Common agricultural policy (CAP): support schemes, national restructuring programmes for the cotton sector

2007/0242(CNS) - 17/04/2008

The Committee on Agriculture and Rural Development adopted a report drafted by Ioannis **GKLAVAKIS** (EPP-ED, GR) and amended the proposal for a Council regulation amending Regulation (EC) No 1782 /2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers, as regards the support scheme for cotton.

The amendments relate to the following:

-the Committee wishes to maintain the financial neutrality of the proposal with regard to coupled support, which means the decommitment of EUR 202.2 million for Greece and EUR 72.73 million for Spain. Given the likely reduction in the size of land used for cotton growing, the base area should be reduced from 370 000 ha to 270 000 ha for Greece, with the amount of coupled support at EUR 750 a hectare. In Spain, the base area should also be reduced accordingly (from 70 000 ha to 50 000 ha), which would mean coupled support of EUR 1 450 a hectare;

-the total available aid per hectare per Member State should be set in line with the Member State's wishes and at no lower than 35% of the national share of the aid that went indirectly to the producers, in line with subsidiarity;

-if the Member States take the view that the sector's viability depends upon the percentage of de-coupled aid, they should be able to select some other percentage different from the single payment, which may not exceed 65% or be less than 20% ;

-national support programmes shall be established for the purpose of improving competitiveness. The Community shall determine and shall finance the eligible actions. The Member States shall select whatever package of measures they consider effective and which are best suited to their regional particularities. That package could include a restructuring fund for the ginning industry. The national support programmes shall be financed by means of a minimum basic rate of 1% of the overall amount of coupled support. Appropriations unused under coupled support because of the reduction in growing areas to less than the size of the base area of each Member State shall be added to this amount;

-the national support programmes shall include the sum earmarked for the restructuring of cotton-producing regions, which comes to EUR 22 000 000 (i.e. 2.74% of aid) and which had been transferred to the second pillar;

-at the Member States' discretion, measures may be financed under the national support programmes that aim to offset the effects of a possible fall in production and to restructure varieties, along with measures to modernise production in order to improve the competitiveness of the product. Support shall be granted for environmentally friendly growing methods in order to ensure a more rational use of water resources and to minimise the use of plant-health products, research aimed at creating improved-quality varieties shall be encouraged and restructuring and the modernisation of ginning plants shall be promoted. Member States may grant a quality premium to farmers who develop a product of exceptional quality, on the basis of specific criteria laid down by the Member States;

-policies may be funded under the national support programmes to forecast, mitigate and combat the effects of climate change on cotton-producing regions.

-the Committee proposed that the coupled aid should be increased if the guaranteed area is not reached. It provided that where the admissible cotton area in a given Member State is smaller than the base area, the aid for that Member State shall be increased in proportion to the base area which has not been covered, up to a ceiling established by means of the management procedure. Any saving brought about by a fall in production shall be allocated to the national support programmes.

-by 31 December 2009 at the latest the Commission shall submit a report to the Council on the implementation of this Regulation with regard to olive oil, table olives and olive groves, tobacco and hops, accompanied, if necessary, by appropriate proposals.

-the provisions concerning cotton should remain in force until 2013, not 2010 as stated under Regulation No 1782/2003.