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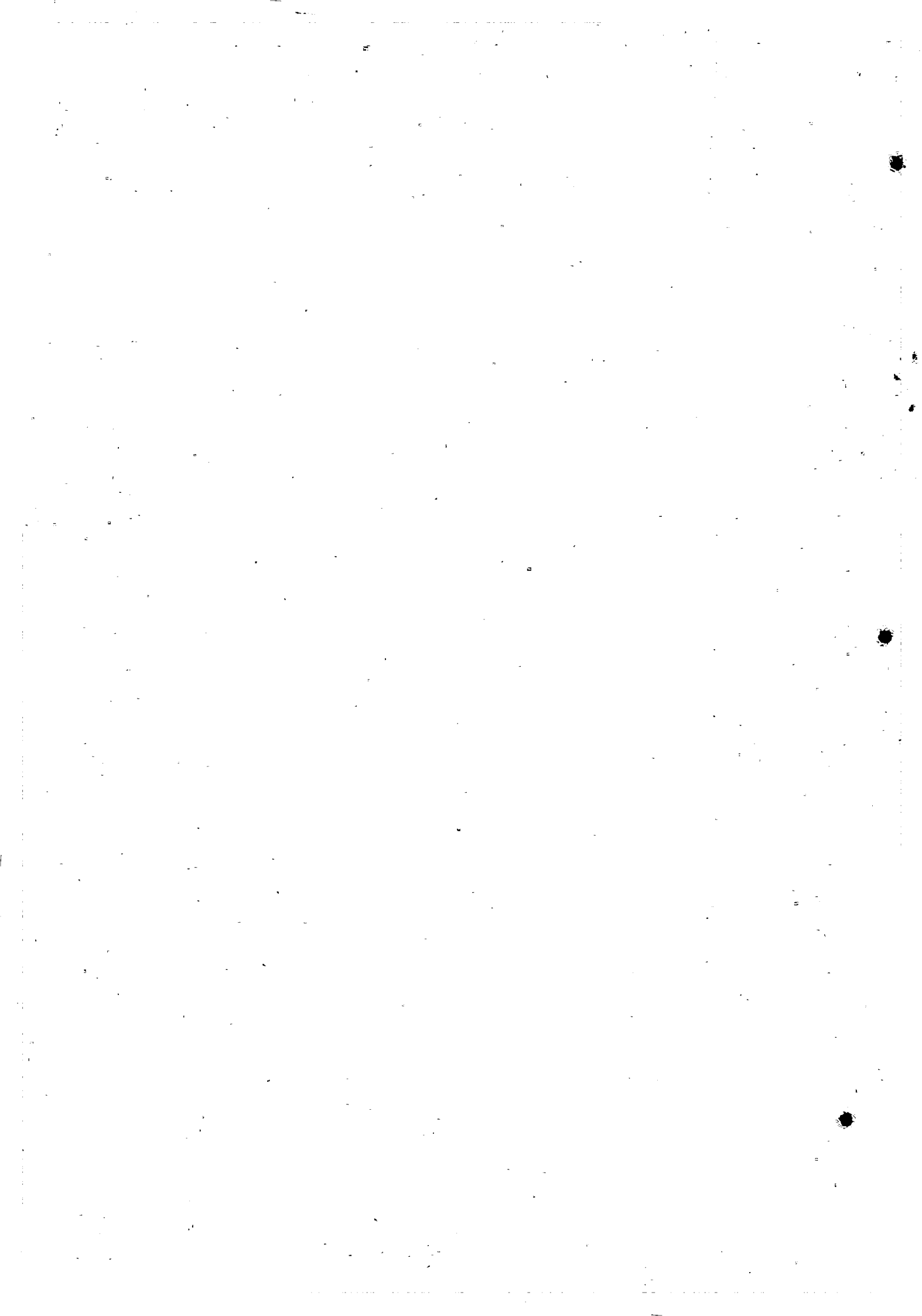
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Brussels, 18th July 1979

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COMMISSION REPORT TO THE COUNCIL
CONCERNING THE IMPLEMENTATION OF THE SYSTEM
OF AVERAGE PRICES AND REPRESENTATIVE
PRICES IN THE WINE SECTOR



COMMISSION REPORT TO THE COUNCIL CONCERNING THE IMPLEMENTATION
OF THE SYSTEM OF AVERAGE PRICES AND REPRESENTATIVE PRICES IN
THE WINE SECTOR

During its 470th meeting held in Brussels on 26 and 27 September 1977, the Council took note of the Commission's intention to present a report on the application of the new representative price system (1) to the Council before 15 September 1978.

In order to fulfil its undertaking, the Commission has carried out a study to compare the results obtained by applying the two methods, the "weighted average price" method, which was in force up to 15 December 1977, and the "representative price system" which came into force on that date.

The study covers the three types of wine concerned by this method of calculation, namely R I, RII and A I, and is based on the weekly prices for the period January 1977 - May 1979, covering 123 weeks. The tables given in the Annex show, for each type of wine and each week in the period under study, the "representative prices" and the "weighed average prices".

A graph also shows the variations amongst these prices, for wines of type R I and A I; wines of type R II are not included but the prices are often identical or the differences are minimal. Study of the tables of figures shows that the "weighted average price" exceeds the "representative price" in most cases (from 66% to 75%).

In detail :

For wines of type R I

The representative price is equal to the weighted average price for 45 weeks
" " " " Lower than the weighted average price for 47 weeks
" " " " higher than the weighted average price for 31 weeks

(1) Document R/432/78 (AGRI 131) of 20 February, p. 7

For wines of type R II

The representative price is equal to the weighted average price for 65 weeks
" " " " lower than the weighted average price for 20 weeks
" " " " higher than the weighted average price for 38 weeks

For wines of type A I

The representative price is equal to the weighted average price for 56 weeks
" " " " lower than the weighted average price for 25 weeks
" " " " higher than the weighted average price for 42 weeks

A comparative study of the results of the two methods leads to the following conclusions

- a) the differences between the representative prices and the corresponding weighted average prices are small and, except for 3 weeks for wines of type R I and 6 weeks for wines of type A I, they were only some 1.5% at the time they were verified. However, the representative price method has the advantage that it makes it possible to reduce, at least in part, the problem posed by the difference in the volumes to which the quotations in France and in Italy apply.
- b) with respect to intervention, the two methods give very similar results for the period under study. Under the representative price system, the number of weeks for which the possibility of making short-term contracts was available was 18 for wines of type R I and 99 for wines of type A I, whereas these figures would have been 16 and 103 respectively under the weighted average price system (see Annex 2).
- c) regardless of the method adopted, the problem of the lack of representativity of Community prices will remain unsolved as long as the number of valid quotations available remains very low, for a variety of reasons.

In the light of the experience gained during the period during which the representative price method for calculation, introduced on 16 September 1977, was applied, it seems that it should continue to be employed since, in the present state of the Community wine market, it has certain advantages over the old method; but this should not prevent the search for a solution to the problem which sometimes arises through the inadequate number of quotations available.

Dates	Prix représen- tatif	P.M.P.	Dates	Prix représen- tatif	P.M.P.	Dates	Prix repré- sentatif	P.M.P.
4. 1.1977	1,885	1,844	18.10.1977	1,969	1,969	1. 8.1978	2,026	2,026
11. 1.1977	1,753	1,789	25.10.	1,956	1,956	8. 8.	1,971	2,041
18. 1.	1,832	1,832	3.11.	1,995	1,980	16. 8.	2,029	2,029
25. 1.	1,821	1,883	8.11.	2,013	2,013	22. 8.	2,118	2,076
1. 2.	1,898	1,898	15.11.	2,023	2,023	29. 8.	2,048	2,048
8. 2.	1,861	1,884	22.11.	1,963	1,963	5. 9.	2,120	2,145
15. 2.	1,806	1,919	29.11.	1,980	1,980	12. 9.	2,048	2,102
22. 2.	1,776	1,837	6.12.	2,011	2,011	19. 9.	2,107	2,122
1. 3.	1,914	1,914	13.12.	2,029	2,029	26. 9.	2,090	2,118
8. 3.	1,903	1,930	20.12.	1,923	1,895	3.10.	2,154	2,146
15. 3.	1,870	1,870	28.12.	1,869	1,826	10.10.	2,170	2,185
22. 3.	1,956	1,956	3. 1.1978	2,118	2,094	17.10.	2,136	2,156
29. 3.	1,781	1,866	10. 1.	2,044	2,044	24.10.	2,232	2,231
5. 4.	1,860	1,860	17. 1.	2,071	2,049	31.10.	2,210	2,223
12. 4.	1,921	1,921	24. 1.	2,148	2,145	7.11.	2,222	2,214
19. 4.	1,800	1,915	31. 1.	2,088	2,088	14.11.	2,222	2,221
26. 4.	1,754	1,928	7. 2.	2,102	2,089	21.11.	2,222	2,239
3. 5.	1,851	1,909	14. 2.	2,073	2,090	28.11.	2,183	2,228
10. 5.	1,868	1,908	21. 2.	2,096	2,096	5.12.	2,220	2,225
17. 5.	1,865	1,896	28. 2.	2,081	2,103	12.12.	2,211	2,211
24. 5.	1,876	1,898	7. 3.	2,085	2,085	19.12.	2,174	2,179
31. 5.	1,874	1,874	14. 3.	2,055	2,059	27.12.	2,173	2,173
7. 6.	1,880	1,880	21. 3.	2,082	2,082	2.1.1979	2,196	2,188
14. 6.	1,762	1,762	29. 3.	2,118	2,097	9.1	2,197	2,192
21. 6.	1,785	1,785	4. 4.	2,125	2,125	16.1	2,226	2,219
28. 6.	1,713	1,797	11. 4.	2,045	2,045	23.1	2,215	2,215
5. 7.	1,793	1,845	18. 4.	2,034	2,034	30.1	2,238	2,241
12. 7.	1,778	1,775	25. 4.	2,012	2,032	6.2	2,254	2,254
19. 7.	1,704	1,775	3. 5.	2,094	2,088	13.2	2,247	2,257
26. 7.	1,745	1,745	10. 5.	2,045	2,032	20.2	2,197	2,263
2. 8.	1,671	1,748	17. 5.	2,055	2,047	27.2	2,258	2,269
9. 8.	1,645	1,747	23. 5.	1,887	2,001	6.3	2,282	2,273
16. 8.	1,632	1,757	30. 5.	2,032	2,052	13.3	2,267	2,284
23. 8.	1,649	1,741	6. 6.	2,025	2,025	20.3	2,268	2,268
30. 8.	1,754	1,754	13. 6.	2,015	2,003	27.3	2,251	2,265
6. 9.	1,758	1,758	20. 6.	1,943	1,993	3.4	2,246	2,257
13. 9.	1,770	1,770	27. 6.	2,025	2,018	10.4	2,145	2,168
20. 9.	1,876	1,841	4. 7.	2,002	2,002	17.4	2,145	2,145
27. 9.	1,826	1,777	11. 7.	1,986	1,986	24.4	2,247	2,247
4.10.	1,864	1,864	18. 7.	2,013	1,989	2.5	1,919	1,783
11.10.	1,932	1,932	25. 7.	2,061	2,057	8.5	2,134	2,058

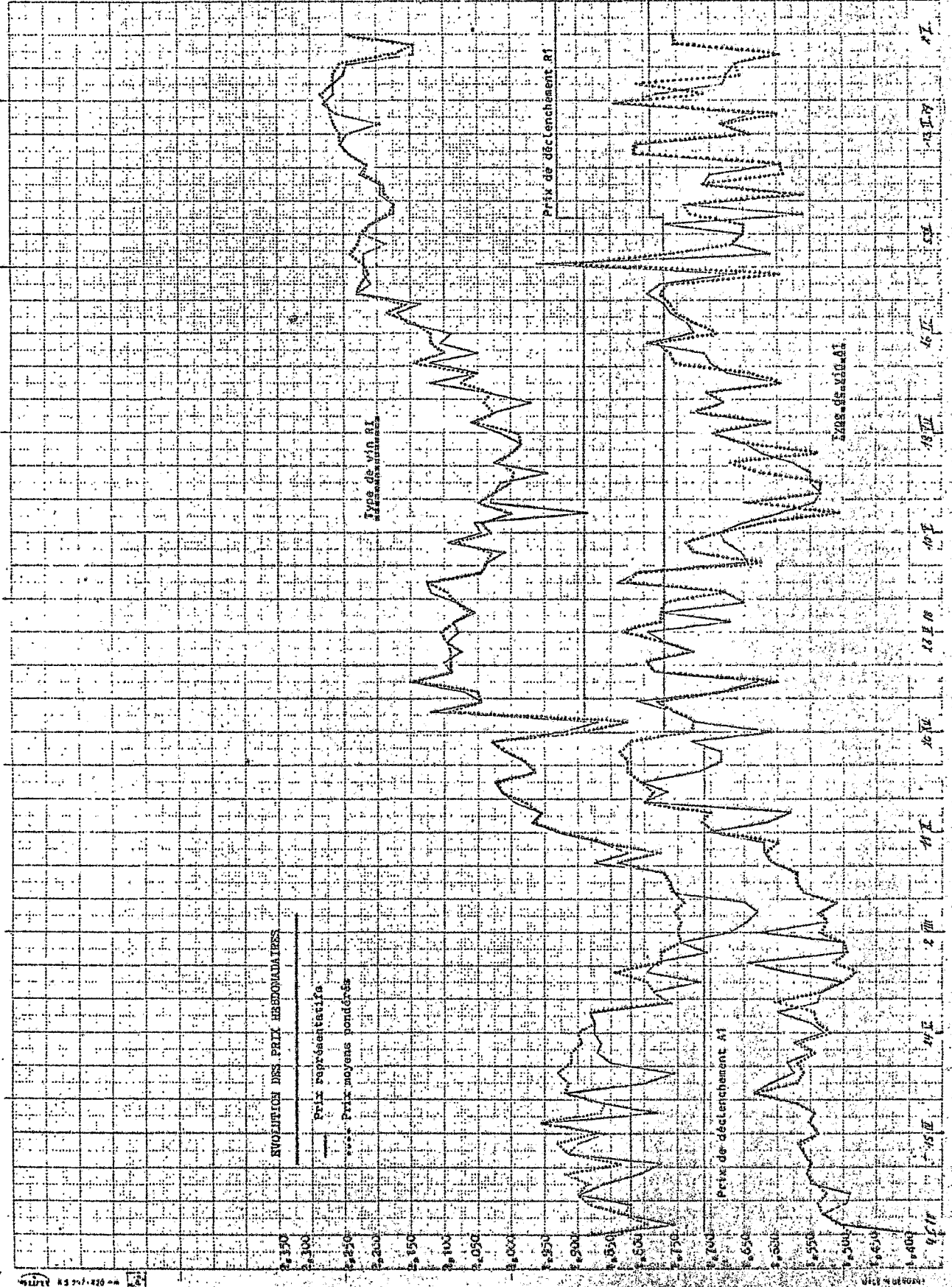
Dates	Prix repré- sentatif	P.X.P.	Dates	Prix repré- sentatif	P.X.P.	Dates	Prix repré- sentatif	P.X.P.			
4. 1.1977	1,916	+	1,898	18.10.1977	1,937	-	2,045	1. 8.1978	2,124	2,124	
11. 1.	1,904	+	1,884	25.10.	2,062	+	2,061	8. 8.	1,962	1,962	
18. 1.	1,882		1,882	3.11.	2,070	+	2,061	16. 8.	2,079	+	1,962
25. 1.	1,849	-	1,982	8.11.	2,087	+	2,086	22. 8.	-	-	
1. 2.	1,886	-	1,978	15.11.	2,080	+	2,079	29. 8.	1,962	1,962	
8. 2.	1,933	-	1,974	22.11.	2,086	+	2,079	5. 9.	1,962	1,962	
15. 2.	2,025	-	2,031	29.11.	2,264		2,264	12. 9.	2,054	2,054	
22. 2.	1,897	+	1,853	6.12.	2,278		2,278	19. 9.	2,115	+	2,053
1. 3.	2,055	+	2,071	13.12.	2,249	-	2,303	26. 9.	2,115	+	2,053
8. 3.	2,026		2,026	20.12.	2,106	-	2,263	3.10.	2,208	2,208	
15. 3.	2,038		2,038	28.12.	2,108	-	2,304	10.10.	2,213	2,213	
22. 3.	1,874		1,874	3.1.1978	2,238		2,238	17.10.	2,216	2,216	
29. 3.	2,077		2,077	10. 1.	2,110	-	2,251	24.10.	2,243	2,243	
5. 4.	1,871		1,871	17. 1.	1,999	-	2,241	31.10.	2,245	2,245	
12. 4.	1,846	+	1,825	24. 1.	2,063	-	2,334	7.11.	2,204	2,204	
19. 4.	1,997		1,997	31. 1.	2,066	-	2,217	14.11.	2,273	2,273	
26. 4.	1,908	-	2,163	7. 2.	2,065		2,065	21.11.	2,122	-	2,222
3. 5.	2,024		2,024	14. 2.	2,010		2,010	28.11.	2,251	2,251	
10. 5.	1,941	+	1,921	21. 2.	2,063	+	2,059	5.12.	2,286	2,286	
17. 5.	1,986		1,986	28. 2.	2,062	-	2,307	12.12.	2,238	2,238	
24. 5.	1,995		1,995	7. 3.	2,063	-	2,293	19.12.	2,009	1,950	
31. 5.	1,964	+	1,921	14. 3.	2,237		2,237	27.12.	2,174	2,174	
7. 6.	1,921		1,921	21. 3.	2,073	+	2,062	2.1.1979	2,134	2,134	
14. 6.	1,864		1,864	29. 3.	2,059	+	2,039	9.1.	2,120	2,120	
21. 6.	2,004		2,004	4. 4.	2,058	+	2,039	16.1.	2,217	2,217	
28. 6.	2,052		2,052	11. 4.	2,061	+	2,039	23.1.	2,068	2,068	
5. 7.	2,025	+	1,895	18. 4.	2,142	+	2,087	30.1.	2,049	1,948	
12. 7.	2,012		2,012	25. 4.	2,060	+	2,039	6.2.	2,209	2,148	
19. 7.	1,844	+	1,809	3. 5.	2,030	+	1,990	13.2.	2,049	2,049	
26. 7.	1,849	-	1,978	10. 5.	2,050	+	2,039	20.2.	2,048	2,048	
2. 8.	2,044	+	1,895	17. 5.	2,162		2,162	27.2.	2,224	2,166	
9. 8.	1,895		1,895	23. 5.	1,936	-	2,146	6.3.	2,097	2,036	
16. 8.	2,024		2,024	30. 5.	1,942	-	1,938	13.3.	2,354	2,354	
23. 8.	2,005		2,005	6. 6.	1,935	-	2,168	20.3.	2,119	2,119	
30. 8.	1,985		1,985	13. 6.	1,934	+	1,916	27.3.	2,113	2,113	
6. 9.	1,950		1,950	20. 6.	2,256		2,256	3.4.	2,018	2,018	
13. 9.	2,026		2,026	27. 6.	2,062		2,062	10.4.	2,045	2,045	
20. 9.	2,036		2,036	4. 7.	1,991		1,991	17.4.	2,093	2,052	
27. 9.	1,933	+	1,927	11. 7.	2,077	+	1,962	24.4.	1,934	1,934	
4.10.	1,966	+	1,963	18. 7.	1,962		1,962	2.5.	2,059	2,020	
11.10.	2,016		2,016	25. 7.	2,122		2,122	8.5.	2,022	2,022	

Dates	Prix représen- tatif	P.M.P.	Dates	Prix représen- tatif	P.M.P.	Dates	Prix représen- tatif	P.M.P.
4. 1.1977	1,387*	1,483*	18.10.1977	1,616*	1,717	1. 8.1978	1,728*	1,728*
11. 1.	1,504*	1,504*	25.10.	1,578*	1,700*	8. 8.	1,682*	1,682*
18. 1.	1,530*	1,530*	3.11.	1,800	1,800	16. 8.	1,704*	1,704*
25. 1.	1,497*	1,538*	8.11.	1,765	1,784	22. 8.	1,597*	1,597*
1. 2.	1,491*	1,527*	15.11.	1,807	1,807	29. 8.	1,674*	1,642*
8. 2.	1,549*	1,545*	22.11.	1,722	1,827	5. 9.	1,702*	1,755*
15. 2.	1,556*	1,556*	29.11.	1,686*	1,827	12. 9.	1,711*	1,758*
22. 2.	1,548*	1,548*	6.12.	1,684*	1,833	19. 9.	1,793*	1,781*
1. 3.	1,559*	1,559*	13.12.	1,728	1,820	26. 9.	1,727*	1,688*
8. 3.	1,570*	1,565*	20.12.	1,612*	1,732*	3.10.	1,737*	1,725*
15. 3.	1,539*	1,539*	28.12.	1,723*	1,723*	10.10.	1,762*	1,753*
22. 3.	1,551*	1,551*	3. 1.1978	1,757*	1,757*	17.10.	1,772*	1,760*
29. 3.	1,547*	1,547*	10.1.	1,812	1,782*	24.10.	1,795*	1,777*
5. 4.	1,568*	1,568*	17. 1.	1,685*	1,685*	31.10.	1,775*	1,767*
12. 4.	1,637*	1,637*	24. 1.	1,632*	1,598*	7.11.	1,662*	1,597*
19. 4.	1,612*	1,568*	31. 1.	1,784	1,784	14.11.	1,962*	1,906*
26. 4.	1,576*	1,558*	7. 2.	1,793	1,793	21.11.	1,611*	1,753*
3. 5.	1,587*	1,568*	14. 2.	1,725*	1,725*	28.11.	1,663*	1,663*
10. 5.	1,548*	1,545*	21. 2.	1,770	1,770	5.12.	1,650	1,650
17. 5.	1,577*	1,568*	28. 2.	1,796	1,829	12.12.	1,769	1,651
24. 5.	1,531*	1,521*	7. 3.	1,672	1,773	19.12.	1,562	1,728
31. 5.	1,550*	1,542*	14. 3.	1,775	1,775	27.12.	1,738	1,738
7. 6.	1,600*	1,547*	21. 3.	1,643*	1,769*	2.1.1979	1,558	1,557
14. 6.	1,541*	1,604*	29. 3.	1,679	1,679*	9.1.	1,711	1,711
21. 6.	1,533*	1,533*	4. 4.	1,840	1,823*	16.1.	1,701	1,590
28. 6.	1,499*	1,499*	11. 4.	1,811	1,811	23.1.	1,594	1,594
5. 7.	1,586*	1,482*	18. 4.	1,643*	1,627*	30.1.	1,815	1,815
12. 7.	1,647*	1,516*	25. 4.	1,655*	1,723*	6.2.	1,811	1,811
19. 7.	1,498*	1,496*	3. 5.	1,679	1,739*	13.2.	1,638	1,638
26. 7.	1,501*	1,501*	10. 5.	1,685*	1,685*	20.2.	1,683	1,683
2. 8.	1,624*	1,537*	17. 5.	1,648*	1,627*	27.2.	1,635	1,603
9. 8.	1,524*	1,524*	23. 5.	1,596*	1,505*	6.3.	1,844	1,844
16. 8.	1,540*	1,536*	30.5.	1,546*	1,644*	13.3.	1,782	1,709
23. 8.	1,510*	1,510*	6. 6.	1,536*	1,536*	20.3.	1,679	1,810
30. 8.	1,560*	1,560*	13. 6.	1,548*	1,533*	27.3.	1,674	1,655
6. 9.	1,572*	1,572*	20. 6.	1,550*	1,624*	3.4.	1,662	1,662
13. 9.	1,571*	1,571*	27. 6.	1,577*	1,671*	10.4.	1,594	1,594
20. 9.	1,609*	1,605*	4. 7.	1,627*	1,540*	17.4.	1,757	1,757
27. 9.	1,620*	1,620*	11. 7.	1,648*	1,648*	24.4.	1,757	1,757
4.10.	1,621*	1,602*	18. 7.	1,696*	1,696*	2.5.	1,595	1,595
11.10.	1,706*	1,693*	25. 7.	1,611*	1,611*	8.5.	1,606	1,606

ANNEX II

Number of weeks during which the possibility of making storage contracts was available or would have been available :

	R I	R II	A I
Representative price	18	0	99
Weighted average price	16	0	103



1970-1971

1970-1971

