

REGULATION (EEC) No 1172/71 OF THE COUNCIL

of 3 June 1971

laying down general rules on private storage aid for flax and hemp fibre

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community;

Having regard to Council Regulation (EEC) No 1308/70¹ of 29 June 1970 on the common organisation of the market in flax and hemp, and in particular Article 5 (2) thereof;

Having regard to the proposal from the Commission;

Whereas Article 5 of Regulation (EEC) No 1308/70 provides for intervention measures in the form of private storage aid if the supply of fibre shows a temporary imbalance when compared with the foreseeable demand;

Whereas the main factors indicative of such an imbalance should be defined;

Whereas to ensure the proper functioning of the system of aid those who qualify for it should be defined;

Whereas, in order to improve the efficiency of the system, provision should be made for fixing minimum and maximum quantities for storage contracts;

Whereas the duration of these contracts should not exceed the period usually needed to reduce the effect on the market of temporary fluctuations in supply and demand;

Whereas, in order to simplify administration, conditions for submitting applications for aid should be laid down;

Whereas to achieve the purposes of the aid, its amount should be fixed with reference to storage costs and rental charges;

Whereas the aim of stabilising the market can be achieved if fibre covered by a contract is not marketed while the contract is in force;

Whereas provision should be made for the conclusion of contracts to be suspended and, as appropriate, the removal from storage of the product under contract when the market situation and the level of prices so require;

HAS ADOPTED THIS REGULATION:

Article 1

In order to determine whether the supply of flax and hemp fibre in the Community is in temporary imbalance with the foreseeable demand, account shall be taken in particular of:

- (a) existing supplies of flax and hemp fibre in the Community and foreseeable imports until the end of the current marketing year;
- (b) the foreseeable demand for fibre in the Community and foreseeable exports until the end of the current marketing year;
- (c) the level of fibre prices on the Community market and the foreseeable trend of those prices.

Article 2

1. Contracts shall be concluded, without discrimination, with holders of flax and hemp fibre originating in the Community who apply for them and who fulfil certain conditions to be determined.

2. Within the meaning of Article 5 of Regulation (EEC) No 1308/70, a holder of fibre originating in the Community is any legal or natural person, other than a processor, holding such fibre.

¹ OJ No L 146, 4.7.1970, p. 1.

Article 3

Storage contracts shall relate to lots of a minimum and maximum quantity to be determined.

They may be restricted to certain qualities of fibre.

Article 4

Storage contracts shall be concluded for a period to be determined in the light of:

- (a) the foreseeable duration of the temporary imbalance;
- (b) the quantities of fibre qualifying for the system of storage contracts.

Article 5

Unless special authorisation is given, an application for private storage aid may be made only in the country in which the product is to be stored.

Article 6

The amount of aid shall be fixed uniformly for the whole Community with reference to storage costs and rental charges. It shall be paid on expiry of the contract.

Article 7

The fibres may not be marketed while subject to a storage contract.

Article 8

1. In accordance with the procedure laid down in Article 13 of Regulation (EEC) No 1308/70, the market situation shall be examined regularly, and always before the end of each marketing year.

2. If the market situation and the level of prices so require, a decision shall be taken in accordance with the procedure laid down in Article 12 of Regulation (EEC) No 1308/70:

- (a) to suspend the conclusion of contracts, and
- (b) as appropriate, to curtail existing storage contracts.

Article 9

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg, 3 June 1971.

For the Council

The President

R. PLEVEN