

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

2007/0242(CNS) - 23/06/2008 - Final act

PURPOSE: to amend provisions relating to the cotton sector under the common agricultural policy.

LEGISLATIVE ACT: Council Regulation (EC) No 637/2008 amending Regulation (EC) No 1782/2003 and establishing national restructuring programmes for the cotton sector.

CONTENT: the Council adopted a Regulation reforming the support scheme in the cotton sector. The Regulation amends Regulation 1782/2003 on common rules for direct agricultural support schemes as regards cotton and establishes a scheme for restructuring the cotton sector.

The main measures in the Regulation are:

- decoupling of 65% of the total aid, while maintaining 35% still linked to production (same ratio as in the 2004 reform);
- eligibility for coupled aid for land approved by the Member State and authorised seed varieties;
- coupled aid to be determined on the basis of fixed yields per hectare, reference amounts per eligible hectare and limited national base areas for each Member State concerned;
- national restructuring programmes for the sector, financed by the Community, introducing market orientation measures in support of quality schemes and promotion activities and ensuring a more viable ginning industry.

In the new Regulation, the national base areas are hereby established as follows:

- Bulgaria: 3342 ha,
- Greece: 250000 ha,
- Spain: 48000 ha,
- Portugal: 360 ha.

The amount of the aid per eligible hectare is established by multiplying the yields laid down in paragraph 2 with the following reference amounts:

- Bulgaria: EUR 671.33,
- Greece: EUR 251.75,
- Spain: EUR 400.00,
- Portugal: EUR 252.73.

The Regulation responds to a judgment by the Court of Justice of 7 September 2006 (Case C-310/04) which annulled the cotton reform Regulation adopted in 2004. It is based on an impact assessment and on a consultation of stakeholders. It is also in line with the objectives set out in the Protocol No 4 to the Act of Accession of Greece, concerning cotton production in Community regions where it is important for the agricultural economy. Equivalent Protocols were annexed to the Accession Treaties of Spain and Portugal.

ENTRY INTO FORCE: 12/07/2008.

APPLICATION: from 01/01/2009.