

**Communication from the Commission on the proposal to amend Council Regulation (EC) No 1673/2000 on the common organisation of the markets in flax and hemp grown for fibre to extend the current scheme by one year**

(2007/C 196/05)

Under Council Regulation (EC) No 1673/2000 of 27 July 2000 on the common organisation of the markets in flax and hemp grown for fibre <sup>(1)</sup>, aid for short flax fibre and hemp fibre is to cease at the end of the 2007/2008 marketing year. Under Article 15(3) of Regulation (EC) No 1673/2000, the Commission is to submit a report to the European Parliament and the Council assessing the impact of processing aid on producers by the end of the 2007/2008 marketing year. The Commission is proposing a further extension of the current system by one year and an in-depth assessment of the sector in the framework of the single payment scheme review, as requested by the Council in June 2003, which is to take place in 2008. The Commission plans to submit a report and a legislative proposal to the Council before the start of the new (2008/2009) marketing year.

In the Commission's view, the extension of the current scheme will allow a more in-depth analysis and leave sufficient time to complete an impact assessment in order to evaluate the possibility of simplifying this aid scheme by integrating it into the general framework of Council Regulation (EC) No 1782/2003 of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers <sup>(2)</sup>.

If the Council were to accept, the extension of the scheme to the end of the 2008/2009 marketing year would involve maintaining aid to long flax fibre at the present level of EUR 160 per tonne and aid to short flax fibre and hemp fibre at EUR 90 per tonne. As for the national guaranteed quantities, the current levels would continue to apply.

As regards the maximum content of impurities and shives, since most Member States derogate from the 7,5 % limit and certain end uses require a high level of impurities, the current system should be maintained to permit the Member States to grant aid for short flax fibre containing no more than 15 % of impurities and shives and for hemp fibre containing no more than 25 %.

The additional aid granted to primary processors of long flax fibre in certain traditional production areas of the Netherlands, Belgium and France would remain unchanged at EUR 120 per hectare in zone I and EUR 50 per hectare in zone II.

The cost of this extension is an estimated EUR 5,07 million. If the total national guaranteed quantities were to be used the maximum financial impact would be EUR 12,02 million.

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<sup>(1)</sup> OJ L 193, 29.7.2000, p. 16. Regulation as last amended by Regulation (EC) No 953/2006 (OJ L 175, 29.6.2006, p. 1).  
<sup>(2)</sup> OJ L 270, 21.10.2003, p. 1. Regulation as last amended by Regulation (EC) No 552/2007 (OJ L 131, 23.5.2007, p. 10).