# Common agricultural policy (CAP): national restructuring programmes for the cotton sector 2010-2017

2009/0008(CNS) - 02/02/2009 - Legislative proposal

PURPOSE: to extend the programming period of restructuring programmes in the cotton sector and amending Regulation (EC) No 637/2008.

PROPOSED ACT: Council Regulation.

BACKGROUND: in its conclusions of 20 November 2008, the Council invited the Commission to propose modification of the Regulation (EC) No 637/2008, in order to extend the programming period of restructuring programmes in the cotton sector. The national restructuring programmes aim to aid the European cotton sector in view of the difficulties posed by the changed legal and market context. Specifically, the cotton ginning industry in some production areas is faced with considerably overcapacity.

CONTENT: Council Regulation (EC) No 637/2008 envisages 4-year restructuring programmes. However, in view of the substantial difficulties the sector is facing, Member States should be given the possibility of submitting an 8-year programme instead. An 8 year period would provide the possibility of launching a larger number of measures without increasing the annual budgetary envelopes.

Ginning factories not operated by their owners in the reference marketing year are excluded as beneficiaries from the measures provided in Council Regulation (EC) No 637/2008. The proposed technical modification ensures all ginning factories that operated in the reference period could be eligible.

FINANCIAL IMPLICATIONS: the proposal does not increase the annual budgetary envelope available to the Member States for the restructuring programmes, but it does provide Member States with the possibility of submitting a programme for a duration of 8 years, i.e. for the period 2010 to 2017. The level of the annual support to the restructuring programme was already fixed in Council Regulation (EC) No 637/2008 and remains unchanged. If Member States choose to submit an 8 year programme, their annual budgetary envelope will be automatically transferred to their national ceiling for direct payments, as determined in Annex VIII to Regulation (EC) No 1782/2003, in 2018.