Common organisation of agricultural markets (CMO): flax and hemp sectors

2008/0011(CNS) - 29/01/2008 - Legislative proposal

PURPOSE: to extend for one further marketing year (2008-2009) aid granted to the production of short flax fibre and hemp fibre.

PROPOSED ACT: Council Regulation.

BACKGROUND: the processing aid for short flax fibre and hemp fibre, containing not more than 7.5% impurities and shives applies until the end of the marketing year 2007/2008. The introduction of processing aid for fibres has resulted in the elimination of speculative production and the 2000 reform has led to a significant reduction in Community expenditure and the stabilisation of the budget at around EUR 2 million. Further, the reform has resulted in viable growth outlets and generally safeguarded or, in some cases, improved producers' income over the period concerned. Processing aid has supported EU flax and hemp fibre production, all of which have a positive impact on the environment (preservation and biodiversity).

Taking the above into account and given that current processing aid has helped to create jobs in traditionally producing regions, the Commission is proposing to extend the current aid scheme for a further marketing year, 2008-2009.

CONTENT: the purpose of this proposal, therefore, is to amend the existing short flax and hemp fibre Regulation (Regulation (EC) No 1234/2007) establishing the "Single CMO". The amendments will allow the current level of EUR 160 per tonne to be maintained and that the aid for short flax and hemp fibres to be kept at EUR 90 per tonne. On the matter of the national guaranteed quantities, the present levels will continue to apply.

As regards the maximum content of impurities and shives, considering that most Member States make use of the 7.5% limit derogation and that certain end-users require a high level of impurities, the current system should be maintained to allow the Member States to grant aid for short flax fibre containing a maximum of 15% of impurities and shives and hemp fibre containing a maximum of 25%.

The additional aid granted to primary processors of long flax fibre in certain traditional production areas of the Netherlands, Belgium and France will remain unchanged, that is aid of EUR 120 per hectare in zone I and EUR 50 per hectare in zone II, as laid down in Regulation (EC) No 1673/2000.

The Member States will retain responsibility for a number of important issues including:

- THC content controls and the use of authorised hemp varieties;
- accountancy control of authorised primary processors; and
- stock control.