

Cotton: production aid

1999/0202(CNS) - 15/02/2001 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted the report by Mr Efstratios KORAKAS (EUL/NGL, Gr) by 341 votes to 65, with 38 abstentions. The Parliament states that there is a vital need to improve the existing arrangements for cotton, so as to be able to safeguard cotton growing the European Union and also maintain cotton farmers' income levels and enable the ginning industry to continue to operate. Therefore, certain adjustments should nevertheless be made in order to increase their effectiveness. Furthermore, the guaranteed national quantities (GNQs) of unginned cotton should be adjusted as closely as possible to actual production in each Member State with a view to obviating distortions in the operation of the budgetary stabiliser, together with pressure on holdings whose activities are unprofitable, as is often the case in structurally disadvantaged areas. While pointing out that cotton production is less harmful to the environment than other similar subsidised crops that growers have abandoned to grow cotton, Parliament also advocates collective environmental measures by producers' organisations to reduce its ecological impact. With regard to the price guide, this shall be set at EUR 117 per 100 kg of unginned cotton. As for the minimum price, this shall be set at EUR 111 per 100kg of unginned cotton for the quality selected for the ex holding guide price. Commissioner Franz FISCHLER told the House that Parliament's amendments would substantially increase the EC budget for the cotton sector (by some EUR 650 million a year) and create incentives to increase production further. Given the present budgetary situation, this was unacceptable, he said.