

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(94) 117 final

Brussels, 11.05.1994

94/0107 (CNS)

Proposal for a
COUNCIL REGULATION (EC)
on reform of the common organization of the market in wine

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. In its discussion paper on the development and future of wine-sector policy, which it adopted on 22 July 1993, the Commission started from two premises. First, that there is a permanent structural imbalance between supply and demand and that this imbalance is bound to worsen unless the EU reacts. Second, that the current instruments of the market organization are unable to correct the situation.

In these circumstances the Commission was convinced that there was a need for thoroughgoing reform of the market organization and that only in this way would it be possible to offer real future prospects to the wine sector, which is a particularly important one in economic, social, environmental and even cultural terms.

It suggested that the principal aim of the reform should be market balance. The method proposed was production control, to be achieved by taking action either at the level of production potential or at the level of yields, or both, and by a constant striving for quality. A recasting of the distillation system was recommended in order to remove any incentive to produce surpluses of poor quality wine for which there was no real market.

The Commission proposed that the main instrument of the new policy should be multiannual regional viticultural adjustment programmes, to be drawn up by the competent authorities in the Member States and the regions in a spirit of partnership with the Commission.

The paper of 22 July 1993 also set out a number of accompanying measures designed to contribute to the search for a better balance between supply and demand.

2. The paper was widely discussed both in the Community institutions and by the trade organizations. All those involved agreed with the analysis of the current situation and, as regards the approach to adopt in future, there was a broad consensus on the need to achieve market balance. The introduction of regional adjustment programmes on an organized basis and in accordance with the partnership principle also received a favourable reception. Almost the only differences of opinion concerned the proposals on oenological practices. The diametrically opposed views expressed on this point confirm the Commission in its opinion that the approach proposed as regards enrichment is a balanced one.
3. The Commission is encouraged by the largely positive reception given to the discussion paper of 22 July 1993 and has based itself on the guidelines set out in the paper to present a detailed proposal for a Council Regulation on reform of the common organization of the market in wine.

The proposal begins by stating that the basic objective is the control of wine-growing potential and the achievement of balance on the wine market. In order to achieve this objective it will be necessary to take action in the producer Member States and regions so as to bring their production down to levels which are compatible with market balance. This means setting a reference figure for Community production at the level of non-subsidized consumption in the Community. Community production will then be divided between the Member States by reference to their production in the best recent years and the quantities marketed. Each Member State will thus have a national reference production compatible with the Community objective. The Community and national reference productions may be adjusted before the end of the third year of application of the new scheme on the basis of a comparison of wine production and consumption. Member States may make a regional distribution of their national reference production; they must do so in the case of regions which submit a programme.

In order to meet the objective of market balance it will be necessary to take action either at the level of production potential or at the level of yields or both. The main policy instrument will be multiannual viticultural adjustment programmes drawn up by the national and regional authorities in collaboration with the Commission. These programmes may have up to four different components (Title I).

The first component is aimed at reducing the year's production by harvesting unripe grapes or taking other measures to reduce yields. There will be an annual financial appropriation per Member State, fixed on the basis of an assessment of the income losses sustained as a result of changing from average historic production to the national reference production. This appropriation will be used to make up the income losses of growers who agree to cut back their production. It will be adjusted each year by reference to the drop in production consequent on the abandonment programme (cf. component 2). This first component will be co-financed on a fifty-fifty basis by the Community and the Member States. In Objective 1 regions the Community contribution will rise to 75%.

The second component consists in a programme for the permanent abandonment of wine-growing areas. Abandonment must be accompanied by measures to preserve the environment, such as re-parcelling and soil protection by means of appropriate plant cover. A premium of ECU 7 000/ha, financed by the EAGGF, will be paid for yields of 50 hl/ha. It will be paid in a single instalment once grubbing has been terminated.

The third component applies to regions which are implementing an abandonment programme. It is intended to address serious structural problems in areas where it is important to maintain wine growing for environmental and ecological reasons (hills or steep slopes, land particularly sensitive to erosion or fire). It can also provide for replanting measures in order to adjust supply better to demand. The financial appropriation for this component will be calculated for each region on the basis of the area abandoned under the second component. There will be ECU 3 000 for each hectare abandoned, with 75% Community part-financing in Objective 1 regions and 50% in other regions.

The fourth component involves technical training and the commercial exploitation of local vine products. Its financial appropriation, 50% of which (75% in Objective 1 areas) will be provided by the Community, must not exceed 5% of total expenditure on a programme.

The approach outlined above is fully in accordance with the definition of subsidiarity as given in the Treaty on European Union. It gives the Member States and regions a very large measure of freedom regarding the choice of production control methods. This means that the Member States and regions must think very hard about the type of wine growing which they consider best suited to their interests and particular circumstances. Vigorous action on yields will entail fewer constraints as regards winegrowing area and vice versa. The provisions on enrichment contained in Title II should also be viewed from this angle.

In order to be successful, however, this approach must incorporate two important elements: the obligation to produce a result and effective Community monitoring.

If the production control objective is not complied with there will be two dissuasive penalties. Substantial non-achievement of the objectives set in a regional programme may entail suspension of the premiums provided for in the programme. In addition, the surplus in excess of the reference production will have to be distilled at a very low price (see Title III). However, the Regulation also provides, from 1998/99, for ad hoc distillation of up to 6 million hl for regions which are correctly implementing a regional programme, in order to smooth out purely short-term variations in production.

It is obvious that the effective Community monitoring of whether undertakings have been complied with is a sine qua non for the success of the reform. The reform must therefore be accompanied by the establishment of a simplified vineyard register enabling the recording of areas under vines to be accurately checked (Title IX).

The size of the special Community control body must also be substantially increased and its tasks must be clearly specified. The Commission undertakes to provide the staff necessary for the body of wine inspectors referred to in Regulation (EEC) No 2048/89 before the new system enters into force.

Title I, in conjunction with Titles III and IX, is at the heart of the wine market reform. The proposal also contains a number of ad hoc measures intended to back up the drive for improved quality and to help attain balance between production and consumption. Title II deals with oenological practices connected with enrichment. A more restrictive approach to chaptalization and the abolition of aid for the use of concentrated must and rectified concentrated must for enrichment purposes should help to curb the quest for higher yields and raise the quality of wine. The transition from the current rules to the new oenological rules will be a gradual one spread over four marketing years. The provisions of Regulation (EEC) No 827/87 on quality wines psr will continue to apply.

Balance between production and consumption should first of all be sought by means of production control but the consumption aspect should not be neglected. An improvement in quality should also have beneficial effects in this area. Effective promotion of wine products, if carried out in a reasonable manner and with regard to health considerations, could reinforce this positive impact. Title IV proposes a number of measures of this type, covering both the domestic market and third countries. The Community reference production can of course be adjusted in line with the market situation.

The inter-branch organizations which are the subject of Title V are set up by the industry with the aim of becoming more market-oriented and of helping to change attitudes with a view to improving the way production is organized and how products are manufactured and marketed. They can thus help in achieving greater market balance and thereby make a contribution to the attainment of the fundamental objective of the new market organization.

Title VI makes only very minor adjustments to Title I of the current basic Regulation (822/87) on the common organization of the market in wine. The only really new proposal in this section concerns the creation of a mechanism whereby production and consumption will be evaluated by independent bodies, companies or experts.

Title VII adjusts the present abandonment scheme, which will continue to apply in all regions which have not submitted a regional viticultural adjustment programme.

Title VIII introduces a common rule in respect of yield for regions with a designation of origin.

To enable the discussions to focus on those parts of the proposal which are really new, only those points which are essential in order for the new system to be set up have been included. A new version of the basic Regulation (822/87) comprising a consolidation of the rules and an adjustment of the technical elements will be submitted to the Council in due course.

This proposal for restoring balance to the wine sector will have a positive impact on numerous small and medium-sized undertakings. It is very difficult at this stage to assess the exact impact, since the main measures proposed will be implemented only in the regions which voluntarily submit adjustment programmes. It is obvious, however, that the reform will have beneficial effects for SMEs in all regions as a result of the reestablishment of market balance and the price stability which will ensue throughout the Community.

Proposal for a
COUNCIL REGULATION (EC)
on reform of the common organization of the market in wine

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 42 and 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the European and Social Committee,

Whereas the Commission communication to the Council of 22 July 1993 constitutes a discussion paper on the development and future of wine sector policy; whereas that document highlights the serious and lasting structural imbalance on the market in wine and the numerous instances where the instruments of the common organization of the market function poorly or are inadequate, thus failing to bring the situation under control; whereas the recent reforms have not brought about the anticipated improvement given the continuing fall in consumption and the fact that the various existing intervention measures, in particular distillation, have given sufficient support in certain regions and in themselves provided an outlet for products of unsatisfactory quality not capable of being sold on good terms;

Whereas, in order to ensure that Community wine-growing potential is brought under control and satisfactory balance on the market is restored, a Community target production corresponding to total normal foreseeable utilization should be set, taking account of the Community's international commitments; whereas normal utilization must cover direct human consumption of all wine, i.e. table wine, quality wine produced in specified regions and other wine, industrial processing and exports, minus foreseeable imports;

Whereas, on the basis of this overall target, production targets compatible with Community market balance should be set for each producer Member State; whereas those quantities must be set taking account of a historic reference quantity corresponding to production in the best recent years; whereas these reference quantities must however be adjusted in line with the quantities sold in the Community and exported; whereas the adjustment to be made immediately in terms of quantity to restore balance should also be determined for each Member State;

Whereas an assessment of such production targets after several years' application of the arrangements must enable necessary adjustments to be made in the light of the development of the market and in particular of utilization;

Whereas implementation of regional wine-growing adjustment programmes drawn up on a voluntary basis on the initiative of producer regions, under the supervision of the Member States and in close cooperation with the Commission in accordance with the principle of partnership, must constitute the priority instrument for bringing Community wine-growing potential under control; whereas in areas covered by Objectives 1 and 5(b) of the structural Funds, regional programmes must be consistent with the rural development programmes laid down for operational programmes under those Objectives and whereas measures in regional programmes must be compatible with and complement such operational programmes;

Whereas the measures which such programmes may include should be defined, taking account as far as possible of the regional wine-growing characteristics and adjustment requirements; whereas they must tend to reduce production; whereas that objective may be pursued by green cropping, setting ceilings on yield and restricting or banning practices or techniques which tend to boost yields;

Whereas a more fundamental reduction in production potential may be achieved by the abandonment of areas under vines with grubbing-up of the latter, together with environment-friendly accompanying measures; whereas the usefulness of such measures under these programmes calls for the fixing of highly attractive production abandonment premiums varying with the average yield in each region;

Whereas programmes may also aim to remedy serious problems of structure or of production adjustment by restructuring measures in line with regional characteristics and meeting requisite quality requirements; whereas, lastly, they may entail measures for technical training, the dissemination of research findings and increasing the commercial value of vine products;

Whereas compensation must be set to offset the loss of income resulting from the reduction in production sought through regional programmes; whereas this loss of income may be estimated on a flat-rate basis as 50% of the income which producers could derive from the production they give up; whereas such income may reasonably be estimated on the basis of a price corresponding to 65% of the guide price for the 1994/95 wine year and an alcoholic strength of 11% vol;

Whereas compulsory distillation should be resorted to only when the estimated total Community production of any wine year, grape juice excluded, is higher than the Community reference production; whereas each Member State's distillation obligation should be adjusted on the basis of the overshoot of the national reference quantity; whereas compulsory distillation should not be opened for small quantities given the disproportionate administrative costs involved;

Whereas until such time as the regional programmes achieve their effect, compulsory distillation of quantities exceeding the national reference production at genuinely dissuasive and degressive prices must be used to eliminate surplus quantities from the market; whereas the criteria for allocating individual distillation obligations must take account of real efforts made by producers to help achieve the common objective;

Whereas a comprehensive reform of the wine sector with the above objectives must of necessity involve action in respect of oenological practices and treatments which have a direct impact on yields and set restrictions on any increase in the alcoholic strength of wine by the addition of sucrose or the use of other enrichment techniques; whereas to that end the number of wine-growing zones should be reduced, the minimum natural alcoholic strength should be raised and aid for the production of concentrated must and rectified concentrated must should be abolished after a transitional period of several wine years; whereas this action should be without prejudice to the special provisions on quality wine per of Council Regulation (EEC) No 823/87⁽¹⁾, as last amended by Regulation (EEC) No 3896/91⁽²⁾;

Whereas until such time as satisfactory balance has been restored to the market, the prohibition of new planting and the strict control of replanting rights should be maintained;

Whereas a scheme for the abandonment of areas under vines must be maintained outside regions which have committed themselves to implement programmes, subject to the granting of lower premiums; whereas Council Regulation (EEC) No 1442/88 of 24 May 1988 on the granting, for the 1988/89 to 1995/96 wine years, of permanent abandonment premiums in respect of wine-growing areas⁽³⁾, as last amended by Regulation (EEC) No 1990/93⁽⁴⁾, should be repealed;

Whereas inter-branch organizations set up on the initiative of individual or already grouped operators representing a significant proportion of the various occupational categories in the wine sector can foster a more market-oriented approach and more realistic economic behaviour in the organization of grape growing and the production and marketing of wine; whereas some of their activities can help achieve better balance on the market and thus help realize the objectives of Article 39 of the Treaty; whereas these activities should be defined; whereas specific recognition should be granted to organizations that provide proof of representativeness and are making a positive contribution to these objectives;

Whereas, save as otherwise provided for in Article 2 of Council Regulation No 26⁽⁵⁾, the agreements, decisions and concerted practices of inter-branch organizations are subject to compliance with the provisions of Articles 85 and 86 of the Treaty and provisions adopted for their application; whereas recognition should therefore be withdrawn from inter-branch organizations not complying with those provisions;

Whereas, with a view to boosting the impact of certain inter-branch organization activities of particular value in regard to the rules governing the common organization of markets, provision should be made for the possibility of extending, under certain conditions, the rules adopted for its members by an inter-branch organization to all non-member operators and groups in one or more regions; whereas it should also be possible for non-members to be made liable for all or part of the fees intended to cover the costs of these activities;

(1) OJ No L 84, 27.3.1987, p. 59.

(2) OJ No L 368, 31.12.1991, p. 3.

(3) OJ No L 132, 28.5.1988, p. 3.

(4) OJ No L 182, 24.7.1993, p. 7.

(5) OJ No 30, 20.4.1962, p. 993/62.

Whereas these measures must be implemented within a framework that safeguards the rights of all interested parties and in particular of consumers;

Whereas the wine market is affected by falling consumption in the Community; whereas a coherent policy to promote wine may help restore market balance by stimulating demand; whereas the nature of this promotional activity both inside and outside the Community should be specified;

Whereas the implementation of the reform must be accompanied by the introduction of suitable instruments of monitoring and surveillance; whereas a vineyard register simpler than that introduced by Council Regulation (EEC) No 2392/86⁽⁶⁾, as amended by Regulation (EEC) No 3577/90⁽⁷⁾, must permit the accurate recording and constant updating of areas under vines; whereas such a register is vital for monitoring changes in those areas and in particular for checking implementation of regional viticulture abandonment programmes and administering replanting rights on areas abandoned without premium; whereas it must also permit practical surveillance of other wine sector measures; whereas, to this end, the information provided in growers' declarations should be entered in the register before the various premiums provided for under Community rules are granted; whereas Regulation (EEC) No 2392/86 should therefore be repealed;

Whereas to the same end the duties of the inspectors of the body of specific officials of the Commission should be specified precisely; whereas Council Regulation (EEC) No 2048/89 of 19 June 1989 laying down general rules on controls in the wine sector⁽⁸⁾ should be amended accordingly;

Whereas pending consolidation of Council Regulation (EEC) No 822/87⁽⁹⁾, as last amended by Regulation (EEC) No 1566/93⁽¹⁰⁾, the amendments required for reform purposes should be made to that Regulation and for the sake of clarity and simplicity Title I thereof and the Annexes thereto should be replaced; whereas Regulation (EEC) No 823/87 should also be amended,

HAS ADOPTED THIS REGULATION:

Article 1

The purpose of this Regulation is to restrict the Community's wine-growing potential and secure balance on the wine market in the medium term by

- defining production targets,
- the implementation of regional viticultural adjustment programmes (Title I),
- adapting oenological practices and processes (Title II),

(6) OJ No L 208, 31.7.1986, p. 1.

(7) OJ No L 353, 17.12.1990, p. 23.

(8) OJ No L 202, 14.7.1989, p. 32.

(9) OJ No L 84, 27.3.1987, p. 3.

(10) OJ No L 154, 25.6.1993, p. 39.

- the application of certain instruments for intervention on or improvement of the market (Title III),
- the promotion of wine products (Title IV), and
- the recognition of certain activities of inter-branch organizations (Title V),

without prejudice to the application of Regulation (EEC) No 822/87 which is amended by this Regulation (Title VI).

This Regulation also includes provisions on abandonment of areas under vines not covered by regional viticultural adjustment programmes (Title VII), provisions amending Regulation (EEC) No 823/87 (Title VIII), specific control provisions amending Regulation (EEC) No 2048/89 (Title IX) and provisions on the introduction of a simplified vineyard register (Title X).

Article 2

1. The Community reference production, fixed in Annex I, shall constitute a target to be attained to achieve satisfactory balance on the market.
2. A "national reference production" for each producer Member State is hereby established as set out in Annex I on the basis of the Community reference production.
3. A quantity representing each Member State's production adjustment calculated in terms of the difference between its average historic production and its national reference production shall be fixed in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87. This quantity shall be adjusted in line with the reduction in production potential achieved through application of the viticulture abandonment measures.

Member States shall, on the basis of the national reference production, determine a regional reference quantity for each region for which the regional programmes referred to in Title I are drawn up. They may determine a regional reference quantity for each of their wine-growing regions.

4. Before the end of the third wine year of application of this Regulation the trend in production and utilization in the preceding wine years shall be reviewed and the latest forecasts available shall be assessed. On the basis of the trends observed and the outlook, the Community and national reference productions may be adjusted.

The review shall be carried out and, where applicable, the adjustment made in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87.

TITLE I

Regional viticultural adjustment programmes

Article 3

1. The authorities designated by the Member States may draw up regional viticultural adjustment programmes, hereinafter referred to as "regional programmes", for one or more wine-growing regions.

Regional programmes must ensure that each Member State restricts viticultural production in accordance with the national reference production referred to in Article 2(2) by ordered adjustment of production potential and by recourse to the measures referred to in Article 4 for reducing production. The programmes shall be drawn up using a simplified vineyard register and shall be consistent in themselves while meeting rural development, planning and environmental objectives. They shall be prepared and implemented in association with the competent authorities at national and regional level and with the Commission in line with the principle of partnership and shall require approval in accordance with Article 8.

"Region" means a geographical area with homogeneous characteristics as regards climate, production structures, traditions and viticultural practices.

2. Member States shall ensure that regional programmes are consistent with the objectives of Article 2 and with the rural development strategies laid down for Objective 1 and Objective 5(b) operational programmes under Council Regulation (EEC) No 2052/88⁽¹¹⁾ where the regional programmes are to be implemented in the areas covered by these Objectives.

They must also show, in the latter case, that the regional programmes and the operational programmes are complementary.

The measures to be carried out must also comply with the principles regarding accompanying measures laid down in Council Regulations (EEC) Nos 2078/92, 2079/92 and 2080/92⁽¹²⁾.

3. Provisions on cumulation of aids under the various Community premium schemes shall be adopted in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87.
4. Abandoned areas shall be ineligible for aid under Council Regulation (EEC) No 1765/92⁽¹³⁾.

Article 4

1. Each regional programme may comprise the following components:

(A) measures to reduce regional production by

- cutting annual production by green cropping;

(11) OJ No L 185, 15.7.1988, p. 9.

(12) OJ No L 215, 30.7.1992, pp. 85, 91 and 96 respectively.

(13) OJ No L 181, 1.7.1992, p. 12.

- action such as setting yield ceilings; restricting or prohibiting practices such as irrigation and application of fertilizer that boost yields, and cultivational practices such as certain types of pruning that restrict yields;
 - (B) abandonment of areas under vines in order to achieve precise production potential reduction targets. Abandonment shall be by grubbing and removal of stocks and shall be accompanied by environment-friendly action such as re-parcelling and soil protection by maintenance of suitable plant cover and/or afforestation;
 - (C) measures to tackle serious structural problems, such as maintenance of viticulture on hills, steep slopes and other ground particularly susceptible to erosion or natural deterioration, and/or problems of production adjustment, such as replanting using varieties in line with demand, and the establishment of areas under vines giving limited yields meeting specific quality requirements;
 - (D) technical training, dissemination of agricultural research findings and commercial exploitation of the region's viticultural products.
2. Each programme shall last for a maximum of six years and shall quantify the reduction in production that the region undertakes to achieve.

Each programme shall indicate the types of action to be taken in application of paragraph 1 and the area to be covered by each type.

Each programme shall be structured to a timetable and shall include monitoring and surveillance provisions.

Where regional programmes are implemented in areas covered by Objectives 1 and 5(b), the monitoring committees instituted pursuant to Article 25 of Council Regulation (EEC) No 4253/88⁽¹⁴⁾ shall take part in the monitoring and implementation of programmes.

Article 5

1. The amount granted for implementation of component A provided for in Article 4(1) shall be that needed to offset the loss of income resulting from the reduction in production. It shall be calculated on the basis of ECU 11.33 per hectolitre of production lost.
2. The amount granted to finance component A of each programme shall be adjusted to take account of the reduction in production achieved through abandonment as part of component B.
3. The overall amount granted for implementation of component C shall depend on the area abandoned under component B of the programme. It shall be calculated on the basis of ECU 3 000 per hectare abandoned.
4. The overall amount granted for implementation of component D shall be a maximum of 5% of the total amount granted for the programme.

(14) OJ No L 374, 31.12.1988, p. 1.

Article 6

The premium for abandonment of areas under vines in implementation of component B shall be

- calculated using as basis a reference rate of ECU 7 000 per hectare for an average Community yield of 50 hectolitres per hectare,
- and adjusted, in the case of each regional programme, in line with the average yield for the region concerned, using scales to be determined.

The premium shall be paid to the person exploiting the vineyard. It shall entail that person's loss of the replanting right and a commitment not to carry out any new planting on the holding for 25 years.

Abandonment premiums may not, however, be granted on:

- (a) areas under vines which are smaller than a minimum area to be determined; this limit shall not apply where a smaller area constitutes all of the parcel or parcels cultivated by the farmer;
- (b) areas under vines in respect of which infringements of Community or national provisions on planting have occurred since 1976;
- (c) areas under vines that are not longer exploited or maintained or have not been so for two wine years;
- (d) areas under vines that have been the object of a financially aided restructuring operation.

Article 7

1. The amounts paid in respect of implementation of components A, C and D referred to in Article 4(1) shall be financed 50% by the EAGGF Guarantee Section and 50% by the Member State concerned. For Objective 1 zones, as determined by Regulation (EEC) No 2052/88, the Community contribution shall be 75%.
2. Premiums paid in respect of component B referred to in Article 4(1) shall be financed 100% by the EAGGF Guarantee Section.

Article 8

1. Drafts shall be submitted to the Commission for approval no later than the end of the ninth month following the entry into force of this Regulation.
2. Before approval, drafts shall be submitted for information to the committee provided for in Article 29 of Regulation (EEC) No 4253/88.

3. Draft programmes shall be assessed on the basis of the following criteria:
- the contribution to achieving the fundamental objectives of ordered adjustment of wine-growing potential and restriction of yields,
 - economic coherence of the various components and technical merit,
 - the compatibility and complementarity of the measures with the operational programmes in areas covered by Objectives 1 and 5(b),
 - the justifiability of the premium amounts scheduled in regard to action under components A, C and D referred to in Article 4(1),
 - compliance with Community regulations, and in particular the principles governing back-up measures under the reform of the common agricultural policy and with the rules applying to State aid and to structural measures,
 - the validity of estimates and financing plan,
 - the plans for their implementation and the effectiveness and reliability of the monitoring and surveillance mechanisms.
4. Programmes shall be approved or rejected in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87 within four months of the end of the period for submitting draft programmes. This deadline shall be extended to six months in the case of draft programmes submitted in the last two months of the period.

Article 9

Execution of each regional programme shall be assessed before the end of the third year following approval and at the end of the execution period although intermediate surveillance reports may also be drawn up. Assessments shall be on the basis of a report submitted by the competent national authorities to the Commission and the findings of the body of specific officials of the Commission set up under Article 6 of Regulation (EEC) No 2048/89.

When the first assessment is made amendments to the regional programme may be requested by the competent national or regional authorities or by the Commission.

Amendments entailing a change in the financial assessment of the programme shall be subject to approval as provided for in Article 83 of Regulation (EEC) No 822/87.

Article 10

Failure to any significant degree to fulfil the objectives of the regional programme, noted when assessments or intermediate reports are made, may entail suspension of payment of all premiums. The Member State concerned shall bear any financial consequences connected with a failure to carry out programmes, having regard to the importance of the objectives not fulfilled and to the resulting additional costs for management of the market.

This Article shall not preclude payment of amounts due to growers who have fulfilled their obligations in accordance with the programmes.

Article 11

1. Detailed rules for the application of this Title shall be adopted in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87. They shall relate, in particular, to:
 - determination of the premium rates for the abandonment of areas under vines,
 - additional qualifying requirements for premiums under this Title,
 - the method of submitting regional programmes and the minimum information required therein, and rules applying to payment of premiums.
2. Detailed rules for submitting assessments and provisions on the recovery of amounts paid shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70 of the Council⁽¹⁵⁾.

Title II

Rules governing oenological practices and processes

Article 12

1. The following shall be determined in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87:
 - oenological practices and processes that may be used for the production and preservation of the products defined in Annex I to Regulation (EEC) No 822/87, except those set out in points 8 and 9 of that Annex;
 - the recognition requirements for certain oenological practices and processes applied in non-member countries;
 - provisions governing the blending and coupage of musts and wines; if provision is made for blending white wine with red wine the percentage of white wine in the final product may not exceed 10%;

⁽¹⁵⁾ OJ No L 94, 28.4.1970, p. 13.

- purity and identification specifications for substances to be used in oenological practices;
 - administrative provisions on the carrying out of authorized oenological practices and processes; such provisions may provide that certain practices and processes are to be carried out only under the responsibility of a person recognized by the Member State, with sufficient knowledge to ensure the quality and wholesomeness of the product;
 - conditions applying to experimental use of unauthorized practices and processes.
2. Authorized oenological practices and processes shall not include the addition of water, except for special technical purposes, or of alcohol, except in the case of the products defined in points 5, 14, 15, 17 and 23 of Annex I to Regulation (EEC) No 822/87.

Authorized oenological practices and treatments may be used only for the purposes of proper vinification, preservation and maturing of products.

Member States may impose stricter conditions to safeguard the essential characteristics of quality wines psr and of table wines produced in their territory given descriptions in application of Article 72(2) of Regulation (EEC) No 822/87. They shall notify the Commission of such conditions and the Commission shall inform the other Member States thereof.

Article 13

1. For the purposes of application of the rules governing increases in the natural alcoholic strength of wine products, the Community shall be divided into three zones, zone "N", zone "M" and zone "S", demarcated as indicated in Annex III to Regulation (EEC) No 822/87.
2. The alcoholic strength of grape must, grape must in fermentation, new wine still in fermentation and wine may be increased only where they are obtained from grapes with a natural alcoholic strength of at least:
 - 6% vol in zone N
 - 8% vol in zone M
 - 9% vol in zone S.

Derogations from that rule may be authorized for up to 1.5% vol in zones M and S:

- in the case of wine with a traditionally low alcoholic strength at the market presentation stage, obtained from vineyards with a low yield per hectare,
- with a view to the production of products in which a low alcoholic strength is a technical necessity.

Such derogations shall be adopted in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87.

3. Subject to the limits laid down in paragraph 2, Member States may determine the minimum natural alcoholic strength for each wine-growing region on the basis of the climatic conditions obtaining and the viticultural techniques used, and the need to avoid yields incompatible with production for direct consumption without systematic application of corrective oenological practices.
4. Where the weather conditions in one or more regions during a given year diverge substantially from normal and the adverse effects on production that year appear irreversible, Member States may authorize an increase in the alcoholic strength of products used to produce wine in those regions.

Authorization may be granted only where an increase in alcoholic strength is indispensable and only after several representative tests have been carried out on vineyards tended in accordance with sound viticultural practice where the yield does not appear to be the cause of the imbalance. Authorization may in no circumstances be granted until one month after the onset of ripening of the grapes.

Article 14

1. Alcoholic strength shall be increased by applying one or more of the following techniques:
 - (a) in the case of products upstream of wine, by
 - concentration, either by heating or by cooling,
 - reverse osmosis,
 - osmotic evaporation,
 - the addition of concentrated grape must or rectified concentrated grape must;
 - (b) in the case of wine, by partial concentration through cooling.
2. Member States may also make provision for alcoholic strength to be increased, by up to 2% vol in zone N, 1.5% vol in zone M and 1% vol in zone S, by adding sucrose to products upstream of wine.

Article 15

The total alcoholic strength of products that have been subjected to enrichment may not be more than:

- 12% vol in zone N
- 12.5% vol in zone M
- 13% vol in zone S.

Article 16

The following transitional measures shall apply in the 1995/96, 1996/97 and 1997/98 wine years:

1. Article 13(2) notwithstanding, the minimum natural alcoholic strength required of grapes for a possible increase shall be:

(a) in the wine-growing areas included in zone A indicated in Annex IV to Regulation (EEC) No 822/87 in the version in force on 31 August 1994:

- 5.2% vol for the 1995/96 wine year,
- 5.4% vol for the 1996/97 wine year,
- 5.7% vol for the 1997/98 wine year;

(b) in the wine-growing areas included in zone C I(a) indicated in the abovementioned Annex IV:

- 7.6% vol for the 1995/96 wine year,
- 7.7% vol for the 1996/97 wine year,
- 7.8% vol for the 1997/98 wine year;

(c) in the wine-growing areas included in zone C II indicated in the abovementioned Annex IV:

- 8.6% vol for the 1995/96 wine year,
- 8.7% vol for the 1996/97 wine year,
- 8.8% vol for the 1997/98 wine year.

2. Article 14(2) notwithstanding, in regions where the use of sucrose was authorized at 1 September 1994 alcoholic strength may be increased by adding sucrose, by up to:

- 3.2% vol, 2.4% vol, 1.9% vol and 1.8% vol in former zones A, B, C I(a) and C II respectively for the 1995/96 wine year,
- 2.8% vol, 2.3% vol, 1.8% vol and 1.6% vol in former zones A, B, C I(a) and C II respectively for the 1996/97 wine year,
- 2.4% vol, 2.2% vol, 1.7% vol and 1.3% vol in former zones A, B, C I(a) and C II respectively for the 1997/98 wine year.

Article 17

1. For the 1995/96, 1996/97 and 1997/98 wine years, aid shall be granted on:

- concentrated grape must,
- rectified concentrated grape must produced in the Community, when used to increase alcoholic strength as provided for in Article 13 of this Regulation and in Article 8(2) of Regulation (EEC) No 823/87.

2. The aid provided for in paragraph 1 shall be, respectively:

- ECU 1.00 and ECU 1.30 per % vol per hectolitre for the 1995/96 wine year,
- ECU 0.67 and ECU 0.87 per % vol per hectolitre for the 1996/97 wine year,
- ECU 0.33 and ECU 0.43 per % vol per hectolitre for the 1997/98 wine year.

Article 18

Member States shall take the measures necessary to verify compliance with the provisions of this Title and in particular those on minimum alcoholic strength.

Under conditions to be determined, the Community may contribute towards the cost of monitoring natural alcoholic strength and use of the techniques for increasing alcoholic strength indicated in this Title.

Article 19

Detailed rules for the application of Articles 13 to 18 shall be adopted in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87.

TITLE III

Intervention and other measures to improve market conditions

Chapter I

Compulsory distillation

Article 20

Before 1 February of each year, the Commission shall establish for each Member State:

- total estimated production of wine products for the current wine year,
- actual total production of these products for the wine year ending on the preceding 31 August,
- and, where applicable, the quantity of wine to be compulsorily distilled.

Article 21

1. The total quantity to be distilled shall be the difference between total production for the wine year in question, excluding grape juice, and the Community reference quantity for that year. This quantity shall be distributed among the Member States according to the discrepancy between their production and their reference quantity. The quantity that must be distilled by each Member State:

- shall be increased or reduced, as the case may be, by the difference between estimated total production for the previous wine year and actual total production;
 - shall, in addition, be increased by the quantity which, during the previous wine year, should have been distilled but was not.
2. Where the quantity to be distilled calculated for a Member State is less than 60 000 hl, distillation need not be effected. This quantity may be placed on the market under conditions to be laid down.

Article 22

1. The buying-in price of wine delivered for compulsory distillation shall be:
- for the 1995/96 wine year ECU 1.10 per % vol per hectolitre,
 - for the 1996/97 wine year ECU 0.80 per % vol per hectolitre,
 - for the 1997/98 and subsequent wine years ECU 0.50 per % vol per hectolitre.

The buying-in price shall apply to bare goods ex holding of the producer. The price to be paid by the distiller to the producer may not be lower than the buying-in price.

2. In connection with distillation as referred to in this Article, the distiller may
- either receive aid in the 1995/96, 1996/97 and 1997/98 wine years in respect of the product to be distilled, provided that the product obtained by distillation has an alcoholic strength of at least 52% vol; should the price on the market for products obtained by distillation compared with the buying-in price of the wine so warrant, the distiller shall be required to make a financial contribution,
 - or deliver to the intervention agency the product obtained by distillation provided that it
 - (i) has an alcoholic strength of at least 92% vol
 - and
 - (ii) complies with a definition to be adopted.

However

- it may be decided, in accordance with the procedure referred to in Article 83 of Regulation (EEC) No 822/87, that only certain products of those with an alcoholic strength of at least 92% vol may be delivered to the intervention agency;
- if the table wine was processed into wine fortified for distillation before delivery for distillation, the aid indicated in the first indent of the first subparagraph shall be paid to the manufacturer of the wine fortified for distillation and the product of the distillation may not be delivered to the intervention agency.

The buying-in price of the products of distillation that can be taken over by the intervention agency shall be set on the basis of the buying-in price indicated in paragraph 1.

Article 23

1. Member States shall be responsible for proper execution of compulsory distillation, as regards both distribution among operators subject to the obligation of the total quantity to be distilled determined under Article 21 and compliance by those operators with their obligation to deliver to the distillery.

Where a Member State applies Article 28(1), the obligation to distil shall be considered as satisfied for the quantity delivered under that provision. The quantity to be distributed between operators subject to the obligation shall be equal to the quantity determined in accordance with Article 21, less the quantity to be distilled under Article 28(1).

The cost of distillation of the quantity of wine that was not distilled during the previous wine year and the cost of disposal of the corresponding alcohol shall be borne by the Member State.

2. Member States shall effect the distribution referred to in paragraph 1 in accordance with a scale designed to contribute to the objective of restricting production. The scale shall use one of the following criteria for distribution or a combination thereof:

- yield per hectare; application of this criterion may be used to differentiate the distillation obligation by production region and/or wine category and may involve exemption from the obligation for quality wines psr or other categories of wine,
- the quantities of the various products indicated in the stock declarations provided for in Article 3 of Regulation (EEC) No 822/87,
- the areas grubbed by the producer,
- any other objective factor.

Where applicable, the scale must take account of the fact that the regional programmes referred to in Title I have not been implemented or have been implemented only to a limited extent.

3. Member States may exempt producers from the distillation obligation where the transport costs are not justified by the quantities to be delivered.
4. Member States shall apportion the distillation obligation and establish any exemptions with the aim of restricting production in an objective way involving no discrimination between producers.

Member States shall inform the Commission of the criteria, scales, exemptions and other measures planned pursuant to this Article.

5. For producers subject to the distillation obligation the quantity involved shall be a percentage of their production determined on the basis of the production declaration provided for in Article 3 of Regulation (EEC) No 822/87.
6. The quantities covered by the distillation obligation shall be distilled by the end of the wine year in which the decision to distil is adopted.

Article 24

Detailed rules for the application of this Chapter shall be adopted in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87.

They shall include, in particular:

- rules regarding the carrying out of compulsory distillation,
- rules regarding the fixing of the amount of aid to be paid to the distiller and the price of the alcohol delivered to the intervention agency.

The same procedure shall be followed for setting aid amounts and alcohol prices.

Chapter II

Distillation of winemaking by-products

Article 25

The overpressing of grapes, whether or not crushed, and the pressing of wine lees shall be prohibited. The refermentation of grape marc for purposes other than distillation shall also be prohibited.

Filtering and centrifuging of wine lees shall not be considered as pressing where the products obtained are of sound, genuine and merchantable quality, and the lees are not reduced to the dry state.

Article 26

1. Any natural or legal person or group of persons having made wine shall be required to deliver for distillation all the by-products of that winemaking.

The quantity of alcohol contained in the by-products, compared with that contained in the wine produced, must be at least

- 10% if the wine was obtained by direct vinification of grapes,
- 5% if the wine was obtained by vinification of grape must, grape must in fermentation or new wine still in fermentation.

Should these percentages not be reached the producer subject to the distillation obligation must deliver a quantity of wine from his own production ensuring compliance with these percentages.

The assessment of the volume of alcohol contained in the wine produced referred to in the second subparagraph shall be made on the basis of a standard minimum natural alcoholic strength by volume laid down for each wine-growing zone.

2. Any natural or legal person or group of persons holding by-products of any processing of grapes other than vinification shall be required to deliver them for distillation.

Grape marc and wine lees delivered for distillation must meet certain minimum standards to be determined. If these are not met, the marc and lees shall, the first subparagraph notwithstanding, be disposed of by delivery for processing other than distillation or by destruction under supervision.

3. Member States may stipulate that, for all their producers or certain categories of producers, the distillation obligation referred to in paragraphs 1 and 2 is to be replaced by withdrawal of the by-products under supervision or by other arrangements ensuring that they are not used in the wine sector. This option shall be implemented under objective rules and with no discrimination between producers.

Where the first subparagraph is applied, Member States shall inform the Commission of the provisions adopted.

Article 27

1. The buying-in price of grape marc, wine lees and wine delivered for distillation pursuant to Article 26 shall be
 - for the 1995/96 wine year ECU 0.82 per % vol per hectolitre,
 - for the 1996/97 wine year ECU 0.80 per % vol per hectolitre,
 - for the 1997/98 and subsequent wine years ECU 0.50 per % vol per hectolitre.

The price to be paid by the distiller may not be lower than the buying-in price.

2. In connection with distillation pursuant to Article 26, the distiller may
 - either receive aid in the 1995/96, 1996/97 and 1997/98 wine years in respect of the product to be distilled, provided that the product obtained by distillation has an alcoholic strength of at least 52% vol; should the price on the market for products obtained by distillation compared with the buying-in price of the wine so warrant, the distiller shall be required to make a financial contribution,

- or deliver to the intervention agency the product obtained by distillation, provided that it
 - (i) has an alcoholic strength of at least 92% vol and
 - (ii) complies with a definition to be adopted.

However

- it may be decided, in accordance with the procedure referred to in Article 83 of Regulation (EEC) No 822/87, that only certain products of those with an alcoholic strength of at least 92% vol may be delivered to the intervention agency;
 - if the wine was processed into wine fortified for distillation before delivery for distillation, the aid indicated in the first indent of the first subparagraph shall be paid to the manufacturer of the wine fortified for distillation and the product of the distillation may not be delivered to the intervention agency.
3. The buying-in price of the products of distillation taken over by the intervention agency shall be set on the basis of the buying-in price indicated in paragraph 1.

Article 28

1. The total quantity of alcohol contained in by-products of vinification that must be delivered for distillation may be increased by the Member State up to 15% by comparison with the volume of alcohol contained in the wine produced.
2. Where paragraph 1 is applied the buying-in price of the by-products and wine delivered for distillation shall be equal to that applicable, for the same wine year, to wine delivered for distillation as indicated in Article 21.

Article 29

Detailed rules for the application of this Chapter shall be adopted in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87.

They shall include, in particular:

- rules regarding the carrying out of compulsory distillation of winemaking by-products
- rules regarding the fixing of the amount of aid to be paid to the distiller and the price of the alcohol delivered to the intervention agency.

The same procedure shall be followed for setting aid amounts and alcohol prices.

Chapter III

Other measures to improve market conditions

Article 30

1. From the 1998/99 wine year onwards, if contingent surpluses occur in regions properly implementing a regional programme a special distillation operation may be initiated for producers in those regions.
2. The quantity of wine covered by special distillation may not exceed 6 million hectolitres for the whole of the Community.
3. The buying-in price of wine delivered for special distillation shall be set on the basis of the market situation in the regions in question.

The buying-in price shall apply to bare goods ex holding of the producer.

The price paid by the distiller may not be lower than the buying-in price.

4. Rules on the carrying out of special distillation, on the criteria for fixing the amount of aid to be paid to the distiller during the 1997/98 wine year and on the price of the alcohol delivered to intervention agencies shall be adopted in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87. The same procedure shall be followed for setting aid amounts and alcohol prices, and for any other detailed rules for the application of this Article.

Article 31

Vinification of grapes from varieties classed as table grape varieties shall be prohibited.

Such grapes may be the subject of the measures provided for in Article 15 of Regulation (EEC) No 1035/72 of the Council⁽¹⁶⁾.

Article 32

1. Alcohol taken over by intervention agencies shall be disposed of by invitation to tender for uses and under conditions that do not threaten to disturb the spirit drinks sector. Equality of access to the goods and equal treatment of purchasers shall be ensured.
2. 75% of the costs resulting from storage and disposal of the alcohol under paragraph 1 shall be borne by the EAGGF Guarantee Section and 25% by the Member State in which it was taken over.

⁽¹⁶⁾ OJ No L 118, 20.5.1972, p. 1.

3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87. They shall include

- provisions relating to operations that intervention agencies carry out or may carry out on the alcohol taken over before it is remarketed,
- provisions relating to disposal of alcohol held by intervention agencies.

Article 33

1. In the case of wines obtained by producers who have increased alcoholic strength by adding sucrose or must on which the aid referred to in Article 18 has been granted, all buying-in prices set for distillation, except distillation under Article 26, shall be reduced within each wine-growing area by a flat-rate amount calculated on the basis of the level of the aid indicated in Article 17 and the increase in alcoholic strength specified for the wine-growing area concerned.

At the request of the producer concerned, this reduction shall apply only to quantities the alcoholic strength of which was increased in this way.

2. Detailed rules for application of this Article shall be adopted in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87.

Article 34

Operators who do not fulfil distillation obligations pursuant to Chapters I and II shall be debarred from benefiting from measures under national and Community wine sector rules. This provision shall not apply to viticulture abandonment premiums.

Minimum and maximum flat-rate fines for failure to comply with the aforementioned obligations shall be set, on the basis of Community market prices, in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87.

Member States shall adopt the necessary additional measures, in particular the amount of the fines mentioned in the second subparagraph, and shall inform the Commission thereof forthwith.

Title IV

Promotion of products of quality

Article 35

1. Vine products shall be promoted within the framework of a general programme to aid the following:
 - (a) within the Community:
 - research into the effects of the use of wine and other vine products in the human diet,
 - scientifically based information on wine for consumers; this information shall concentrate on consumption habits making the most positive use of wine,
 - measures to encourage moderate consumption and an appreciation of and interest in quality,
 - distribution of economic and technical information enabling consumers to appreciate the link between product quality and price at the various stages of production and marketing and sale in catering establishments,
 - establishment of mechanisms for provision of accurate technical information on the wine sector to the media at any time so that the harmful spread of inaccurate information is prevented;
 - (b) outside the Community:
 - the measures indicated at the second, third and fourth indents of (a)
 - promotion of Community wines by organization of general publicity campaigns, where appropriate in cooperation with Member States.
2. The Commission shall adopt and manage the promotion programme. To this end it may
 - seek the assistance or cooperation of professional organizations or non-governmental organizations pursuing the same objectives in this field,
 - use the services of specialized bodies in drawing up the promotion programme,
 - commission agencies or offices selected by invitation to tender to implement all or part of the programme or verify and assess its implementation.

Article 36

Expenditure on implementation of the promotion measures referred to in Article 35 shall be considered intervention within the meaning of Article 3(1) of Regulation (EEC) No 729/70.

Article 37

Any detailed rules required for the application of this Title shall be adopted in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87.

Title V

Inter-branch organizations and agreements

Article 38

This Title lays down the requirements for recognition of the activities of inter-branch organizations for the purposes of common organization of the market in wine.

Article 39

Inter-branch organizations which

1. comprise representatives of the economic activities involved, on the one hand, in the production of grapes and must for vinification and of wine, and on the other hand, in the processing of grapes and must and the manufacture of wine sector products mentioned in Annex I to Regulation (EEC) No 822/87, and, where appropriate, representatives of trade in wine sector products,
2. have been set up on the initiative of all or some of their constituent organizations or associations; and
3. are pursuing, in one or more regions of the Community, a number of the following activities, taking account, where appropriate, of consumer interests:
 - (a) improving market intelligence and transparency,
 - (b) contributing to improved coordination of the marketing of wine sector products,
 - (c) drawing up standard contracts compatible with Community rules,
 - (d) increasing the market value of products,
 - (e) moving towards products more in line with market requirements and consumer taste,
 - (f) seeking techniques permitting the reduction of plant health product use while guaranteeing product quality and soil conservation,

- (g) developing techniques and apparatus for improving product quality at both the growing and vinification stages,
- (h) seeking to exploit and protect registered designations of origin and geographical denominations,
- (i) drawing up growing and production rules and technical marketing standards stricter than required under Community and national legislation,

shall be recognized under this Regulation.

Article 40

1. Member States shall recognize, on application, inter-branch organizations established in their territory which
 - (a) carry out their activities at regional or inter-regional level within that territory;
 - (b) cover, within the region or regions concerned, a significant proportion of grape production, processing and manufacture of wine sector products and, where appropriate, of trade in these products; should the organization be inter-regional in character, it must give proof of a minimum level of representation of each grouped branch in each region covered;
 - (c) pursue a number of the activities specified in point 3 of Article 39;
 - (d) do not themselves engage in viticulture or the processing, manufacture or marketing of wine sector products.
2. Before granting recognition Member States shall notify the Commission of the inter-branch organizations which have applied for recognition, with full information on the activities of each organization, its representativeness and any other relevant information for consideration of the application.

The Commission may object to recognition within sixty days of notification.
3. Member States shall withdraw recognition if
 - (a) the requirements of this Regulation cease to be met;
 - (b) the inter-branch organization contravenes any of the provisions set out in Articles 85 and/or 86 of the Treaty; this provision shall be without prejudice to application of Article 2(1) of Council Regulation No 26.
4. Recognition shall constitute authorization to pursue the activities specified in point 3 of Article 39, within the terms of this Regulation.

Article 41

1. Inter-branch organizations may request that certain of their agreements or concerted practices be made binding for a limited period on non-member individual and group operators in the region where they operate.

In order for their rules to be extended, the organization in question must represent at least 51% of grape production, processing and manufacture of wine sector products, or of trade, in the region in question. If the proposed extension of the rules is inter-regional in scope, the organization must give proof of a minimum degree of representativeness, in respect of each grouped branch in each of the regions in question.

2. The rules whose extension is sought shall have been in force for at least one year and shall relate to one of the following objectives:
 - (a) production intelligence and market intelligence;
 - (b) use of cultivation techniques consistent with protection of the environment;
 - (c) the drawing-up of growing and manufacturing rules stricter than the corresponding Community or national rules.

Article 42

1. The competent authorities shall publish for the attention of interested parties agreements and concerted practices which it is intended to extend to non-member individual or group operators in one or more regions.

Interested parties shall have two months from the date of publication to submit their observations.

2. Following the two-month period specified in paragraph 1 and before taking a decision, the competent authorities shall notify the Commission of the rules which they intend to make binding. The notification shall be accompanied by all relevant information, any observations received following publication and an evaluation of the application for extension.
3. If the rules whose extension is sought are "technical rules" within the meaning of Council Directive 83/189/EEC⁽¹⁷⁾, they shall be communicated to the Commission under that Directive simultaneously with the notification referred to in paragraph 2.

Without prejudice to paragraph 4, if the requirements for delivery of a detailed opinion under Article 9 of that Directive are met, the Commission shall refuse the proposed extension.

4. The Commission may within 45 days of receiving the notification referred to in paragraph 2 object to the proposed extension.

The Commission shall in any case take a negative decision if it finds that, by extension,

- competition would be prevented in a substantial part of the Community market, or
 - freedom to trade would be seriously affected, or
 - the objectives of the common agricultural policy or those of any other Community rules would be jeopardized.
5. Where, pursuant to this Article, rules are made binding on non-members of an inter-branch organization, the Member State may decide that the non-member individual or group operators shall pay the organization all or part of the dues paid by its members.

Article 43

Detailed rules for the application of this Title shall be adopted in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87.

Title VI

Amendments to Regulation (EEC) No 822/87

Article 44

Regulation (EEC) No 822/87 is amended as follows:

1. In Article 1(4) points (c) and (f) are deleted.
2. Title I is replaced by the following:

TITLE I

Article 1a

The Commission shall create a mechanism for assessing

- production of the various wine sector products,
- the industrial utilization of these products,
- the consumption trend for wine and other products consumable without further processing,
- all other factual information required for management of the market, encouragement of desirable supply adjustments and organization of measures to promote consumption.

The Commission may to this end resort to the services of specialized organizations and undertakings and to independent experts.

Article 2

1. Member States shall, by means of annual surveys, monitor the areas used for vegetative propagation of vine plants.
2. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 83.

Article 3

1. Each year
 - (a) growers of grapes for vinification and producers of must and wine shall declare the quantities obtained from the last harvest;
 - (b) producers of must and wine and merchants other than retailers shall declare their stocks of must and wine, whether from the current year's or previous harvests. Must and wine imported from non-member countries shall be separately indicated.
2. Provided that developments in the common wine sector policy do not require stock declarations to be made before the harvest on a date to be fixed in accordance with the procedure laid down in Article 83, harvest and stock declarations shall be made simultaneously not later than 31 December in each Member State.
3. The provision referred to in paragraph 2 shall not rule out retention in certain Member States of different dates, one for stock declarations and one for harvest declarations, provided that, by means of an updating, use at Community level of the information collected remains possible.
4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 83.

Article 4

1. All new planting of vines of any variety is prohibited up to 31 August 2001.

Authorizations for new planting may, however, be granted by Member States for the 1990/91 wine year for production of quality wines psr where the Commission has recognized that, owing to its quality, production of the wine in question is far below demand.

2. Paragraph 1 notwithstanding, Member States may grant new planting authorizations for areas intended for
 - parent vines for rootstocks,
 - new planting in connection with land consolidation or compulsory purchase in the public interest under national legislation,
 - experimental viticulture.

3. Grapes obtained from vines planted in breach of Community or national provisions on new planting within the meaning of Annex IV may not be used to produce wine. The products obtained from these grapes may not be moved except to a distillery. They may not, however, be used to produce alcohol with an actual alcoholic strength by volume of 80% or less.

Detailed rules of the application for this Article shall be adopted in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87.

Article 5

1. Replanting of vines shall be permitted only where a natural or legal person or group of persons possesses a replanting right within the meaning of Annex IV.

As a transitional measure, producers in Member States where on 27 May 1976 national legislation made no provision for replanting rights, who have since then carried out a grubbing operation duly substantiated and certified by the Member State concerned, may be authorized to plant vines before 27 May 1984 on an area equivalent in sole cultivation terms to that grubbed, subject to the requirements of this Regulation.

2. The replanting right referred to in paragraph 1

- may be exercised on the same holding; Member States may, however, stipulate that it may be exercised only on the area grubbed,
- may be transferred, in whole or in part, only in cases where part of the holding is transferred to another holding; in this case the right may be exercised on the other holding within the limit of the area transferred.

A replanting right may, however, be transferred in whole or in part to another holding

- for production of quality wines psr, on terms set by the Member State concerned,
- for production of table wine or table grapes or cultivation of parent vines for rootstocks, on terms to be determined. The terms applying to areas for production of table wine must, in particular, guarantee that the varieties are classed as recommended pursuant to Article 9 and guarantee a high quality level and restricted yields per hectare by comparison with the varieties grown in the administrative unit concerned.

Where a replanting right is exercised, only vine varieties may be planted that belong, in the vine variety classification drawn up pursuant to Article 9(1), to the same utilization category as the varieties grown on the grubbed area in respect of which the replanting right arises.

3. Any vines planted or replanted in breach of the Community rules shall be grubbed without payment of a premium.

4. Before 1 January 1986 the Council, acting by qualified majority on a proposal from the Commission, shall adopt the restrictions on exercise of replanting rights required to adjust viticultural potential to market requirements.
5. Detailed rules for the application of this Article, in particular the terms referred to in the second indent of the second subparagraph of paragraph 2, shall be adopted in accordance with the procedure laid down in Article 83.

Article 6

1. Any natural or legal person or group of persons intending to carry out new planting of vines as referred to in Article 4 shall apply in writing for authorization to the competent authority designated by the Member States, before a date to be set by that authority.
2. Member States may, in order to enable the competent authority to organize its inspection work, require any natural or legal person or group of persons intending to grub, replant or carry out authorized new planting to so inform the competent authority in writing within a time limit to be laid down by the latter.

Any natural or legal person or group of persons having grubbed, replanted, or carried out new planting of vines shall so inform in writing the competent authority of the Member State in which the operation was carried out, within a time limit to be laid down by that authority.

3. Authorized new planting of vines may be effected up to the end of the second wine year following that in which the authorization was granted.

Article 7

1. Before 1 September of each year Member States shall forward to the Commission a report on the trend of viticultural potential including a statement of the areas under vines on their territories. It shall be based on
 - the information referred to in the second subparagraph of Article 6(2),
 - the statistical surveys of areas under vines provided for in Council Regulation (EEC) No 357/79(*).

The statement shall be

- (a) drawn up for the following geographical units:

- Germany: production regions defined in accordance with Article 3 of Regulation (EEC) No 823/87,
- France: departments,
- Italy: provinces,

- Greece: "nomoi",
- Spain: provinces and regions,
- Portugal: regions,
- other Member States: the entire national territory;

(b) subdivided in accordance with Article 2(2)(B) of Regulation (EEC) No 357/79.

2. Before 1 December each year the Commission, taking into account the communications from the Member States referred to paragraph 1, shall submit a report to the Council on the trend of viticultural potential.

(*) OJ No L 54, 5.3.1979, p. 124.

Article 8

1. Articles 4 to 7 shall not apply to Member States where annual wine production is less than 25 000 hectolitres per wine year.
2. This Title shall not prevent Member States from
 - adopting stricter national rules on new planting or the replanting of vines,
 - requiring the applications and information provided for in this Title to be supplemented by other information needed for monitoring the trend of viticultural potential.

Article 9

1. Member States shall classify vine varieties for the administrative units or parts of these that they define. All classified varieties must belong to the species *Vitis vinifera* or come from a crossing between this and other species of the genus *Vitis*. Classification shall be based on the classification carried out at Community level.

In their classification, Member States shall indicate the vine varieties suitable for production of each of the quality wines produced in their territory. These varieties must be of the species *Vitis vinifera*.

2. Without prejudice to any more restrictive Community provisions, only varieties shown in the classification may be planted, replanted or grafted in the Community.
3. Continued cultivation of vine varieties not mentioned in the classification is prohibited.

4. Except where otherwise decided by the Commission,

- fresh grapes,
- grape must,
- grape must in fermentation,
- new wine still in fermentation,
- wine,

from vine varieties not included in the classification may not be moved except for distillation or vinegar production. They may be used for the grower's family consumption.

5. Only vine varieties shown in the classification may be used for the description of Community wines.

6. The Commission shall adopt detailed rules of application in accordance with the procedure laid down in Article 83.

These rules shall cover, in particular:

- the addition of varieties (examination of cultivational suitability),
- the deletion of varieties,
- the use of names and synonyms of classified varieties,
- the publicity to be given to the classifications drawn up by Member States."

3. Titles II and III are deleted.

4. The Annexes are replaced by the Annexes set out in Annex II hereto.

Title VII

Non-regional abandonment programme for areas under vines

Article 45

1. In regions for which no regional programme is presented growers of vines for wine production shall, from the 1995/96 to 2000/2001 wine years, be granted on application, in respect of areas abandoned, a permanent abandonment premium on the terms laid down in this Title.

Abandonment shall involve grubbing of all planted vines. All main roots shall be dug up and all wood removed from the plot.

2. The premium shall not be granted unless the grower

- is, at the time of submission of the application, entitled under national law to deal with the area in question as he wishes, or
- if he does not meet the requirement of the first indent, produces written agreement from the owner of the area.

3. Granting of the permanent abandonment premium shall entail forfeiture of replanting rights in respect of the area in question.

Article 46

The permanent abandonment premium may not be granted on the areas specified in the third paragraph of Article 6.

Article 47

1. The premium shall be

- calculated on the basis of a reference rate of ECU 3 500 per hectare for an average Community yield of 50 hectolitres per hectare, and
- adjusted in line with the average yield of the region, using scales to be determined in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87.

2. The grower shall receive 50% of the premium in the year in which grubbing is carried out and 10% in each of the following five years.

3. Payment of the premium shall be considered intervention intended to stabilize agricultural markets within the meaning of Article 1(2) of Regulation (EEC) No 729/70.

The eligible amounts shall be financed by the EAGGF Guarantee Section.

Article 48

The abandonment premium provided for under this Title shall not be cumulable with premiums provided for by Regulations (EEC) Nos 2078/92 and 2080/92.

Article 49

The Commission shall, before the end of the 1997/98 wine year, submit to the European Parliament and the Council, a report based on a study evaluating the permanent abandonment premium arrangements.

Expenditure on the study shall be considered intervention intended to stabilize agricultural markets within the meaning of Article 1(2) of Regulation (EEC) No 729/70.

Article 50

Detailed rules for the application of this Title shall be adopted in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87.

Title VIII

Amendment of Regulation (EEC) No 823/87

Article 51

Article 11(2) of Regulation (EEC) No 823/87 is replaced by the following:

- "2. Overshoot of the basic yield set shall entail a prohibition, covering the entire yield, on use of the claimed description.

The competent authority appointed by the Member State may, however, permit its use where there is an overshoot provided:

- the weather has been especially favourable to grape production, particularly as regards its quality,
- the overshoot is no more than 20% of the basic yield,
- a quantity corresponding to the overshoot is distilled without public aid.

In no case may the quantity for which the use of the claimed description is authorized exceed the basic yield.

Member States may provide that half the overshoot be stocked with no possibility of marketing during the wine year of production; this quantity may be recognized under the following harvest(s), possibly after blending with the quality wine psr therefrom."

Title IX

Amendments to Regulation (EEC) No 2048/89

Article 52

Regulation (EEC) No 2048/89 is amended as follows:

1. The second indent of Article 1(2) is replaced by the following:

"- scrutiny of accounts such as laid down in Council Regulation (EEC) No 4045/89(*)

(*) OJ No L 388, 30.12.1989, p. 18."

2. Article 3 is replaced by the following:

"Article 3

Principles

1. Member States shall take the necessary measures to improve monitoring of compliance with the rules in the wine sector.

2. Member States shall draw up monitoring programmes to be carried out each year from 1 January. Such programmes shall specify the nature and frequency of the checks and shall be drawn up in such a way that they cover, for the whole of their territory, a representative volume of all the wine products harvested, processed, manufactured and marketed or held with a view to their marketing. The choice of checks to be carried out shall be based on a risk analysis.
3. Member States shall forward their programmes and the criteria on the basis of which they were drawn up to the Commission before 1 October of the year preceding the year in which the checks are to be carried out.

The Commission may request that the programmes be amended.

4. Before 1 May each year, Member States shall forward to the Commission all information on carrying out of programmes during the previous year, specifying:
 - the number and type of checks carried out,
 - the number and type of irregularities found.
 5. Member States shall ensure that the competent authorities have a sufficient number of suitably qualified and experienced staff to carry out the wine checks efficiently."
3. In Article 4(2):
 - (a) the following is inserted as the first indent:
 - "- coordinate all the wine checks carried out by the competent authorities,"
 - (b) the fourth indent is replaced by the following:
 - "- notify the Commission of the measures taken pursuant to Article 3(1), the monitoring programmes and the information referred to in Article 3(3) and (4)."
 4. Article 6 is replaced by the following:

"Article 6

Body of specific officials of the Commission

1. The Commission shall set up a body of specific officials to carry out the inspection visits defined in paragraph 2 with a view to improving the uniform application of the rules in the wine sector, in collaboration with the competent authorities of the Member States.

The Commission shall ensure that such officials possess the technical expertise and appropriate qualifications and experience to carry out their inspections.

2. The visits of the body of specific officials shall have the following objectives:

- (a) to collaborate on the checks provided for by the competent authorities of the Member States,
- (b) to carry out checks, on the Commission's initiative, in which the officials of the Member States shall be invited to participate,
- (c) to assess the monitoring arrangements set up, the procedures followed and the results obtained,
- (d) to ascertain the measures taken by the competent authorities to improve observance of the Community rules in the wine sector, to prevent and investigate infringements and to penalize infringements found,
- (e) to develop collaboration and the exchange of information between the competent bodies of the different Member States in order to contribute to the uniform application of the rules in the wine sector and facilitate the movement of wine products.

The officials of the Member States shall be responsible for carrying out the checks referred to at (a) in the first subparagraph.

3. With regard to the checks to be carried out pursuant to (b) in the first subparagraph of paragraph 2, the Commission shall, in good time before the start of the operations, inform the liaison authority of the Member State on the territory of which these operations will take place. It shall indicate the most appropriate places for the checks to be carried out and shall determine the practical arrangements in cooperation with the competent authorities of the Member State.

The Commission's specific officials shall produce written authorization specifying their identity and status.

In carrying out their duties, the Commission's specific officials shall have the rights and powers set out in the first five indents of Article 5, without prejudice to the limits imposed by the Member States on their own officials in carrying out the checks concerned.

The Commission's specific officials shall, in the course of carrying out the checks, adopt an attitude compatible with the rules and practices which officials of the Member State must follow. They shall observe professional confidentiality.

If the Commission's specific officials encounter difficulties in the performance of their duties, the Member State concerned shall make available to them the resources necessary to enable them to carry out their work properly.

4. The Commission shall establish appropriate links with the liaison authorities of the Member States in order to draw up joint monitoring action. Member States shall cooperate with the Commission to facilitate the accomplishment of this task.
 5. The Commission shall report on the activities of its specific officials to the liaison authority of the Member State concerned as soon as possible; the communication shall record any difficulties encountered or infringements of the provisions in force they discover.
 6. The Member State concerned shall inform the Commission as soon as possible of the steps it has taken to put an end to the difficulties or infringements in question, and in particular any administrative or legal procedures initiated or penalties applied.
 7. Reports to the Member State pursuant to paragraph 5 may be deemed to be those referred to in Article 9 of Regulation (EEC) No 729/90 if the Member State fails to put an end to the difficulties and infringements communicated to it in this manner."
5. The following Article 7a is inserted:

"Article 7a

Any detailed rules required for the application of this Title shall be adopted in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87."

6. The Annex is deleted.

TITLE X

SIMPLIFIED VINEYARD REGISTER

Article 53

1. Member States which produce grapes grown in the open air shall establish and keep up to date, in accordance with this Title, a simplified vineyard register covering the areas in their territory under vines.

Member States in which the total area under vines in the open air is less than 500 hectares shall not be subject to the obligation to establish a simplified vineyard register. It may be decided, in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87, that this exception shall also apply to regions with a negligible total area under vines in the open air.

2. The main objectives of the establishment and periodical updating of the simplified vineyard register are:
 - to obtain accurate information on the areas under vines in the Community, to monitor trends and to estimate regional production;
 - to facilitate the management and monitoring of the application of measures taken in the wine-growing sector and, inter alia, to assess the implementation of the regional programmes referred to in Title I;
 - to create an effective basic instrument for the checks to be carried out in the wine-growing sector, particularly with regard to the abandonment of wine-growing areas, replanting rights and aid granted pursuant to Community rules.
3. The technical characteristics of the simplified vineyard register must be such that it constitutes a reliable reference base which can be easily and continually updated. It must permit the identification and location of the parcels referred to in Article 55 and the insertion of data provided by producers as referred to in Article 56.

Article 54

1. Before 1 July 1996, Member States shall establish a graphic reference base covering the entire area under vineyards in their wine-growing regions.

The graphic reference base may be obtained:

- (a) from the vineyard register established pursuant to Regulation (EEC) No 2392/86;
 - (b) by means of photographs processed using the appropriate techniques and, where necessary, supplemented and made more detailed by field visits; or
 - (c) by means of the land register or other techniques used for the creation of the identification system for agricultural parcels referred to in the context of the integrated system introduced pursuant to Council Regulation (EEC) No 3508/92⁽¹⁸⁾.
2. Member States shall renew the graphic base by means of new photographs or equivalent techniques throughout their wine-growing regions every five years.
 3. The graphic base shall be kept permanently updated to show the trend in areas under vineyards.

Article 55

1. On the graphic reference base, Member States shall locate and identify parcels under vines:
 - which are included in the regional programmes referred to in Title I;

- in respect of which premiums are granted pursuant to Community rules, such as the abandonment premiums or other premiums referred to in Title I;
- which are the subject of grubbing or restructuring operations not covered by the premium schemes or for which replanting rights have been applied for within the meaning of Annex IV to Regulation (EEC) No 822/87;
- on which new plantings have been carried out under the terms of Article 4 of Regulation (EEC) No 822/87.

Member States may locate on the graphic base the parcels currently identified in the vineyard register established pursuant to Regulation (EEC) No 2392/86.

The identification of parcels and growers shall be carried out in a manner compatible with the procedures implemented under the integrated control system established by Regulation (EEC) No 3508/92.

2. Location and identification of parcels as referred to in paragraph 1 shall be carried out on the initiative of growers who are subject to the obligation to submit a declaration, particularly for the purpose of implementing a regional programme, in order to receive aid, to grub an area under vines, to ascertain replanting rights and thereafter to exercise those rights.

Parcels shall be located and identified on documents produced by the graphic reference base and supplied to interested parties by the competent authorities.

3. No aid shall be paid for parcels not located and identified in accordance with this Article by the time the application is lodged.

All replanting and new planting without a written declaration to the competent authorities shall be illegal and shall be subject to the obligation to grub without payment of a premium.

4. All illegal new planting or replanting found, in particular when the register is established or checked, shall be subject to the obligation to grub without payment of a premium.
5. The measures referred to in paragraph 1 may benefit from Community financing only if the simplified vineyard register has been established in the region concerned and is used for checks relating to the application of those measures.

Article 56

The simplified vineyard register's database shall contain declared data concerning the holdings and parcels which are the subject of the declarations referred to in Article 55 and shall be restricted to the data needed for the proper management of the schemes concerned.

Article 57

1. Member States shall forward to the Commission their plans for the implementation of the simplified vineyard register, specifying the technical options chosen.
2. The Community shall contribute to the financing of the establishment of the graphic base and its renewal to the extent of 50% of the eligible expenditure, determined in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87. The Community contribution shall cover projects which meet the requirements of this Title.

Expenditure on updating of the simplified vineyard register shall not receive a Community contribution.

3. The financing referred to in paragraph 2 shall be considered intervention intended to stabilize agricultural markets within the meaning of Article 1(2) of Regulation (EEC) No 729/70 and the Community contribution shall be paid by the EAGGF Guarantee Section.
4. The conversion of amounts expressed in ecus and in national currencies shall be made by applying the exchange rates in force on the first working day of the calendar year concerned, as published in the C series of the Official Journal of the European Communities.

Article 58

Member States shall take all the necessary steps to ensure that the data collected are kept and protected. They shall ensure that the register is used only for the application of the rules in the wine sector, the application of the integrated system and for structural measures or statistical purposes.

Article 59

After having informed the competent national authorities in good time, the Commission's officials may carry out:

- any examination or check on any of the measures taken to establish the register and regarding the eligibility of expenditure declared for Community part-financing,
- checks on the departments and bodies or undertakings involved in establishing the register.

Article 60

Detailed rules for the application of this Title and any necessary transitional provisions shall be adopted in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87.

Advance payment arrangements may be decided in accordance with the same procedure.

TITLE XI

Final provisions

Article 61

Regulations (EEC) Nos 2392/86 and 1442/88 are hereby repealed.

Article 62

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

It shall apply from the beginning of the 1995/96 marketing year.

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

Done at Brussels,

For the Council
The President

NATIONAL REFERENCE PRODUCTION (000 hl)

	PRODUCTION ALL WINE	ITALY	FRANCE	SPAIN	PORTUGAL	GREECE	GERMANY	LUX	TOTAL
	89/90	59 727	60 508	(1) 31 276	7 901	4 531	14 486	232	178 661
	90/91	(1) 54 266	64 980	41 063	11 351	(1) 3 525	(1) 9 505	151	184 841
	91/92	59 238	(1) 42 139	32 156	10 021	4 021	10 699	(1) 86	158 360
	92/93	68 086	64 851	36 947	(1) 7 771	4 050	13 482	271	195 458
1.	Average historic production	62 350	63 446	36 722	9 758	4 201	12 889	218	189 584
2.	National reference production	49 661	51 837	29 248	8 371	3 584	11 125	174	154 000

(1) The average is calculated by excluding the wine year with lowest production in each country.

The Annexes to Regulation (EEC) No 822/87 are replaced by the following text:

"Annex I

DEFINITIONS REFERRED TO IN ARTICLE 1(4)(a)

1. Fresh grapes: the fruit of the vine used in making wine, ripe or even slightly raisined, which may be crushed or pressed by normal wine-cellar means and which may spontaneously produce alcoholic fermentation.
2. Grape must: the liquid product obtained naturally or by physical processes from fresh grapes. An actual alcoholic strength of the grape must of not more than 1% vol is permissible.
3. Grape must in fermentation: the product obtained from the fermentation of grape must and with an actual alcoholic strength by volume of more than 1% vol but less than three-fifths of its total alcoholic strength by volume: however, certain quality wines per having an actual alcoholic strength by volume of less than three-fifths of their total alcoholic strength by volume but not less than 5.5% vol are not considered as grape must in fermentation.
4. Grape must in fermentation, extracted from raisined grapes, also called 'vino dulce natural': the product obtained from the partial fermentation of grape must obtained from raisined grapes, the total sugar content of which before fermentation is at least 272 grams per litre and the natural and actual alcoholic strength by volume of which may not be less than 8% vol.
5. Fresh grape must with fermentation arrested by the addition of alcohol: a product which:
 - is produced in the Community,
 - has an actual alcoholic strength by volume of not less than 12% vol but less than 15% vol, and
 - is obtained by the addition to unfermented grape must having a natural alcoholic strength by volume of not less than 8.5% vol and derived exclusively from vine varieties referred to in Article 69:
 - of neutral alcohol of vinous origin, including alcohol obtained from the distillation of dried grapes, having an actual alcoholic strength by volume of not less than 95% vol, or
 - of an unrectified product derived from the distillation of wine and having an actual alcoholic strength by volume of not less than 52% vol and not more than 80% vol.
6. Concentrated grape must: uncaramelized grape must which is:
 - obtained by partial dehydration of grape must carried out by any authorized method other than by direct heat in such a way that the figure indicated by a refractometer (used in accordance with the method prescribed in the Annex to Commission Regulation (EEC) No 543/86) at a temperature of 20°C is not less than 50.9%,

- derived exclusively from vine varieties referred to in Article 69,
- produced within the Community, and
- obtained from grape must having at least the minimum natural alcoholic strength by volume laid down for the wine-growing zone in which the grapes were harvested.

An actual alcoholic strength of the concentrated grape must of not more than 1% vol is permissible.

7. Rectified concentrated grape must: the liquid uncaramelized product which:

- is obtained by partial dehydration of grape must carried out by any authorized method other than direct heat in such a way that the figure indicated by a refractometer (used in accordance with the method prescribed in the Annex to Regulation (EEC) No 543/86) at a temperature of 20°C is not less than 61.7%,
- has undergone authorized treatment for deacidification and elimination of constituents other than sugar,
- has the following characteristics:
 - a pH of not more than 5 at 25° Brix,
 - an optical density at 425 nm for a thickness of 1 cm of not more than 0.100 in grape must concentrated at 25° Brix,
 - a sucrose content undetectable by a method of analysis to be defined,
 - a Folin-Ciocalteu index of not more than 6,00 at 25° Brix,
 - a titratable acidity of not more than 15 milliequivalents per kilogram of total sugars,
 - a sulphur dioxide content of not more than 25 milligrams per kilogram of total sugars,
 - a total cation content of not more than 8 milliequivalents per kilogram of total sugars,
 - a conductivity at 25° Brix and 20°C of not more than 120 uS/cm,
 - a hydroxymethylfurfural content of not more than 25 milligrams per kilogram of total sugars,
 - presence of mesoinositol,
- is derived exclusively from the vine varieties referred to in Article 69,
 - is produced within the Community,
 - is obtained from grape must having at least the minimum natural alcoholic strength by volume laid down for the wine-growing zone in which the grapes were harvested.

An actual alcoholic strength of the rectified concentrated grape must of not more than 1% volume is permissible.

8. Grape juice: the unfermented but fermentable liquid product obtained by appropriate treatment rendering it fit for consumption as it is; it may be obtained:

- (a) from fresh grapes or from grape must, or

(b) by reconstitution:

- from concentrated grape must, including concentrated grape must defined in accordance with Article 1(4)(a)
or
- from concentrated grape juice.

An actual alcoholic strength of the grape juice of not more than 1% vol is permissible.

9. Concentrated grape juice: uncaramelized grape juice obtained by partial dehydration of grape juice carried out by any authorized method other than by direct heat in such a way that the figure indicated by a refractometer (used in accordance with the method prescribed in the Annex to Regulation (EEC) No 543/86) at a temperature of 20°C is not less than 50.9%.

An actual alcoholic strength of the concentrated grape juice of not more than 1% vol is permissible.

10. Wine: the product obtained exclusively from the total or partial alcoholic fermentation of fresh grapes, whether or not crushed, or of grape must.

11. New wine still in fermentation: wine in which alcoholic fermentation is not yet complete and which is not yet separated from its lees.

12. Wine suitable for yielding table wine: wine which:

- is derived exclusively from vine varieties referred to in Article 69,
- is produced in the Community, and
- has at least the minimum natural alcoholic strength by volume laid down for the wine-growing zone in which it was produced.

13. Table wine: wine other than quality wine pr which:

- is derived exclusively from vine varieties referred to in Article 69,
- is produced in the Community,
- has, whether or not following application of the processes specified in Article 19, an actual alcoholic strength by volume of not less than 8.5% vol provided the wine derives exclusively from grapes harvested in wine-growing zone N and of not less than 9% vol in wine-growing zones M and S, and a total alcoholic strength by volume of not more than 15% vol,
- has a total acidity content, expressed as tartaric acid, of not less than 4 grams per litre or 53.3 milliequivalents per litre.

However, in the case of wines from certain wine-growing areas to be determined which have been produced without any enrichment and do not contain more than 5 grams of residual sugar, the upper limit for the total alcoholic strength by volume may be raised to 17% vol.

'Retsina' table wine is table wine which has been subject to the addition of Aleppo pine resin under conditions to be laid down.

14. Liqueur wine: the product:

- A. obtained in the Community;
- B. having:

- an actual alcoholic strength by volume of not less than 15% vol and not more than 22% vol,
- an overall alcoholic strength by volume of not less than 17.5% vol, except for certain quality liqueur wines produced in specified regions (quality liqueur wines psr) appearing on a list to be drawn up;

- C. obtained:

- (a) from:

- grape must in fermentation,
- wine,
- a combination of the above products, or
- in the case of certain quality liqueur wines psr to be determined, grape must or a mixture thereof with wine,

all these products being required, in the case of liqueur wines and quality liqueur wines psr:

- to be derived from vine varieties which shall be selected from among those referred to in Article 69, and
- with the exception of certain quality liqueur wines psr appearing on a list to be drawn up, to have an initial natural alcoholic strength by volume of not less than 12% vol;

- (b) and by addition:

- (i) individually or in combination:

- of neutral alcohol of vinous origin, including alcohol produced from the distillation of dried grapes, having an actual alcoholic strength by volume of not less than 96% vol,
- of wine or dried grape distillate, having an actual alcoholic strength by volume of not less than 52% vol and not more than 86% vol;

- (ii) together with one or more of the following products where appropriate:

- concentrated grape must,
- a combination of one of the products referred to in (i) with a grape must referred to in the first and fourth indents of (a);

(iii) for certain quality liqueur wines psr appearing on a list to be drawn up:

- either of products listed in (i), individually or in combination,
- or of one or more of the following products:
 - wine alcohol or dried grape alcohol with an actual alcoholic strength by volume of not less than 95% vol and not more than 96% vol,
 - spirits distilled from wine or from grape marc, with an actual alcoholic strength by volume of not less than 52% vol and not more than 86% vol,
 - spirits distilled from dried grapes, with an actual alcoholic strength by volume of not less than 52% vol and of less than 94.5% vol,
- together with one or more of the following products, where appropriate:
 - grape must in fermentation obtained from raisined grapes,
 - concentrated grape must obtained by the action of direct heat, complying, with the exception of this operation, with the definition of concentrated grape must,
 - concentrated grape must,
 - a combination of one of the products listed in the second indent with a grape must referred to in the first and fourth indents of (a);

15. Sparkling wine: save for the derogation provided for in the second subparagraph of Article 67(2), the product which is obtained by first or second alcoholic fermentation:

- of fresh grapes,
- of grape must,
- of wine,

suitable for yielding table wine,

- of table wine,
- of quality wine psr,
or,
- under the conditions referred to in Article 68, of imported wine,

which, when the container is opened, releases carbon dioxide derived exclusively from fermentation and which has an excess pressure, due to carbon dioxide in solution, of not less than 3 bar when kept at a temperature of 20°C in closed containers.

16. Aerated sparkling wine: the product which:

- is obtained, subject to the provisions of the second subparagraph of Article 67(2), from table wine,
 - is produced in the Community,
 - releases, when the container is opened, carbon dioxide derived wholly or partially from an addition of that gas, and
- has an excess pressure, due to carbon dioxide in solution, of not less than 3 bar when kept at a temperature of 20°C in closed containers.

17. Semi-sparkling wine: the product which:

- is obtained from table wine, quality wine psr or products suitable for yielding table wine or quality wine psr, provided that such wine or products have a total alcoholic strength of not less than 9% vol,
- has an actual alcoholic strength by volume of not less than 7% vol,
- has an excess pressure, due to endogenous carbon dioxide in solution, of not less than 1 bar and not more than 2.5 bar when kept at a temperature of 20°C in closed containers,
- is put up in containers of 60 litres or less.

18. Aerated semi-sparkling wine: the product which:

- is obtained from table wine, quality wine psr or products suitable for yielding table wine or quality wine psr,
- has an actual alcoholic strength of not less than 7% vol and a total alcoholic strength of not less than 9% vol,
- has an excess pressure of not less than 1 bar and not more than 2.5 bar when kept at a temperature of 20°C in closed containers due to carbon dioxide in solution which has been wholly or partially added,
- is put up in containers of 60 litres or less.

19. Wine vinegar: vinegar which:

- is obtained exclusively by acetous fermentation of wine, and
- has a total acidity of not less than 60 grams per litre expressed as acetic acid.

20. Wine lees: the residue accumulating in vessels containing wine after fermentation, during storage or after authorized treatment and the residue obtained from filtering or centrifuging this product.

The following are also considered as wine lees:

- the residue accumulating in vessels containing grape must during storage or after authorized treatment,
 - the residue obtained from filtering or centrifuging this product.
21. Grape marc: the residue from the pressing of fresh grapes, whether or not fermented.
22. Piquette: the product obtained:
- by the fermentation of untreated grape marc macerated in water, or
 - by leaching fermented grape marc with water.
23. Wine fortified for distillation: the product which:
- has an actual alcoholic strength by volume of not less than 18% vol and not more than 24% vol,
 - is obtained exclusively by the addition to wine containing no residual sugar of an unrectified product derived from the distillation of wine and having a maximum actual alcoholic strength by volume of 86% vol, and
 - has a maximum volatile acidity of 1.5 grams per litre, expressed as acetic acid.

Annex 11

ALCOHOLIC STRENGTHS

1. Actual alcoholic strength by volume means the number of volumes of pure alcohol contained at a temperature of 20°C in 100 volumes of the product at that temperature.
2. Potential alcoholic strength by volume means the number of volumes of pure alcohol at a temperature of 20°C capable of being produced by total fermentation of the sugars contained in 100 volumes of the product at that temperature.
3. Total alcoholic strength by volume means the sum of the actual and potential alcoholic strengths.
4. Natural alcoholic strength by volume means the total alcoholic strength by volume of a product before any enrichment.
5. Actual alcoholic strength by mass means the number of kilograms of pure alcohol contained in 100 kilograms of the product.
6. Potential alcoholic strength by mass means the number of kilograms of pure alcohol capable of being produced by total fermentation of the sugars contained in 100 kilograms of the product.
7. Total alcoholic strength by mass means the sum of the actual and potential alcoholic strengths by mass.

WINE-GROWING ZONES

1. Wine-growing zone N comprises:

- (a) in Germany: the German wine-growing area;
- (b) in Belgium: the Belgian wine-growing area;
- (c) in Luxembourg: the Luxembourg wine-growing area;
- (d) in the Netherlands: the Netherlands wine-growing area;
- (e) in the United Kingdom: the United Kingdom wine-growing area;
- (f) in France: the areas under vines not listed in points 2(a) and 3(a).

2. Wine-growing zone M comprises:

- (a) in France: the areas under vines:

- in the following departments:

Allier, Alpes-de-Haute-Provence, Hautes-Alpes,
Alpes-Maritimes, Ariège, Aveyron, Cantal, Charente,
Charente-Maritime, Corrèze, Côte-d'Or, Dordogne,
Haute-Garonne, Gers, Gironde, Isère, Landes, Loire,
Haute-Loire, Lot, Lot-et-Garonne, Lozère, Nièvre (except for
the arrondissement of Cosne-sur-Loire), Puy-de-Dôme,
Pyrénées-Atlantiques, Hautes-Pyrénées, Rhône, Saône-et-Loire,
Tarn-et-Garonne, Haute-Vienne, Yonne;

- in the arrondissements of Valence and Die in the department
of Drôme (except for the cantons of Dieulefit, Loriol,
Marsanne and Montélimar);

- in the arrondissement of Tournon and the cantons of
Antraigues, Buzet, Coucouron, Montpezat-sous-Bauzon, Privas,
Saint-Etienne de Lugdarès, Saint-Pierreville, Valgorge and
la Voulte-sur-Rhône in the department of Ardèche;

- (b) in Spain: the areas under vines in the provinces of Asturias,
Cantabria, Guipúzcoa, La Coruña and Vizcaya;
- (c) in Italy: the areas under vines in the Valle d'Aosta region and
in the provinces of Sondrio, Bolzano, Trento and Belluno.

3. Wine-growing zone S comprises:

(a) in France: the areas under vines:

- in the following departments: Aude, Bouches-du-Rhône, Corse-du-Sud; Haute-Corse, Gard, Hérault, Pyrénées-Orientales, Var and Vaucluse,
- in the arrondissement of Nyons and the cantons of Dieulefit, Loriol, Marsanne and Montélimar in the department of Drôme,
- in those parts of the department of Ardèche not listed in point 2(a);

(b) in Spain: the areas under vines not listed in point 2(b);

(c) in Italy: the areas under vines not listed in point 2(c);

(d) in Greece: the Greek wine-growing area;

(e) in Portugal: the Portuguese wine-growing area.

CONCEPTS RELATING TO THE DEVELOPMENT OF WINE-GROWING POTENTIAL

- (a) grubbing
means the complete elimination of all vine stocks on a plot planted with vines;
- (b) planting
means the final planting of young vine plants or parts of young vine plants, whether grafted or ungrafted, with a view to producing grapes or to establishing a mother plantation;
- (c) replanting
means the planting of vines carried out by virtue of a replanting right;
- (d) new planting
means the planting of vines which does not correspond to the definition of replanting given in (c);
- (e) replanting right
means the right, under the conditions laid down in this Regulation, to plant vines, during the eight years following the year in which regularly declared grubbing took place, on an area equivalent in terms of pure crop to that from which vines were grubbed.

In the territory of the former German Democratic Republic, the period of time runs from the date of German unification for areas grubbed after 1 September 1970. This right to replant is restricted to 400 hectares, corresponding to the estimated area previously under vines which has ceased to be cultivated in recent decades.

Annex V

Standard amounts for added sugar or natural sugar content of
grape juice

CN code	Description	Standard sugar content	
		Added	Natural
2009	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter:		
2009 60	- Grape juice (including grape must):		
	--Of a density exceeding 1.33 g/cm ³ at 20°C:		
2009 60 11	----Of a value not exceeding 22 ECU per 100 kg net weight:	40	15
	--Of a density not exceeding 1.33 g/cm ³ at 20°C:		
	----Of a value not exceeding 18 ECU per 100 kg net weight:		
	----With an added sugar content exceeding 30% by weight:		
2009 60 71	-----concentrated	49	15
2009 60 79	-----Other	49	15
2204	Wine of fresh grapes, including fortified wines; grape must other than that of heading No 2009;		
2204 30	-Other grape must:		
	--Other		
2204 30 99	---Other	49	15

New wine sector CMO: financial implications

This document assesses the financial implications of the new CMO for the wine sector.

The order of the items of expenditure on the summary page and of the subsequent analytical pages follows the order in which these occur in the Regulation.

The expenditure schedule assumes that the new basic Regulation will apply only from the 1995/96 wine year. For the regional programmes it has nonetheless been assumed that expenditure will commence from the 1996 budget despite the time needed for programmes to be drawn up and approved.

As far as areas grubbed are concerned it is assumed that the two schemes will not coexist and that in anticipation of the new premiums grubbing under the present arrangements will become negligible. Moreover, voluntary grubbing outside the programmes will probably not be too high.

The calculations covering distillation and takeover of alcohol assume that

- compulsory distillation will occur only exceptionally, given the impact that can be expected from various production-restricting measures
- the EAGGF's share in takeover of alcohol will be 75%.

The figures also presuppose application of measures to restrict yields. They will be reviewed in the stocktaking exercise before the end of the third year of application of the reform arrangements.

**New CMO wine
(costs in ECU mio A)(1)**

	1996	1997	1998	1999	2000	2001
REGIONAL PROGRAMMES						
First component	217,4	242,9	234,4	225,9	200,4	174,9
Second component	350,0	350,0	350,0	350,0	350,0	350,0
Third component	112,5	112,5	112,5	112,5	112,5	112,5
Fourth component	29,6	30,9	30,5	30,0	28,8	27,5
Total PROGRAMMES	709,5	736,3	727,4	718,4	691,7	664,9
AID FOR MUST	75,0	50,2	24,8			
CONTROLS (oenological practices)	10,0	10,0	10,0	10,0	10,0	10,0
DISTILLATION						
Compulsory	67,1	13,6	0,2	0,0	0,0	0,0
By-products	88,4	85,0	34,0	34,0	34,0	34,0
Special				99,7	99,7	99,7
Total DISTILLATION	155,5	98,6	34,2	133,7	133,7	133,7
ALCOHOL						
Compulsory	68,9	27,5	13,8	0,0	0,0	0,0
By-products	106,4	106,4	106,4	106,4	106,4	106,4
Special				41,3	41,3	41,3
Total ALCOHOL	175,3	133,9	120,2	147,7	147,7	147,7
OTHER						
Promotion	15,0	15,0	15,0	15,0	15,0	15,0
Evaluation	15,0	15,0	15,0	15,0	15,0	15,0
Simplified register	30,0	8,0	8,0	8,0	8,0	8,0
Total OTHER	60,0	38,0	38,0	38,0	38,0	38,0
NON-PROGRAMMED GRUBBING	35,0	35,0	35,0	35,0	35,0	
REFUNDS	44,8	43,1	41,4	39,7	38,1	38,1
TOTAL EAGGF - mECU (A)	1.265,1	1.145,1	1.031,0	1.122,6	1.094,1	1.032,4
Double rate	1.207	1.207	1.207	1.207	1.207	1.207
TOTAL EAGGF - mECU (B)	1.527,0	1.382,1	1.244,4	1.355,0	1.320,6	1.246,1

(1) The costs shown refer only to the new CMO.

REGIONAL PROGRAMMES(1)

a. First component - compensation for income loss

Compensation will be granted for loss of income resulting from application of production reduction techniques. The loss will be degressive owing to the mounting impact of grubbing. The EAGGF will finance these losses at a maximum rate of 75% of a unit loss of 11.33 ecu/ha. Volumes distilled will be excluded. The difference for the producer between the compensation and the price obtained for delivery for distillation, taking vinification costs into account, will justify distillation only in the first year and only where regional programmes are in force.

Calculation methods

Wine year	prod.	in prod.	out of prod.	yield	elim.	rem. prod.	ref. prod.	to be elim.	dist.	green crop	cost
	'000 hl	ha	ha	hl/ha	hl	'000 hl	'000 hl	'000 hl	'000 hl	'000 hl	m ECU
	a	b	c	d	e	f=a-e	g	h=f-g	i	j=h-i	k=j*11.33
1995/96	189.584	50.000	10.000	50		189.584	154.000	35.584	10.000	25.584	289,9
1996/97	189.584	50.000	10.000	50	3.000	186.584	154.000	32.584	4.000	28.584	323,9
1997/98	186.584	50.000	10.000	50	3.000	183.584	154.000	29.584	2.000	27.584	312,5
1998/99	183.584	50.000	10.000	50	3.000	180.584	154.000	26.584	0	26.584	301,2
1999/00	180.584	50.000	10.000	50	3.000	177.584	154.000	23.584	0	23.584	267,2
2000/01	177.584	50.000		50	3.000	174.584	154.000	20.584	0	20.584	233,2

Expenditure per wine year

mECU A

Wine year	Cost	EAGGF
1996	289,9	217,4
1997	323,9	242,9
1998	312,5	234,4
1999	301,2	225,9
2000	267,2	200,4
2001	233,2	174,9

(1) The EAGGF's financial contribution has been assumed to be at the highest rate. Actual expenditure will be slightly less since certain measures will be applied in non-Objective 1 zones.

b. Second component - grubbing

A constant rate is assumed of 50 000 ha per wine year at a yield of 50 hl/ha. The premium is set at 7 000 ecu/ha, to be paid in a single instalment following the grubbing operation and wholly chargeable to the EAGGF. It is expected that in anticipation of entry into force of the new CMO and the new premiums grubbing under the present scheme will be negligible. The cost of this component to the EAGGF is thus ECU 350 million per year, as follows:

mECU A

Year	Amount
1996	350,0
1997	350,0
1998	350,0
1999	350,0
2000	350,0
2001	350,0

c. Third component - structural measures

For financing of the cost of structural measures only the areas grubbed under the previous component are taken into account. The amount payable under this heading is set at 3 000 ecu/ha. The cost to the EAGGF thus amounts, on the assumption of a maximum contribution of 75%, to

mECU A

Year	Cost	EAGGF
1996	150,0	112,5
1997	150,0	112,5
1998	150,0	112,5
1999	150,0	112,5
2000	150,0	112,5
2001	150,0	112,5

d. Fourth component - technical training, commercial exploitation

The cost of this is restricted to 5% of total expenditure on the programme. On the basis of a maximum 75% contribution from the EAGGF expenditure will be

mECU A

Year	Comp. a	Comp. b	Comp. c	Total	EAGGF
1996	289,9	350,0	150,0	789,9	29,6
1997	323,9	350,0	150,0	823,9	30,9
1998	312,5	350,0	150,0	812,5	30,5
1999	301,2	350,0	150,0	801,2	30,0
2000	267,2	350,0	150,0	767,2	28,8
2001	233,2	350,0	150,0	733,2	27,5

Aid on must

Aid on concentrated and rectified concentrated must used for enrichment. Only for 1995/96 to 1997/98 wine years.

Wine year	conc. ECU/hl	quantity mio hl	expend. mECU	rect.conc.	quantity mio hl	expend. mECU	total exp. mECU
1995/96	1,00	10	10,0	1,30	50	65,0	75,0
1996/97	0,67	10	6,7	0,87	50	43,5	50,2
1997/98	0,33	10	3,3	0,43	50	21,5	24,8

Oenological practices and treatments

The Community will part-finance expenditure on surveillance of respect for the rules set.

Standard amount of ECU 10 Million.

DISTILLATION

Compulsory distillation

Wine year	Purchase price	Costs and Losses	Total price	Alcohol value	Total paid	% vol	Volume dist.	Total exp.
	ECU/%vol/hl						mio hl	mECU
1995/96	1,10	+ 0,33	= 1,43	- 0,82	= 0,61	x 11	x 10,0	= 67,1
1996/97	0,80	+ 0,33	= 1,13	- 0,82	= 0,31	x 11	x 4,0	= 13,6
1997/98	0,50	+ 0,33	= 0,83	- 0,82	= 0,01	x 11	x 2,0	= 0,2
1998/99	0,50	+ 0,33	= 0,83	- 0,82	= 0,01	x 11	x 0,0	= 0,0
1999/00	0,50	+ 0,33	= 0,83	- 0,82	= 0,01	x 11	x 0,0	= 0,0
2000/01	0,50	+ 0,33	= 0,83	- 0,82	= 0,01	x 11	x 0,0	= 0,0

The measures in the programmes to restrict production and the comparative value of the compensation payable for loss of income against the price of wine delivered for distillation should, given vinification costs, strongly restrict recourse to compulsory distillation except in the first few years.

Distillation of by-products

Wine year	Purchase price	Costs and losses	Total price	Alcohol value	Total paid	% vol	Volume dist.	Total exp.
	ECU/%vol/hl						mio hl	mECU
1995/96	0,82	+ 0,52	= 1,34	- 0,82	= 0,52	x 100	x 1,7	= 88,4
1996/97	0,80	+ 0,52	= 1,32	- 0,82	= 0,50	x 100	x 1,7	= 85,0
1997/98	0,50	+ 0,52	= 1,02	- 0,82	= 0,20	x 100	x 1,7	= 34,0
1998/99	0,50	+ 0,52	= 1,02	- 0,82	= 0,20	x 100	x 1,7	= 34,0
1999/00	0,50	+ 0,52	= 1,02	- 0,82	= 0,20	x 100	x 1,7	= 34,0
2000/01	0,50	+ 0,52	= 1,02	- 0,82	= 0,20	x 100	x 1,7	= 34,0

Special distillation

Applicable from 1997/98 wine year, in regions applying a programme, when a contingent surplus occurs. The maximum EEC volume is 6 mio hl. At the cost levels of the present preventive distillation expenditure will be:

Wine year	Purchase price	Costs and losses	Total price	Alcohol value	Total paid	% vol	Volume dist.	Total exp.
	ECU/%vol/hl						mio hl	mECU
1998/99	2,00	+ 0,33	= 2,33	- 0,82	= 1,51	x 11	x 6,0	= 99,7
1999/00	2,00	+ 0,33	= 2,33	- 0,82	= 1,51	x 11	x 6,0	= 99,7
2000/01	2,00	+ 0,33	= 2,33	- 0,82	= 1,51	x 11	x 6,0	= 99,7

ALCOHOL

Takeover of alcohol

Average storage costs (ECU/hl)

Entry costs:	0,64	Purchase price:	82,00
Storage costs:	3,40	Anticipated selling price:	4,00
Removal costs:	0,79	Loss:	78,00
Interest costs:	0,63	Plus costs:	83,46
Total costs :	5,46	EAGGF contribution 75%:	62,60

Volumes purchased and costs

Compulsory					
1995/96	10,0	x	11	x	62,60 = 68,9
1996/97	4,0	x	11	x	62,60 = 27,5
1997/98	2,0	x	11	x	62,60 = 13,8
1998/99	0,0	x	11	x	62,60 = 0,0
1999/00	0,0	x	11	x	62,60 = 0,0
2000/01	0,0	x	11	x	62,60 = 0,0

By-products					
Wine year	net vol. dist.	%	vol	cost ECU/hl	expend. mECU
1995/96	1,70	x	100	x 62,60	= 106,4
1996/97	1,70	x	100	x 62,60	= 106,4
1997/98	1,70	x	100	x 62,60	= 106,4
1998/99	1,70	x	100	x 62,60	= 106,4
1999/00	1,70	x	100	x 62,60	= 106,4
2000/01	1,70	x	100	x 62,60	= 106,4

Special				
Wine year	nte vol. dist.	% vol	cost ECU/ha	expend mECU
1998/99	6,0	x 11	x 62,60	= 41,3
1999/00	6,0	x 11	x 62,60	= 41,3
2000/01	6,0	x 11	x 62,60	= 41,3

OTHER

1. Promotion

Standard amount: ECU 15 Million

2. Assessment

Standard amount: ECU 15 Million

3. Simplified register

Expenditure on this is jointly with the Member States. For the setting-up stage the cost to the EAGGF can be estimated at ECU 30 million.

This terminated, the cost to the EAGGF for operation of the register and updating can be estimated at ECU 8 million.

Non-programme grubbing

Grubbing can be carried out outside the regional programmes. The premium is set at 3 500 ecu/ha and paid in a single instalment, as for grubbing under the programmes.

mECU

Wine year	ha	Amount
1995/96	10.000	35,0
1996/97	10.000	35,0
1997/98	10.000	35,0
1998/99	10.000	35,0
1999/00	10.000	35,0
Total	50.000	

The expenditure to the EAGGF will accordingly be:

mECU A

Year	Amount
1996	35,0
1997	35,0
1998	35,0
1999	35,0
2000	35,0

Other costs

Refunds

Account has been taken of the volume commitments made under the GATT.

Year	1996	1997	1998	1999	2000	2001
Quantity (mio hl)	2.865	2.757	2.649	2.541	2.434	2.434
Average refund	1,36	1,36	1,36	1,36	1,36	1,36
Degree alcohol	11,5	11,5	11,5	11,5	11,5	11,5
Total cost	44,8	43,1	41,4	39,7	38,1	38,1

Storage of wine and must

The storage aid for these disappears.

Table grapes

Vinification of these is prohibited. Expenditure actually incurred on these, some ECU 32 million in total cost, has not been included in the cost of the new CMO but will arise in the fruit and vegetable sector as additional expenditure for withdrawals.

Grape juice

Aid for processing of must into grape juice is abolished. Juice production will help to offset any additional withdrawals resulting from the vinification prohibition on table grapes.

IMPACT ON COMPETITIVENESS AND EMPLOYMENT

This proposal concerns the SMEs only indirectly and to an extent which it is not possible to predict at present since the principal measures proposed will be introduced only in those regions which voluntarily submit viticultural adjustment programmes. (DG XXIII consulted).

ISSN 0254-1475

COM(94) 117 final

DOCUMENTS

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Catalogue number : CB-CO-94-197-EN-C

ISBN 92-77-68502-6

Office for Official Publications of the European Communities

L-2985 Luxembourg