Procedure file

Basic information

CNS - Consultation procedure Regulation	2003/0275(CNS)	Procedure completed
Flax and hemp sector: common organisation of the market (CMO) Amending Regulation (EC) No 1673/2000 1999/0237(CNS) Subject 3.10.06.05 Textile plants, cotton		

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	AGRI Agriculture and Rural Development		02/12/2003
		PPE-DE DAUL Joseph	
Council of the European Union	Council configuration	Meeting	Date
	Agriculture and Fisheries	2564	24/02/2004
European Commission	Commission DG	Commissioner	
	Agriculture and Rural Development		

Key events

21/11/2003	Legislative proposal published	COM(2003)0701	Summary
03/12/2003	Committee referral announced in Parliament		
27/01/2004	Vote in committee		Summary
27/01/2004	Committee report tabled for plenary, 1st reading/single reading	A5-0029/2004	
10/02/2004	Decision by Parliament	T5-0074/2004	Summary
24/02/2004	Act adopted by Council after consultation of Parliament		
24/02/2004	End of procedure in Parliament		
03/03/2004	Final act published in Official Journal		

Technical information

Procedure reference	2003/0275(CNS)
Procedure type	CNS - Consultation procedure

Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation (EC) No 1673/2000 1999/0237(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 037-p2
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/5/20412

Documentation gateway

Legislative proposal		COM(2003)0701	21/11/2003	EC	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0029/2004	27/01/2004	EP	
Economic and Social Committee: opinion, report		CES0104/2004 OJ C 108 30.04.2004, p. 0080-0080	28/01/2004	ESC	
Text adopted by Parliament, 1st reading/single reading		T5-0074/2004 OJ C 097 22.04.2004, p. 0032-0084 E	10/02/2004	EP	Summary

Additional information

European Commission	EUR-Lex

Final act

Regulation 2004/393
OJ L 065 03.03.2004, p. 0004-0004 Summary

Flax and hemp sector: common organisation of the market (CMO)

PURPOSE : a report on production trends in the market in flax and hemp grown for fibre and a proposal to amend Regulation 1673/2000/EC in order to extend the derogation. PROPOSED ACT : Council Regulation. CONTENT : this report and the legislative proposals that accompany it are presented in accordance with Council Regulation 1673/2000/EC. In 2000, the Council adopted a two-part reform of the flax and hemp sector. Firstly, the two products were incorporated into the general support arrangements applicable to the producers of certain arable crops. Secondly, processing aid was granted to authorised primary processors obtaining fibres from flax and hemp straw. For long flax fibre, aid of EUR 160 per tonne of fibres will be granted until the 2005/06 marketing year, the amount then being increased to EUR 200 per tonne from 2006/07. A smaller amount of EUR 90 per tonne will be paid until 2005/06 for short flax fibre and hemp fibre containing not more than 7.5% impurities and shives, that limit having been chosen so as not to encourage the production of fibre aimed at low-value outlets. The Member State may, however, derogate from that limit, increasing it to 15% for short flax fibre and 25% for hemp fibre during the 2001/02 to 2003/04 marketing years in order to allow the processing industry to adjust to the new requirements. This processing aid is subject to a stabiliser mechanism consisting of two maximum guaranteed quantities, one for long flax fibre and the other for short flax fibre and hemp fibre, allocated among the Member States in the form of national guaranteed quantities (NGQs.) When this report was written, the Commission had only provisional data on the first two years of application of the new arrangements, i.e. the 2001/02 and 2002/03 marketing years and initial forecasts for 2003/04. The information available does not therefore allow for a detailed analysis of production levels after the reform and of whether or not the NGQs have been set at the correct level. However, the Commission feels that the new support arrangements for flax and hemp grown for fibre have had clear positive effects on the sector. Inclusion in the arrangements for arable crops has brought simplification for farmers and put the two crops on an equal footing with competing crops. The new system of processing aid has allowed the maintenance or even an increase in production as a profitable economic activity. At this stage it would seem sensible not to amend the system of processing aid before a more complete analysis can be carried out in 2005. The Commission proposes that the possibility for Member States to derogate from the 7.5% limit on impurities and shives laid down until the 2003/04 marketing year should be extended to 2005/06. No amendments should be made to the existing system of aid before the more complete analysis to be carried out for the report planned for 2005 is available. FINANCIAL IMPLICATIONS: - Budget heading : B1-140. - Appropriations : EUR 26 million.?

Flax and hemp sector: common organisation of the market (CMO)

The committee adopted the report by its chairman, Joseph DAUL (EPP-ED, F), approving the proposal under the consultation procedure, subject to two amendments aimed at introducing a degree of flexibility into the regulation. It said that, at the end of each marketing year, the

Commission should distribute unused national guaranteed quantities for the year among the Member States where more than the national guaranteed quantities have been produced. This redistribution should take place in proportion to the national guaranteed quantities of the Member States where quantities have been exceeded. The committee also wanted to ensure that processing capacity could be used as efficiently as possible, while at the same time laying down rules to prevent irregularities. It therefore added a new clause allowing for an authorised primary processor to "have part of the flax and hemp straw which has been brought to his processing plant processed under contract by another primary processor".

Flax and hemp sector: common organisation of the market (CMO)

The European Parliament adopted a resolution drafted by Joseph DAUL (EPP-ED, France) making two amendments to the Commission's proposal. (Please see the summary of 22/01/04.) However, Parliament substituted the word "assigned" for the phrase "brought to his processing plant" originally proposed by the committee.?

Flax and hemp sector: common organisation of the market (CMO)

PURPOSE : to extend the derogation on flax and hemp fibre. LEGISLATIVE ACT : Council Regulation 393/2004/EC amending Regulation 1673/2000/EC on the common organisation of the markets in flax and hemp grown for fibre. CONTENT : Regulation 1673/2000/EC lays down that the Member States may derogate from the limit of 7,5 % impurities and shives and grant processing aid for short flax fibre containing a percentage of impurities and shives of between 7,5 % and 15 % and for hemp fibre containing a percentage of impurities and shives of between 7,5, % and 25 %. However, advantage may be taken of this possibility only until the 2003/04 marketing year. At the present time, the percentage of impurities and shives in most short flax fibre and hemp fibre obtained during primary processing exceeds the limit of 7,5 %. In order to consolidate the positive development the sector is experiencing and to allow for further improvements in competitiveness, this Regulation affords Member States the option to derogate from that limit for an additional two marketing years. Regulation 1673/2000/EC is amended accordingly. ENTRY INTO FORCE : 04/03/04.?