

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(89) 611 final

Brussels, 8 December 1989

Proposal for a  
COUNCIL REGULATION (EEC)  
instituting a special system of aid for  
small cotton producers

(presented by the Commission)

Emb 611f

Proposal for a

COUNCIL REGULATION (EEC) No

of

instituting a special system of aid for  
small cotton producers

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1964/87 of 2 July 1987 adjusting the system of aid for cotton introduced by Protocol No 4 annexed to the Act of Accession of Greece (1), and in particular Article 3(2) thereof,

Having regard to the proposal from the Commission (2),

Having regard to the opinion of the European Parliament (3),

Having regard to the opinion of the Economic and Social Committee (4),

Whereas the system of aid for cotton introduced in Protocol 4, as adapted by Regulation (EEC) No 1964/87, provides that the aid for cotton is to be reduced where production exceeds the maximum guaranteed quantity fixed for the marketing year concerned; whereas these arrangements for reducing the aid have resulted in past marketing years in falls in the income of agricultural producers and in particular of those growing cotton on a small area; whereas, in order to alleviate the effects of this fall on the latter category of producers, their income should be supported through the grant of flat-rate aid per hectare;

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(1) OJ No L 184, 3.7.1987, p. 14.

(2) OJ No C

(3) OJ No C

(4) OJ No C

Whereas the aid for small cotton producers should be fixed at a level enabling the additional cost of manual harvesting to be offset;

Whereas expenditure on the system of aid for small producers must not exceed a given ceiling; whereas, to that end, a maximum guaranteed area any overrun in which results in a reduction in the aid should be determined; whereas that maximum guaranteed area is to be equal to the average areas sown by small producers in 1987 and 1988;

Whereas, with a view to sound administration, a definition of small producers should be laid down;

Whereas, in order to facilitate the implementation of the provisions contemplated, provision should be made for a procedure establishing close cooperation between the Member States and the Commission within a management committee;

Whereas, in accordance with Article 3(2) of Regulation (EEC) No 1964/87, the Council is to decide on any adjustments to the system of aid instituted by Protocol 4 before the 1992/93 marketing year; whereas, pending that decision, the duration of the system of aid introduced by this Regulation should apply to the end of the 1991/92 marketing year only;

HAD ADOPTED THIS REGULATION:

Article 1

A system of flat-rate aid for small cotton producers is hereby instituted in accordance with this Regulation.

Article 2

The system of aid for small producers shall be applicable in the 1989/90, 1990/91 and 1991/92 marketing years.

Article 3

1. The direct aid shall be ECU 250 per hectare of area sown and harvested in each of the three marketing years. However, where areas sown to cotton by small producers as referred to in Article 4 exceed a Community maximum guaranteed area, the aid shall be reduced for the marketing year in question depending on the overrun recorded.
2. The Community maximum guaranteed area referred to in paragraph 1 shall be determined for the three marketing years concerned by the Council acting by a qualified majority on a proposal from the Commission.

Article 4

For the purposes of this Regulation, "small producer" means a cotton producer who sows an area not exceeding 1,5 hectares to this crop in 1989, 1990 and 1991 and who has submitted a declaration of areas sown and an aid application before a date to be determined.

Article 5

1. The Member States may refrain from granting the aid in the case of amounts less than a minimum which they shall determine.
2. The aid shall be converted into national currency at the agricultural conversion rate in force on the first day of the marketing year in respect of which that aid is due.

Article 6

The direct aid instituted by this Regulation shall be considered intervention intended to stabilize the agricultural markets within the meaning of Article 3(3) of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy (1), as last amended by Regulation (EEC) No 1048/88 (2).

Article 7

1. The detailed rules for the application of this Regulation shall be laid down by the Commission in accordance with the procedure provided for in Article 12 of Council Regulation (EEC) No 1308/70 of 29 June 1970 on the common organization of the market in flax and hemp (3).
2. In accordance with that procedure, the Commission shall record any overrun in the maximum guaranteed area and shall determine the resulting reduction in the aid.

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(1) OJ No L 94, 28.4.1970, p. 1.  
(2) OJ No L 185, 15.7.1988, p. 1.  
(3) OJ No L 146, 4.7.1970, p. 1.

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Article 8

The Member States and the Commission shall forward each other the data required for the application of this Regulation. Such data shall be compiled in accordance with the procedure laid down in Article 12 of Regulation (EEC) No 1308/70. The detailed rules for forwarding and disseminating such data shall be adopted in accordance with the same procedure.

Article 9

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

It shall apply from 1 September 1989.

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

Done at Brussels,

For the Council

# FINANCIAL STATEMENT

DATE:

1. BUDGET HEADING:

Rural development measures related to the operation of the market 1990 DB: 295

APPROPRIATIONS: p.m.

2. TITLE: Draft Council Regulation laying down general rules for the special system of aid for small cotton producers

3. LEGAL BASIS: Point 11 of Protocol 4 to the Act of Accession of Greece

4. AIMS OF PROJECT: To support the income of small cotton producers

5. FINANCIAL IMPLICATIONS	Period of 12 months	Current Financial Year 1990	Following Financial Year 1991	
			1992	1993
5.0 EXPENDITURE - CHARGED TO THE EC BUDGET - (REFUNDS/INTERVENTION)	+ ECU 9 m	+ ECU 9 m		
5.0.1 ESTIMATED EXPENDITURE				
5.1.1 ESTIMATED REVENUE	+ ECU 9 m			

5.2 METHOD OF CALCULATION: Assumed area concerned: 34 000 ha, corresponding to the total area of holdings of less than one hectare plus half the area of holdings with between one and two hectares.

$$34\ 000\ \text{ha} \times \text{ECU } 250/\text{ha} \times 1,070\ (\text{DR}) = \text{ECU } 9\ \text{Million}$$

6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET? YES

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET? YES/NO

6.2 IS A SUPPLEMENTARY BUDGET NECESSARY? NO

6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY? YES

OBSERVATIONS:

EN

SCHEMA D'IMPACT SUR LA COMPETITIVITE ET L'EMPLOI

2. Quelles est la justification principale de la mesure ?  
Continuer l'effort du régime de coresponsabilité pour les "petits" producteurs de coton, (cultivant moins de 1,5ha de coton), par l'octroi d'une aide directe.

3. Caractéristiques des entreprises concernées. En particulier :

(a) Y a-t-il un grand nombre de PME ? 37.100 sur 112.138 (36 %) cultivant 33.000 sur 337.400 ha (10 %).

(b) Note-t-on des concentrations dans des régions

~~Principalement dans les régions de la Grèce et de l'Espagne~~

La culture communautaire de coton a lieu en Grèce (256.000 ha) et en Espagne (100.500 ha).

~~Il n'y a pas de concentrations dans des régions~~

311. Quelles sont les obligations imposées directement aux entreprises ?  
Déposer une déclaration.

312. Quelles sont les obligations susceptibles d'être imposées indirectement aux entreprises via les autorités locales ?

Aucune.

313. Y a-t-il des mesures spéciales pour les PME ? Lesquelles ?

Ce règlement concerne uniquement les "Petits" producteurs, c'est-à-dire ceux qui affectent au coton moins de 1,5 ha, auxquels une aide est octroyée.

314. Quel est l'effet prévisible.

a) sur la compétitivité des entreprises ?

Augmentation du revenu des petits producteurs de coton de 250 Ecu/ha (voir rapport).

b) sur l'emploi ? Néant - les petits producteurs n'ayant pas de salariés.

315. Les partenaires sociaux ont-ils été consultés ? Quels sont leurs avis ?

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# DOCUMENTS

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