

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 318 final

Brussels, 8 June 1982

Proposal for a
COUNCIL REGULATION (EEC)
of
amending Regulation (EEC) laying down the general rules for the
system of aid for cotton

(submitted to the Council by the Commission)

COM(82) 318 final

EXPLANATORY MEMORANDUM

1. Article 11(2) of Council Regulation (EEC) No 2169/81 of 27 July 1981 laying down the general rules for the system of aid for cotton provides that any transitional measures needed to facilitate the transition from the previous system to the new system shall apply until the end of the 1981/82 marketing year at the latest.
 2. In application of this Article, provision was made for a derogation during that marketing year from Article 4 of the Regulation which provides that the world market prices for cotton seed, an important factor in calculating the amount of aid for Community producers (mainly Greek), shall be determined in the light of offers on the world market and the prices quoted on the major international markets. Such a provision, however, has little sense unless this world price is representative of the price at which the Community product is sold. The Act of Accession of Greece to the Community provides that Greece may maintain until 31 December 1983 its system of import controls on oilseeds (including cotton seed) and vegetable oils which was applied before accession. In these circumstances prices in Greece for cotton seed during this period may well still reach a level independent of the world market price and in any case above it. In order to ensure that the aid is fixed correctly, it has therefore been decided to fix the aid in the light of the offers and prices quoted at the principal Greek centres. This provision must continue to be applied at least until the end of 1983, when the Greek market will be fully open to imports of cotton seed and cotton seed oil. The period during which a derogation from Article 4 (1) and (4) is necessary should therefore be extended by two more marketing years.
-

Proposal for a
COUNCIL REGULATION (EEC) No ~~xxxx~~/82
of ~~xxxx~~

amending Regulation (EEC) No 2169/81 laying down the general rules for the system of aid for cotton

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the 1979 Act of Accession, and in particular Article 9 of Protocol 4 on cotton, hereinafter referred to as "the Protocol",

Having regard to the proposal from the Commission,

Whereas the Protocol provides for the granting of aid for the production of cotton, the amount of which is to be established on the basis of the difference between a guide price and the world market price for unginned cotton; whereas the price of cotton seed is an important factor in the determination of this price;

Whereas Article 4(1) of Council Regulation (EEC) No 2169/81⁽¹⁾ provides that the world market price for cotton seed should be determined in the light of the offers on the world market and the prices quoted on the major international exchanges; whereas application of this provision might prevent correct application of the aid system during the 1982/83 and 1983/84 marketing years since, as a result of the system of import controls applicable in Greece until the end of 1983, introduced in accordance with Article 82 of the 1979 Act of Accession, the offers and prices quoted on the world market are not representative of the trend on the Community market in cotton seed; whereas provision should therefore be made, by way of derogation from the said Article 4(1) to the effect that for these two marketing years the world market price for cotton seed should be determined in the light of prices and quotations recorded on the Greek market;

Whereas paragraph 4 of that Article provides that if there are no suitable offers or quotations for determining the world market price for cotton seed, the price is to be established on the basis of the value of the products obtained from the processing of those seeds, less the cost of crushing; whereas for the reasons described above, application of this provision might also prevent correct application of the aid system during the 1982/83 and 1983/84 marketing years; whereas provision should be made during these two marketing years to take account of offers and quotations recorded at the principal centres in Greece,

(1) OJ No L 211, 31.7.1981, p. 2

HAS ADOPTED THIS REGULATION :

Article 1

Regulation (EEC) No 2169/81 is hereby amended as follows :

1. The following subparagraph is added to Article 4(1) :

"However, until the end of the 1983/84 marketing year the world market price for cotton seed shall be determined in the light of the prices and quotations recorded at the principal centres in Greece."

2. The following subparagraph is added to Article 4(4) :

"However, until the end of the 1983/84 marketing year, the world market price shall be established on the basis of the value of these products recorded at the principal centres in Greece."

Article 2

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

It shall apply from the date of the beginning of the 1982/83 marketing year.

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

Done at

For the Council