

HILLMAN

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 579 final.

Brussels, 14 November 1977

GIFT AND EXCHANGE
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SERIALS UNIT

Proposal for a
COUNCIL REGULATION (EEC)

fixing the activating prices for table wines for the period
16 December 1977 to 15 December 1978

(submitted to the Council by the Commission)

COM(77) 579 final.



EXPLANATORY MEMORANDUM

1. Article 3 (1) of Regulation (EEC) N° 816/70 laying down additional provisions for the common organization of the market in wine provides that a threshold price activating the intervention system for each type of wine for which a guide price is fixed (thereafter called the activating price) is to be fixed annually before 16 December.

It is laid down in particular that the activating price shall be fixed in the light of the following factors :

- (a) the state of the market and in particular the extent of price fluctuations ;
 - (b) the need to ensure price stability on the markets without causing structural surpluses to build up in the Community ;
 - (c) the quality of the harvest ;
 - (d) the information contained in the forward estimates provided for in Article 3 of Regulation N° 24 on the progressive establishment of a common organization of the market in wine.
2. (a) Observation of the Community markets reveals an upward trend in the weighted average prices at the beginning of the 1977/78 wine year. Prices for table wines of types R I, R II and A I are at least equal to the corresponding activating prices, while the average prices for other types of table wine are well above these levels.
- (b) The need to guarantee price stability on the markets without causing structural surpluses to build up in the Community makes it difficult to select which measures will ensure an equitable income for producers without acting as an inducement to expand production.

Because of the recent general price increase a slight increase in the activating prices was considered justified in order to guarantee an adequate income for the producer without causing any risk of structural surpluses. Too great an increase would be a burden for the future and could contravene the guidelines on the adjustment of production potential to market needs.

- (c) The quality of the harvest in general may be considered slightly below average, but in certain regions of the Community it is good.
- (d) The latest information in the forward estimates shows a drop in available wine stocks compared with the previous wine year.

CONCLUSIONS

An increase in the activating price for each type of table wine appears justified, especially as the guide prices for all wines for the period between 16 December 1977 and 15 December 1978 have been increased by 3.5% (Council Regulation N° 1171/77 of 17 May 1977 - OJ N° L 137 of 3 June 1977, page 12).

Given the existing market situation, increasing the activating price by the same percentage as the guide price appears justified ; this will keep the relationship between the guide price and the activating price the same as last year, i.e. the activating price will be 93% of the guide price.

Proposal for
COUNCIL REGULATION (EEC)

fixing the activating prices for table wines for the period
16 December 1977 to 15 December 1978

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) N° 816/70 of 28 April 1970 laying down additional provisions for the common organization of the market in wine¹, as last amended by Regulation (EEC) N° 2211/77², and in particular Article 3 (1) thereof,

Having regard to the proposal from the Commission,

Whereas an activating price must be fixed annually for each type of wine for which a guide price is fixed, taking into account the factors set out in Article 3 (2) of Regulation (EEC) N° 816/70 ;

Whereas the quality of the 1976/77 harvest can generally be regarded as slightly below average ;

Whereas the current prices for R I, R II and A I table wines are at least equal to the activating prices ;

Whereas, in spite of the considerable stocks brought forward from the previous wine-growing year, the quantity available is, because of a poor harvest lower than that recorded for the previous wine-growing year ;

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¹ OJ N° L 99, 5.5.1970, p. 1

² OJ N° L 256, 7.10.1977, p. 1

Whereas the level of the activating prices must take account of the factors mentioned above ; whereas the activating prices fixed for the previous wine-growing year should therefore be increased, without, however, encouraging production ;

Whereas the guide prices for the period 16 December 1977 to 15 December 1978 were fixed by Regulation (EEC) N° 1171/77³ ; whereas Article 3 (3) of Regulation (EEC) N° 816/70 provides that the activating price shall be fixed at the same stage and shall be valid during the same period as the guide price ; whereas Regulation (EEC) N° 945/70⁴ determines the types of table wine to which these prices apply,

HAS ADOPTED THIS REGULATION :

Article 1

The activating prices for table wines for the period 16 December 1977 to 15 December 1978 shall be as follows :

Type of wine	Activating price
R I	1.89 u.a./degree/hl
R II	1.89 u.a./degree/hl
R III	29.43 u.a./hl
A I	1.77 u.a./degree/hl
A II	39.23 u.a./hl
A III	44.79 u.a./hl

Article 2

This Regulation shall enter into force on 16 December 1977.

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

Done at Brussels,

For the Council,
The President

³ OJ N° L 137, 3.6.1977, p. 12

⁴ OJ N° L 114, 27.5.1970, p. 1