

Flax and hemp: common organisation of the markets CMO (amend. Regulation (EEC) No 1308/70)

1999/0237(CNS) - 27/07/2000 - Final act

PURPOSE : to organise the flax and hemp market. **COMMUNITY MEASURE** : Council Regulation 1673/2000/EC on the common organisation of the markets in flax and hemp grown for fibre. **CONTENT** : after examining the Commission proposals for the reform of the flax and hemp sector and the prices for agricultural product for 2000/2001, the Council unanimously approved the compromise package submitted by the Presidency and endorsed by the Commission. The Council shall adopt the new Regulations for the flax and hemp sector which includes this current Regulation 1673/2000/EC on the common organisation of the markets in flax and hemp grown fibre. The common organisation of the markets in flax and hemp grown fibre shall compromise arrangements governing the internal market and trade with third countries. It shall apply to the following products: - flax, raw or processed but not spun; flax tow and waste (including yarn waste and garnetted stock); - true hemp (*cannabis sativa* L.) raw or processed but not spun; tow and waste of true hemp (including yarn waste and garnetted stock). With regard to aid for processing the straw of flax and hemp grown for fibre, the aid shall be granted to authorised primary processors on the basis of the quantity of fibre actually obtained from straw for which a sale/purchase contract has been concluded with a farmer. It should also be noted that no aid shall be paid to authorised primary processors or farmers who are found to have artificially created the conditions for receiving the aid, thereby enjoying an advantage that does not conform to the objectives of this scheme. The amount of processing aid per tonne of fibre shall be fixed as follows: a) for long flax fibre: - EUR 100 for the 2001/2 marketing year, - EUR 160 for the year 2002/3, 2003/4, 2004/5 and 2005/6 marketing years, - EUR 2000 from the 2006/7 marketing year onwards; b) for short flax fibre and hemp fibre containing not more than 7,5% impurities and skives: EUR 90 for the 2001/2 to 2005/6 marketing years. However, for the 2001/2 to 2003/4 marketing years, the Member State may, with reference to traditional outlets, also decide to grant aid: - for short flax fibre containing a percentage of impurities and skives of between 7,5% and 15%, - for hemp fibre containing a percentage of impurities and skives of between 7,5% and 25%. In relation to the national guaranteed quantities, a maximum guarantee quantity of 75 250 tonnes per marketing year shall be established for long flax fibre and apportioned among all the Member States as national guarantee quantities. The NGQs for long flax fibre have not been changed since the initial Commission proposal. On the other hand, a maximum guaranteed quantity of 135 900 tonnes per marketing year shall be established for short flax fibre and hemp fibre in respect of which aid may be granted has been amended as follows: - 10 350 tonnes for Belgium, - 12 800 tonnes for Germany, - 20 000 tonnes for Spain, - 61 350 tonnes for France, - 5 550 tonnes for the Netherlands, - 2 500 tonnes for Austria, - 1 750 tonnes for Portugal, - 2 250 tonnes for Finland, - 2 250 tonnes for Sweden, - 12 100 tonnes for the UK. For the 2000/1 marketing year, the amounts of aid for flax and hemp produced by in the Community shall be fixed no later than 31 October 2000. Furthermore, the Commission shall submit a report to the European Parliament and to the Council, if necessary, no later than 31 December 2003, accompanied by proposals, on production trends in the various Member States and the impact of reform of the common organisation of the market on the outlets and economic viability of the sector. It shall also examine the maximum content of impurities and skives applicable to short flax fibre and hemp fibre. In 2005 the Commission shall submit another report on processing aid, including an assessment of the impact of processing aid, in particular on: - the position of producers as regards areas sown and prices paid to producers; - market trends for textile fibres and the development of new products, and; - the processing industry. The report will also deal with the possibility of putting the aid for processing short fibre and the supplements for long fibre in zones I, II and III on to a permanent footing. **ENTRY INTO FORCE** : the

present aid system is applicable for the marketing year 2000/2001, which ends on 30 June 2001. The provisions on amounts of aid are transitional measures within the WTO reform. The new aid systems become applicable from the marketing year 2001/2.