# COMMISSION REGULATION (EC) No 1664/98

## of 28 July 1998

## 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 general rules for the system of aid for cotton and repealing Regulation (EEC) No 2169/81 [3], as last amended by Regulation (EC) No 1419/98 [4], and in particular Article 11(1) thereof,

Whereas, as a result of adjustments to the system of aid for cotton introduced by Regulation (EC) No 1419/98, the corresponding amendments must be made to Commission Regulation (EEC) No 1201/89 of 3 May 1989 laying down rules implementing the system of aid for cotton [5], as last amended by Regulation (EC) No 1740/97 [6];

Whereas Regulation (EC) No 1419/98 introduces a procedure for revising production estimates before 1 December so that an advance payment closer to the final aid amount can be made; whereas Regulation (EEC) No 1201/89 should accordingly be amended with a view to applying this mechanism;

Whereas the adjustments to the system of aid provide for the possibility of cotton being ginned on behalf of producer groups; whereas the rules for administering the aid and the conditions that the group must fulfil so the aid can be passed on should be specified for such cases;

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 5(2) is replaced by the following:

'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 (*),

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

(*) OJ L 148, 30. 6. 1995, p. 48.';

2. Article 10(3) is replaced by the following:

'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;

[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 190, 4. 7. 1998, p. 4.
[5] OJ L 123, 4. 5. 1989, p. 23.
[6] OJ L 244, 6. 9. 1997, p. 1.

(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.';

3. in Article 12(1)(e) and in the introductory part of Article 13, 'Article 7(2)' is replaced by 'Article 7(1) and (2)';

4. the second subparagraph of Article 12(3) is replaced by the following:

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

5. in Article 14(1)(e), 'Article 5(3)' is replaced by 'the first subparagraph of Article 5(3a)';

6. the following point is added to Article 14(1):

'(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.';

7. in the second subparagraph of Article 14(1), 'the third indent of (d)' is replaced by 'the second indent of (d)'.

*Article 2*

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

It shall apply from 1 September 1998.

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

Done at Brussels, 28 July 1998.

*For the Commission*

Franz FISCHLER

*Member of the Commission*