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Proposal for a
COUNCIL REGULATION (EEC)
fixing the activating price for table wines for the period 16 December
1981 to 15 December 1982

(submitted to the Council by the Commission)

HILLMAN

COM(81) 658 final



EXPLANATORY MEMORANDUM

1. Article 3(1) of Regulation (EEC) No 337/79 on the common organisation of the market in wine makes provision for fixing, annually, before 16 December a threshold price for activating the intervention mechanism hereinafter referred to as "activating price" for each type of wine for which a guide price is fixed.

Provision is made for the activating price to be fixed, taking account of:

- a. the market situation and, in particular, the extent of fluctuations in rates,
- b. the need to ensure stability in market rates while avoiding the creation of structural surpluses within the Community,
- c. the quality of the harvest,
- d. data from the forecast referred to in Article 5 of Regulation (EEC) No 337/79.

2. The exceptionally high output from the 1979 harvest meant that the 1980/81 wine year opened with extremely high carry over stocks. As production was above average, the quantities available at the outset of the wine year were, together with those the previous year, the highest since the market organisation was set up. The prices of red wines of types R I and R II, which at the beginning of the wine year were already below the activating price, therefore fell until April/May. From that time the price of red wines of type R I rose to just the activating price. The prices of wines R II also underwent an increase, although this was lower than for R I. Prices of white table wines of type A I were in the same situation as for red wines, but the level was proportionally lower than the activating price. The slight increase in prices during the latter period is explained by Community intervention, on a very large scale, during the 1980/81 wine year, and by forecasts of a substantially less abundant harvest for 1981/82 than the preceding year.

The situation for table wines of types R III, A II and A III is satisfactory as rates remained practically all through the season above the respective guide prices, on account of the small quantities of such wine available.

3. a) When fixing the guide prices for 1981/82 (Regulation (EEC) No 2027/81 of 13 July 1981 - OJ No L 200, 21.7.1981, p.1) the Council, to take account of a situation created by differing trends in the representative prices for the various types of table wine, increased the guide prices for table wines of type A I by less than for the other types of table wine. In practice, this Decision transferred to the guide price system the policy of selectivity which had been followed during the two previous wine years in respect of the activating price.

b) In view of

- the above comments,
- the quantities available which are substantially lower than in the previous wine year but still higher than the average which stock levels and the volume of the harvest suggest and of an average product quality,
- the increase in guide prices which, for the period 16 December 1981 to 15 December 1982, was 10% for all table wines except A I, for which the increase was 8.5%,

it is proposed that the activating price for all types of table wine be increased by the percentage adopted for the guide price and that the existing relationship between the activating and guide prices for the previous year be retained, namely 93% for red wines, 91.2% for white wines of types A II and A III and 90.5% for white wines of type A I.

| | | 1981/81 | | | | | |
|-------------|---|---------|-----------------------|-----------|----------------------|-----------|---|
| | | Guide | : Proposed activating | | : 1980/81 activating | | |
| :R I - R II | : | 2.95 | 2.74 | : 93.00 % | 2.49 | : + 10 % | : |
| :R III | : | 45.97 | 42.76 | : 93.00 % | 38.87 | : + 10 % | : |
| :A I | : | 2.72 | 2.46 | : 90.5 % | 2.27 | : + 8,5 % | : |
| :A II | : | 61.26 | 55.87 | : 91.2 % | 50.79 | : + 10 % | : |
| :A III | : | 69.96 | 63.80 | : 91.2 % | 58.00 | : + 10 % | : |
| : | : | | | | | | : |

Proposal for a
COUNCIL REGULATION (EEC)

fixing the activating price for table wines for the period
16 December 1981 to 15 December 1982

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 337/79 of 5 February 1979 on the common organization of the market in wine ⁽¹⁾, as last amended by Regulation (EEC) No 3456/80 ⁽²⁾, 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 consideration the factors set out in Article 3(2) of Regulation (EEC) No 337/79;

Whereas the quality of the harvest for the 1981/82 wine year can generally be regarded as average;

Whereas the prices for table wines of types RI, RII and AI have increased in recent weeks but are still below the activating price; whereas the prices for R III, A II and A III table wines are above their respective activating price as a consequence of the limited availability of such wines;

(1) OJ No L 54, 5.3.1979, p.1

(2) OJ No L 360, 31.12.1980, p. 18

Whereas, as a result of the far more plentiful stocks at the beginning of the wine year than average, the quantity available is considerably greater than that recorded in an average wine year;

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

Whereas the guide prices for the period 16 December 1981 to 15 December 1982 were fixed by Council Regulation (EEC) No 2027/81⁽³⁾; whereas Article 3(3) of Regulation (EEC) No 337/79 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 Council Regulation (EEC) No 340/79⁽⁴⁾ determined 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 from 16 December 1981 to 15 December 1982 shall be fixed as follows:

| : Type of wine | : | Activating price | : |
|----------------|---|-------------------|---|
| : R I | : | 2.74 ECU/% vol/hl | : |
| : R II | : | 2.74 ECU/% vol/hl | : |
| : R III | : | 42.76 ECU/hl | : |
| : A I | : | 2.46 ECU/% vol/hl | : |
| : A II | : | 55.87 ECU/hl | : |
| : A III | : | 63.80 ECU/hl | : |

Article 2

This Regulation shall enter into force on 16 December 1981.

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 No L 200, 21.7.1981, p. 1

(4) OJ No L 54, 5.3.1979, p.60

FINANCIAL STATEMENT

Date : 19.10.1981

1. BUDGET HEADING : 1981 : Chapter 69
1982 : Chapter 16

APPROPRIATIONS : 1981 A.B. no 2 :
618 M ECU

2. TITLE : Draft Council Regulation fixing the activating price for table wines for the period from 16 December 1981 to 15 December 1982

3. LEGAL BASIS : Council Regulation No 337/79

4. AIMS OF PROJECT : Setting the activating prices for table wines

| 5. FINANCIAL IMPLICATIONS | PERIOD OF 12 MONTHS | CURRENT FINANCIAL YEAR (81) | FOLLOWING FINANCIAL YEAR (82) |
|---|---------------------|----------------------------------|------------------------------------|
| 5.0 EXPENDITURE | | | |
| - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) | (1) | - | (1) |
| - NATIONAL ADMINISTRATION | | | |
| - OTHER | | | |
| 5.1 RECEIPTS | | | |
| - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) | | | |
| - NATIONAL | | | |
| |1983..... |1984..... | |
| 5.0.1 ESTIMATED EXPENDITURE | (1) | (1) | |
| 5.1.1 ESTIMATED RECEIPTS | | | |

5.2 METHOD OF CALCULATION

6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET ?

YES/NO

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET ?

YES/NO

6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY ?

YES/NO

6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY ?

(1)

YES/NO

OBSERVATIONS : (1) As it is proposed to increase the activating prices by the same percentage as that adopted in April by the Council for the guide price (thereby maintaining the existing relationship between these prices), the financial impact of this proposal is neutral and indirect. Its effect was incorporated when preparing the 1982 budget. An appropriation of 464 M ECU is entered in Chapter 16 of the draft 1982 budget.

