'(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;'

5. In Article 12 (1), the following point is added:

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

6. In Article 14 (1) (d), '15 August' is replaced by '15 May' and the first indent is deleted.

7. In Article 14 (1), the following point is added:

'(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 Article 5 (3) of Regulation (EC) No 1554/95.'

8. Article 15 is replaced by the following:

'Article 15

The conversion rate to be applied to the minimum price, the amount of the advance and the aid shall be the representative rate in force on the day the cotton is placed under supervised storage.'

9. Annex B is amended as follows:

(a) in point 2, the first paragraph is replaced by the following:

'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 %.'

[1] OJ L 108, 1. 5. 1993, p. 106.
[2] OJ L 188, 27. 7. 1996, p. 22.

(b) in point 3.1, the table is replaced by the following table:

'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'

(c) in point 3.2, the second paragraph is replaced by the following:

'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 %.'

Article 2

This Regulation shall enter into force on the 7th day following its publication in the *Official Journal of the European Communities.*

Article 1 (2), (3), (8) and (9) shall apply from the 1997/98 marketing year.

Article 1 (1), (4), (5), (6) and (7) shall apply to area declarations lodged from the 1998/99 marketing year.

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

Done at Brussels, 5 September 1997.

For the Commission

Franz FISCHLER

Member of the Commission