

EUROPEAN PARLIAMENT

Working Documents

1984-1985

5 February 1985

DOCUMENT 2-1575/84

SECOND REPORT

drawn up on behalf of the Committee on Agriculture, Fisheries and Food

- A. on the proposals from the Commission of the European Communities to the Council (COM(84) 515 final - Doc. 2-629/84) for
 - I. a regulation amending Regulation (EEC) No. 337/79 on the common organization of the market in wine
 - II. a regulation amending Regulation (EEC) No. 338/79 laying down special provisions relating to quality wines produced in specified regions
 - III. a regulation introducing a derogation to the scheme provided for in Regulation (EEC) No. 456/80 on the granting of temporary and permanent abandonment premiums in respect of certain areas under vines and of premiums for the renunciation of replanting
 - IV. a regulation on the granting for the 1985/86-1989/90 wine years of permanent abandonment premiums in respect of certain areas under vines
- B. on the amendment to the proposal from the Commission of the European Communities to the Council (COM(84) 539 final - Doc. 2-780/84) for a regulation amending Regulation (EEC) No. 337/79 on the common organization of the market in wine (COM(84) 515 final of 12.9.1984)
- C. on the proposals from the Commission of the European Communities to the Council (COM(84) 714 final - Doc. 2-1447/84) for
 - I. an amendment to the proposal for a regulation amending Regulation (EEC) No. 337/79 on the common organization of the market in wine (COM(84) 515 final and COM(84) 539 final)
 - II. an amendment to the proposal for a regulation amending Regulation (EEC) No. 338/79 laying down special provisions relating to quality wines produced in specified regions (COM(84) 515 final)
- D. on the proposal from the Commission of the European Communities to the Council (COM(84) 775 final - Doc. 2-1481/84) for a third amendment to the proposal for a regulation amending Regulation (EEC) No. 337/79 on the common organization of the market in wine

Rapporteur: Mr N. GATTI

By letter of 27 September 1984 the President of the Council of the European Communities requested the European Parliament to deliver an opinion, pursuant to Article 43 of the EEC Treaty, on the proposals from the Commission of the European Communities to the Council for regulations:

- I. amending Regulation (EEC) No. 337/79, on the common organization of the market in wine;
- II. amending Regulation (EEC) No. 338/79, laying down special provisions relating to quality wines produced in specified regions;
- III. introducing a derogation to the scheme provided for in Regulation (EEC) No. 456/80 on the granting of temporary and permanent abandonment premiums in respect of certain areas under vines and of premiums for the renunciation of replanting;
- IV. on the granting for the 1985/86-1989/90 wine years of permanent abandonment premiums in respect of certain areas under vines.

On 9 October 1984 the President of the European Parliament referred these proposals to the Committee on Agriculture, Fisheries and Food as the committee responsible and to the Committee on Budgets for an opinion.

By letter of 12 October 1984 the President of the Council of the European Communities requested the European Parliament to deliver an opinion on an amendment to the proposal for a Council regulation amending Regulation (EEC) No. 337/79 on the common organization of the market in wine.

On 23 October 1984 the President of the European Parliament referred this proposal to the Committee on Agriculture, Fisheries and Food as the committee responsible and to the Committee on Budgets for an opinion.

At its meeting of 27 September 1984 the Committee on Agriculture, Fisheries and Food appointed Mr N. Gatti rapporteur.

At its sitting of 11 September 1984, the European Parliament referred the motion for a resolution tabled by Mr d'Ormesson on the measures necessary to improve the common market in wine and ensure that the regulations in the wine sector are applied (Doc. 2-418/84) pursuant to Rule 47 of the Rules of Procedure to the Committee on Agriculture, Fisheries and Food.

At its sitting of 13 September 1984, the European Parliament referred the motion for a resolution tabled by Mr N. Pisoni and others on the Community market in wine (Doc. 2-542/84) pursuant to Rule 47 of the Rules of Procedure, to the Committee on Agriculture, Fisheries and Food.

At its sitting of 9 October 1984, the European Parliament referred the motion for a resolution tabled by Mr Ephremidis and others on measures for Greek wines of designated origin (Doc. 2-550/84) pursuant to Rule 47 of the Rules of Procedure to the Committee on Agriculture, Fisheries and Food.

At its meeting of 27 September 1984, the Committee on Agriculture, Fisheries and Food decided to include this resolution in this report.

At its sitting of 9 October 1984, the European Parliament referred the motion for a resolution tabled by Mr Musso and others on changes which are urgently necessary in the wine and wine products sector (Doc. 2-584/84) pursuant to Rule 47 of the Rules of Procedure to the Committee on Agriculture, Fisheries and Food as the committee responsible and to the Committee on Social Affairs and Employment and the Committee on External Economic Relations for an opinion.

At its meeting of 31 October 1984, the Committee on Agriculture, Fisheries and Food decided to include this resolution in this report.

The committee examined the Commission's proposal and the draft report at its meetings of 16 October 1984, 31 October 1984, 19 November 1984 and 18 December 1984.

At the last meeting the committee decided by 17 votes to 2 with 12 abstentions to recommend to Parliament that it approve the Commission's proposal subject to the attached amendments.

The Commission did not comment on the amendments.

The committee then adopted the motion for a resolution as a whole by 17 votes to 2 with 12 abstentions.

The following took part in the vote: Mr Tolman, chairman; Mr Eyraud, Mr Graefe zu Baringdorf and Mr Mouchel (vice-chairmen); Mr Gatti, rapporteur; Mr Abens (deputizing for Mr Wettig), Mr Battersby, Mr Borgo, Mr Chiabrando (deputizing for Mr N. Pisoni), Mr Clinton, Mr Dalsass, Mr Debatisse, Mr De Pasquale (deputizing for Mr Adamou), Mr Früh, Mr Guarraci, Mr Herman (deputizing for Mr Marck), Mr MacSharry, Mr Maffre-Baugé, Mr Maher, Mrs Marinaro, Mr Mertens, Mr Morris, Mr B. Nielsen, Mr F. Pisoni, Mr Pranchère, Mr Provan, Mrs Rothe, Mr Stavrou, Mr Sutra, Mr Thareau and Mr Woltjer.

At its sitting of 14 January 1985, the European Parliament referred back to committee the report by Mr GATTI.

By letter of 10 January 1985, the Council of Ministers requested the European Parliament to deliver an opinion on the proposals from the Commission of the European Communities to the Council concerning amendments to the proposals for regulations:

- I. amending Regulation (EEC) No. 337/79 on the common organization of the market in wine;
- II. amending Regulation (EEC) No. 338/79 laying down special provisions relating to quality wines produced in specified regions.

By letter of 14 January 1985, the Council of Ministers requested the European Parliament to deliver an opinion on the proposal from the Commission of the European Communities to the Council for a third amendment to Regulation (EEC) No. 337/79 on the common organization of the market in wine.

On 17 January 1985, the President of the European Parliament referred these proposals to the Committee on Agriculture, Fisheries and Food as the committee responsible and the Committee on Budgets for an opinion.

The Committee on Agriculture, Fisheries and Food considered these proposals and the amended report by Mr GATTI at its meetings of 23/24 January and 31 January/1 February 1985.

At the latter meeting, the committee decided by 25 votes to 7, with 5 abstentions, to recommend to Parliament that it approve the Commission's proposal, subject to the following amendments.

The Commission did not comment on the amendments.

The committee then adopted the motion for a resolution as a whole by 25 votes to 7, with 5 abstentions.

The following took part in the vote: Mr Tolman, chairman; Mr Eyraud and Mr Graefe zu Baringdorf (vice-chairmen); Mr Gatti, rapporteur; Mr Abens (deputizing for Mr Vernimmen), Mr Adamou, Mr Battersby, Mr Bocklet, Mr Borgo, Mr Boutos (deputizing for Mr Stavrou), Mrs Castle, Mr Dalsass, Mr Ebel (deputizing for Mr N. Pisoni), Lady Elles (deputizing for Sir Henry Plumb), Mr Früh, Mr Guarraci, Mr Happart, Mr Hutton (deputizing for Mr Provan), Mr McCartin (deputizing for Mr Clinton), Mr MacSharry, Mr Maffre-Baugé, Mr Maher, Mr Marck, Mrs Marinaro, Mrs S. Martin, Mr Morris, Mr Mühlen (deputizing for Mr Debatisse), Mr F. Pisoni, Mr Pranchère, Mr Romeos, Mrs Rothe, Mr Simmonds, Mr Späth (deputizing for Mr Mertens), Mr Sutra, Mr Thareau, Mr Wettig and Mr Woltjer.

The Committee on Agriculture, Fisheries and Food decided to request the application of urgent procedure for the February part-session pursuant to Rule 57(1) of the Rules of Procedure.

The opinion of the Committee on Budgets will be published separately. The Committee on Social Affairs and Employment will not deliver an opinion. The Committee on External Economic Relations will deliver a joint opinion also covering another motion for a resolution relating to this sector.

The report was tabled on 4 February 1985.

The deadline for tabling amendments to this report will be indicated in the draft agenda for the part-session at which it will be debated.

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The Committee on Agriculture, Fisheries and Food hereby submits to the European Parliament the following amendments to the Commission's proposal and motion for a resolution together with explanatory statement:

Proposal from the Commission of the European Communities
to the Council for a regulation
amending Regulation (EEC) No. 337/79
on the common organization of the market in wine
(COM(84) 515 final)
OJ No. C 259, 27.9.84, p. 5

Text proposed by the Commission
of the European Communities

Amendments tabled by the Committee
on Agriculture, Fisheries and Food

Amendment No. 1

Article 1(1) to read as follows:

1. The following subparagraph is
added to Article 2(2):

'The guide price for a wine year may, however, exceed that fixed for the preceding wine year only if the average annual quantity of wine distilled pursuant to Articles 11, 12a, 15 and 41 during the three preceding wine years is less than 12 million hectolitres.'

1. Complete Article 2(2) as follows:

'The guide price shall be fixed on the basis of the market situation, the average price of the type of wine in question during the two wine years preceding the date on which the guide price is fixed, and the trend in prices during the current wine year.'

Proposal from the Commission of the European Communities
concerning the third amendment to the proposal for a regulation
amending Council Regulation 3377/79
(COM(84) 775 final)

Text proposed by the Commission
of the European Communities

Amendments tabled by the Committee
on Agriculture, Fisheries and Food

Amendment No. 2

Paragraph 4(a) to read as follows:

4. Article 1 is amended as follows:

4. Article 1 is amended as follows:

(a) The following paragraph 3a
is inserted:

(a) The following paragraph 3a
is inserted:

3a. The following article 15a is
inserted:

3a. The following article 15a is
inserted:

'Article 15a

'Article 15a

With effect from 1988/1989, the quantity of table wine produced in wine-growing zone A and the German part of wine-growing zone B which for a given year is eligible for distillation under Articles 11, 12a and 15, shall be restricted to 1 million hectolitres.

In years where, because of the weather or the market situation, this restriction is liable to cause serious disturbance of the market, the Council, acting by a qualified majority on a proposal from the Commission, may increase the quantity specified in the first paragraph for the year in question.'

With effect from 1988/1989, the quantity of table wine produced in wine-growing zone A and the German part of wine-growing zone B which for a given year is eligible for distillation under Articles 11, 12a and 15, shall be restricted to 1 million hectolitres.

However, the limits and conditions laid down by the Commission for instituting the distillation mentioned above shall apply to the whole territory of the Community.

In years where, because of the weather or the market situation, this restriction is liable to cause serious disturbance of the market, the Council, acting by a qualified majority on a proposal from the Commission, may increase the quantity specified in the first paragraph for the year in question.'

Amendment No. 3

Article 1(4) to read as follows:

4. The following paragraph is
inserted in Article 3a:

'3a. By way of derogation from the
preceding paragraphs the right to
replant may, during the wine years
1985/86 to 1994/95, be exercised
only on an area equivalent in terms
of pure crop to:

- 50% of the area where the grubbing
was carried out, in cases where the
area of replanting is covered by an
irrigation scheme or is equipped
with independent irrigation facilities
which tap the ground water;

- 70% of the area where the grubbing
was carried out in all other cases.

The compensation shall be paid by
the competent authorities of the
Member States where the said rights
are exercised. The amount per
hectare of vineyard grubbed shall
be:

- 1,500 ECU in the case of
replanting rights acquired prior
to 31 August 1985, and
- 1,000 ECU in the case of all
other rights.

The compensation referred to in the
above paragraph shall be chargeable
to the EAGGF Guarantee Fund.'

(1)COM(84) 515 final

4. The following paragraph is
inserted in Article 3a:

'3a. By way of derogation from the
preceding paragraphs the right to
replant may, during the wine years
1985/86 to 1994/95, be exercised
only on an area equivalent in terms
of pure crop to:

- 50% of the area where the grubbing
was carried out, in cases where the
area of replanting is covered by an
irrigation scheme or is equipped
with independent irrigation facil-
ities which tap the ground water in
lowland areas and/or in any case in
areas unsuitable for vine growing;
- 70% of the area where the grubbing
was carried out in all other cases.
These limits shall not apply to
vineyards of less than 2 hectares
or areas where no alternative crops
can be grown. Nor shall they apply
to wine growers in regions in which
replanting is necessary owing to
outbreaks of phylloxera.

Second subparagraph unchanged.

Third subparagraph unchanged.

The compensation shall be paid by
the competent authorities of the
Member States where the said rights
are exercised. For the wine years
1984/85 and 1985/86, the amount per
hectare of vineyard grubbed shall
be:

- 1,500 ECU in the case of
replanting rights acquired prior
to 31 August 1985, and
- 1,000 ECU in the case of all
other rights.

The amounts for succeeding wine
years shall be fixed subsequently.

The compensation referred to in the
above paragraph shall be chargeable
to the EAGGF Guarantee Fund.'

Amendment No. 4(1)

Paragraph 4(b) to read as follows:

Paragraph 4
(b) Paragraph 6 is replaced by the
following text:

Paragraph 4
(b) Paragraph 6 is replaced by the
following text:

'6. Article 33a is inserted:

'6. Insert the following article:

Article 33a

Article 33a

1. The Commission shall make a thorough study of the question of how to increase natural alcoholic strength. The study shall cover the oenological aspects of the permitted methods, and the economic aspects of the use of rectified concentrated grape must instead of sucrose.

1. In wine-growing regions where the addition of sucrose is authorized in accordance with Article 33, a tax shall be levied in respect of wines produced on holdings where the yield per hectare exceeds 65 hectolitres. The tax shall be levied when the wine is sold for the first time, including when it is delivered for the purpose of distillation.

2. Before the end of 1989/1990, the Commission shall present to the Council a report on the conclusions of the studies referred to in paragraph 1, together with any appropriate proposals.

2. The amount of the tax shall be fixed in the light of the difference between the cost of enrichment by the addition of sucrose and that of enrichment by means of musts which have benefited from the aid referred to in Article 114, which shall be maintained until the application of the ban on enrichment which is due to come into force by 1990 at the latest.

3. The study referred to in paragraph 1 shall be paid for by the Community, the appropriation shall be fixed under the budget procedure. The cost is estimated at 2 million ECU.'

3. The proceeds of the tax referred to in paragraph 1 shall be used to finance Community expenditure in the wine sector.

4. The amount of the tax referred to in paragraph 1 shall be fixed in accordance with the procedure laid down in Article 67. Detailed rules for the application of this shall be adopted in accordance with the same procedure.'

Amendment No. 5(2)

Insert a new paragraph 6a in
Article 1

6a. Article 40(1) to read as
follows:

The production of wine from
varieties of grape listed as table
grapes in the classification of
varieties of vine for the
administrative unit in which
the grapes have been gathered, shall
be prohibited.

Amendment No. 6

Paragraph 4(c) to read as follows:
Paragraph 4

(c) Paragraph 7 is replaced by the
following:

7. Article 41 is replaced by the
following:

Article 41

1. Where, in respect of a given wine
year, the table wine market is in a
state of grave imbalance, compulsory
distillation of table wine shall be
instituted:

A state of grave imbalance shall be
deemed to exist where:

- (a) foreseeable end of year stocks
exceed a level corresponding to
four months of normal utilization;
- (b) production exceeds the level of
normal utilization by more than
9%;
- (c) representative prices for table
wines of type AI or type RI remain
for a period to be determined,
below 82% of the guide price.

(c) representative prices for table
wines of type AI or type RI remain
for a period to be determined,
below 82% of the guide price.

2. The Commission shall fix, each
year on the basis of the forward
estimates, the total quantities to
be withdrawn from the market to
absorb production surpluses and

Paragraph 4

(c) Paragraph 7 is replaced by the
following:

7. Article 41 is replaced by the
following:

Article 41

1. Where, in respect of a given wine
year, the table wine market is in a
state of grave imbalance, compulsory
distillation of table wine shall be
instituted:

A state of grave imbalance shall be
deemed to exist where:

- (a) foreseeable end of year stocks
exceed a level corresponding to
four months of normal utilization;
- (b) production exceeds the level of
normal utilization by more than
9%;
- (c) representative prices for table
wines of type AI or type RI remain
for a period to be determined,
below 82% of the guide price.

2. The Commission shall fix the
quantities that are to be delivered
for compulsory distillation to absorb
production surpluses and thus restore
a normal market situation, in

(1)COM(84) 775 final

(2)COM(84) 515 final

particular normal stock levels and prices.

3. The total quantity to be distilled, determined in accordance with paragraph 2, shall be shared, before 31 December, between the wine-growing regions of the Community.

The quantity for distillation in each wine-growing region shall be proportional to the difference between:

- table wine production in the region in the year in question;
- a percentage of the average quantity of table wine produced in the region in three reference years.

Until the end of 1989/1990:

- the percentage shall be 85%
- the reference years shall be 1981/1982, 1982/83 and 1983/84.

From 1989/1990, the percentage and reference years shall be determined by the Commission.

The Commission shall determine:

- the percentage on the basis of the quantities that must be distilled in accordance with paragraph 2 in order to absorb production surplus for the year in question;
- the reference years on the basis of the trend of production, and, in particular the effects of grubbing-up measures.

Paragraph 4

Paragraph 5

Paragraph 6

Paragraph 7

'8. The following shall be adopted in accordance with the procedure laid down in Article 67:

- the decision to carry out the distillation referred to in paragraph 1;

thus restore a normal market situation, in particular normal stock levels and prices.

The Commission shall also decide the breakdown of this total quantity between the different types of distillation provided for in Articles 11, 12a and 15, and, when the conditions provided for in paragraph 1 prevail, shall decide on the quantities which are to be delivered for compulsory distillation.

3. The total quantity to be distilled, determined in accordance with paragraph 2, shall be shared, before 31 December, between the wine-growing regions of the Community.

The quantity for distillation in each wine-growing region shall be proportional to the difference between:

- table wine production in the region in the year in question;
- a percentage of the average quantity of table wine produced in the region in three reference years.

Delete the final sentence.

Delete the first sentence.

The Commission shall determine:

- the percentage on the basis of the quantities that must be distilled in accordance with paragraph 2 in order to absorb production surplus for the year in question;
- the reference years on the basis of the trend of production, and, in particular the effects of grubbing-up measures.

Unchanged

Unchanged

Unchanged

Unchanged

'8. The following shall be adopted in accordance with the procedure laid down in Article 67:

- the decision to carry out the distillation referred to in paragraph 1;

Text proposed by the Commission
of the European Communities(1)

Amendments tabled by the Committee
on Agriculture, Fisheries and Food

- the total quantity to be distilled, as referred to in paragraph 2;
- the determination of production regions, the fixing of the percentage and the reference years, and the regional allocation of the quantities to be distilled, as referred to in paragraph 3, grouped by Member State;
- the yield per hectare and the percentages referred to in paragraph 4;
- the prices and the amount of the aids referred to in paragraph 6 and other detailed rules for the application of this article.

- the total quantity to be distilled, as referred to in paragraph 2;
- the determination of production regions, the fixing of the percentage and the reference years, and the regional allocation of the quantities to be distilled, as referred to in paragraph 3, grouped by Member State, on the basis of the indication provided by each Member State;
- the yield per hectare and the percentages referred to in paragraph 4;
- the prices and the amount of the aids referred to in paragraph 6 and other detailed rules for the application of this article.

The same procedure shall be followed, in particular so as to alleviate the administrative burden arising from the application of this article, for the adoption of measures granting total or partial exemption from the obligation referred to in paragraph 4 in the case of producers who have obtained, or are to deliver, in the course of the wine year in question, a quantity of wine which is less than a quantity to be determined.

The same procedure shall be followed, in particular so as to alleviate the administrative burden arising from the application of this article, for the adoption of measures granting total or partial exemption from the obligation referred to in paragraph 4 in the case of producers who have obtained, or are to deliver, in the course of the wine year in question, a quantity of wine which is less than a quantity to be determined.

9. Before the end of the 1989/1990 wine year, the Commission shall submit to the Council a report outlining, in particular, the effect of the structural measures applicable in the wine sector and, where appropriate, proposals to repeal or replace the provisions of this article by other measures designed to maintain the balance of the wine market.

9. Before the end of the 1989/1990 wine year, the Commission shall submit to the Council and the European Parliament a report outlining, in particular, the effect of the structural measures applicable in the wine sector and, where appropriate, proposals to repeal or replace the provisions of this article by other measures designed to maintain the balance of the wine market.

Amendment No. 7

In paragraph 4 insert a new letter (d):

(d) Insert the following new Article 64a:

'Article 64a

1. The Member States shall set up a special service responsible for controls relating to:

(1) COM(84) 775 final

- declarations of harvest, production, yield per hectare and stocks;
- the permanent abandonment of vineyards;
- compliance with the limitation on replanting rights and the new planting prohibition;
- the prohibition on the production of wine from table grapes;
- trade in and use of sucrose to enrich all types of wine.

Agents appointed by the Commission shall take part in these control operations. The Member States shall provide them with every assistance in accomplishing their tasks.

2. 50% of the expenditure on the service mentioned in paragraph 1 shall be chargeable to the EAGGF, Guarantee Section.

Proposal from the Commission of the European Communities
to the Council for a regulation
amending Regulation (EEC) No. 338/79
laying down special provisions relating to quality wines
produced in specified regions
(COM(84) 515 final)
OJ No. C 259, 27.9.84, p. 7

Text proposed by the Commission
of the European Communities

Amendments tabled by the Committee
on Agriculture, Fisheries and Food

Amendment No. 8

Paragraphs 1 and 2 of Article 1 to
read as follows:

Article 1

Regulation (EEC) No. 338/79 is
hereby amended as follows:

1. Article 1 is replaced by the
following:

'Article 1

1. This Regulation lays down
special provisions for quality
wines produced in specified regions
and wines qualified to acquire this
status.

"Quality wines produced in specified
regions" (hereinafter called "quality
wines psr") means wines which satisfy
the provisions of this Regulation and
those national rules adopted pursuant
thereto.

"Quality sparkling wines produced in
specified regions" (hereinafter called
"quality sparkling wines psr") means
quality wines psr which comply with
the definition in point 13 of Annex II
to Regulation (EEC) No. 337/79, with
Title I of Regulation (EEC) No. 358/79
and with this Regulation.

Article 1

Regulation (EEC) No. 338/79 is
hereby amended as follows:

1. Article 1 is replaced by the
following:

'Article 1

paragraph 1 - unchanged

2. The Member States shall transmit to the Commission a list of the quality wines psr recognized by them together with the yields per hectare fixed for each quality wine psr pursuant to Article 11. The Commission shall publish these lists in the C series of the Official Journal of the European Communities.'

2. In accordance with the procedure mentioned in Article 67 of Regulation 338/79 the Commission shall lay down the parameters to be used in granting wines the status of quality wines psr.

rest deleted.

Proposal from the Commission of the European Communities
to the Council for a Council regulation (EEC)
on the granting for the 1985/86-1989/90 wine years
of permanent abandonment premiums
in respect of certain areas under vine
(COM(84) 515 final)

Text proposed by the Commission
of the European Communities

Amendments tabled by the Committee
on Agriculture, Fisheries and Food

Amendment No. 9

Article 6

Article 6

1. During the wine years 1986/87 to 1990/91, financial compensation shall be granted to wine cooperatives and other associations of wine-growers furnishing proof that:

1. first subparagraph unchanged

- they had to reduce their activity as a result of the lower level of delivery from the members following the grant of the permanent abandonment premium;
- the area cultivated by their members has been reduced by at least 10% compared with the situation during the 1984/85 wine year.

The compensation referred to in the first subparagraph shall be 1,000 ECU per hectare of vineyard for which members have received the permanent abandonment premium.

The compensation referred to in the first subparagraph shall be equal to 60% of the average value of the product not delivered for the first wine year, 1986/87, 50% for the second, 1987/88, 40% for 1988/89, 30% for 1989/90 and 10% for 1990/91.

Where, however, deliveries drop by more than 50%, the compensation referred to in the first subparagraph shall not be granted

Paragraph 2 unchanged.

A
MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the proposals from the Commission of the European Communities to the Council for:

- A. Council regulations (EEC):
 - I. amending Regulation (EEC) No. 337/79 on the common organization of the market in wine
 - II. amending Regulation (EEC) No. 338/79 laying down special provisions relating to quality wines produced in specified regions
 - III. introducing a derogation to the scheme provided for in Regulation (EEC) No. 456/80 on the granting of temporary and permanent abandonment premiums in respect of certain areas under vines and of premiums for the renunciation of replanting
 - IV. on the granting for the 1985/86-1989/90 wine years of permanent abandonment premiums in respect of certain areas under vines
- B. an amendment to the proposal for a Council regulation (EEC) amending Regulation (EEC) No. 337/79 on the common organization of the market in wine
- C. amendments to the proposals for Council regulations (EEC)
 - I. amending Regulation (EEC) No. 337/79 on the common organization of the market in wine
 - II. amending Regulation (EEC) No. 338/79 laying down special provisions relating to quality wines produced in specified regions
- D. third amendment to the proposal for a regulation amending Regulation (EEC) No. 337/79 on the common organization of the market in wine.

The European Parliament

- having regard to the proposals from the Commission to the Council(1),
- having been consulted by the Council pursuant to Rule 43 of the EEC Treaty (Doc. 2-629/84; Doc. 2-780/84; Doc. 2-1447/84 and Doc. 2-1481/84),
- having regard to the motions for resolutions tabled by:
 - Mr d'Ormesson on the measures necessary to improve the common market in wine and ensure that the regulations in the wine sector are applied (Doc. 2-418/84)
 - Mr Nino Pisoni and others on the Community market in wine (Doc. 2-542/84)
 - Mr Ephremidis and others on measures for Greek wines of designated origin (Doc. 2-550/84)
 - Mr Musso and others on the changes needed in the wine sector (Doc. 2-584/84),
- having regard to the report from the Commission to the Council on the situation and outlook for the Community wine sector (COM(84) 440 final),
- having regard to previous resolutions on the wine sector, particularly those of 13.4.1984 (reports by Mr Martin and Mr Ligios) and that of 9.7.1982 (report by Mr Colleselli)(2),
- having regard to the second report of the Committee on Agriculture, Fisheries and Food and the opinion of the Committee on Budgets (Doc. 2-1575/84),

(1) OJ No. C 259, 27.9.84, p. 5; OJ No. C 278, 18.10.84, p. 4; OJ NO. C 23, 25.1.85, pp. 3 and 8

(2) OJ No. C 127, 14.5.84, pages 190 and 198; OJ No. C 238, 13.9.82, p. 85

- having regard to the result of the vote on the Commission's proposals,
- A. concerned by the recurrent crises in the market in wine that have caused the withdrawal of enormous quantities (distillation accounted for 32 million hl of wine last year) and a serious loss of earnings for producers (prices did not exceed 80% of the guide price), and which threaten to unbalance the total alcoholic beverages market,
- B. aware of the increase in Community budget expenditure for wine in recent years even though it was one of the agricultural products least subsidized by the CAP up to 1982,
- C. convinced of the importance of this sector in Community agriculture from an economic point of view - a production value of more than 8,000 m ECU - an environmental point of view - most of the wine produced is from hill areas suitable only for vines - and a social point of view - more than one million people are employed in production alone,
- D. whereas maintaining the vitality of this sector - the Community leads the world both in quality and in quantity exported (some 10 million hl) - is the prime objective of the common organization of the market in this sector,
- E. whereas, in view of the forthcoming accession of Spain and Portugal, it is all the more urgent radically to reorganize Community rules so that wine producers are given guarantees of security and development,

I. General Comments

1. Notes that the new proposals submitted by the Commission following the agreement in principle reached by the European Council of 3 and 4 December 1984 represent an improvement over the previous proposals;
2. Welcomes the fact that the new proposals do not lay down predetermined production quotas, although it is necessary to modify the proposed system to ensure that the intervention measures take greater account of the real market situation;
3. Considers that the solution proposed, as amended by Parliament, in anticipation of the forthcoming accession of Spain and Portugal should ensure balanced management of the market in the Community of Twelve; expresses satisfaction, therefore, at the removal of a serious obstacle to the conclusion of the negotiations on accession, which is scheduled for 1 January 1986;
4. Considers it extremely serious, however, that some fundamental problems preventing a fair and balanced management of the wine market and the protection of the income of producers of better quality wine and of the designated areas have not been solved by, for example, banning the addition of sucrose and harmonizing national rules on quality wines psr through the establishment of Community criteria;
5. Is strongly opposed to the dropping of the proposal designed to standardize enrichment costs in the various regions of the Community by means of a tax on sucrose.
The rate of this tax will need to counterbalance any reduction in aid for the use of musts.
Takes the view that the Community will not be able to introduce the tax on sucrose as the definitive replacement for the aid for concentrated musts until it has effective instruments for monitoring the movement and use of sugar in the Community.

6. Believes that it would be superfluous to embark on a study on increasing the natural alcoholic strength of wine, given the wealth of detailed information already processed by the Commission; calls for the 2 m ECU earmarked for this purpose to be used to finance the measures for expanding the market provided for in Article 12 b of Regulation 337/79, but never implemented;
7. Urges the Council to adopt the Commission's proposal(1) to introduce a ban on the addition of sugar with effect from the 1989/1990 marketing year and from 15 March 1985, with no further delays and no regional exemptions, a ban on the use of sucrose in aqueous solution to increase alcoholic strength;
8. Insists once again(2) that the changes necessary effectively to improve the wine sector must form part of a comprehensive set of measures designed to tackle systematically and simultaneously the problems of long-term equilibrium and economic improvement of the market; the absence of measures on the enrichment of wine is an obstacle to this essential requirement;
9. Recognizes that, apart from fluctuating production for natural causes, the wine sector is currently suffering from a production surplus that is on the increase, mainly because of a drop in consumption, in the absence of structural measures;
10. Asserts that in the circumstances it is essential to implement a clear-cut plan for restoring the balance between supply and demand in the medium to long term. The objective of this plan must be to upgrade quality wines and wines produced in areas best suited to vine-growing;
11. Points out that the selective reduction of production will not on its own restore the balance of the market in the long term. A genuine policy is needed to promote consumption (publicity campaigns, harmonization and reduction of taxes, etc.), to diversify the use of vine products (grape juice, use of by-products for industrial purposes and for animal feed, new beverages with a low alcohol content etc.), but not without introducing a policy of active promotion and exports;
12. Notes that despite the enormous quantities of wine distilled, the changes made in the COM in June 1982 have not improved market conditions since prices have remained at a very low level; therefore calls for a decision strengthening intervention measures in order to penalize first and foremost the poor quality wine often produced as a result of high yields;
13. Believes that proper management of the market should be based on the actual market situation, should find consistent expression through all existing intervention instruments and should be both timely and appropriate. Given the objectives and rules governing the various intervention measures, it is therefore up to the Commission to determine the best combination of the various distillations and decide how each of them is to be triggered;

(1) COM(83) 639

(2) See the stance taken by the European Parliament in its resolution of 9 July 1982, para. 1; OJ No. C 238, 13.9.1982, p. 85

14. Points out that restructuring of the wine sector must not be to the detriment of any modernization process or efforts to reduce production costs; considers it important for the Community to continue to promote the rationalization of production and processing structures particularly with a view to improving the quality of wine;
15. Points out that improved quality and reduced costs are essential if European wine is to maintain the hold it has gained, particularly on the American market, which, in violation of GATT international agreements, the United States would like to weaken as evidenced by the Wine Equity Act approved by Congress and the American Senate;
16. To this end invites the Commission to take all the measures needed vis-à-vis the American Government to ensure that European wine, which like spirits, is a credit item in EEC-USA trade, is not unjustly penalized;
17. Notes that the efforts agreed to for the restructuring and reconversion of vineyards have so far been unevenly distributed among Member States, since between the periods 1971-1975 and 1982-1983 the development of areas under wine grapes was as follows: Luxembourg +6.4%, FRG +2%, France -14%, Italy -3%.

II. The structural measures proposed by the Commission

18. Accepts the regulations governing the containment of areas under vines but warns against the serious danger that some areas might be abandoned and subject to desertification; points out that the area under vines should be reduced in all Member States, and firstly in the areas less suited to vine growing; considers, however, that it is essential to implement measures to allow diversification to other crops;
19. Accepts the limiting of replanting rights on condition that the hill areas are safeguarded. The rules relating to irrigated areas should be more selective and due account should be taken of the requirements of small vineyards in areas with no alternative crops to prevent the emergence of social problems that would be difficult to resolve. In addition to the application of these measures, the wine register must be introduced and strict surveillance and control measures must be adopted by the Commission;
20. Welcomes the resolve to harmonize national regulations governing the recognition of quality of wines psr by laying down Community parameters (maximum yield per hectare, enological practices, enrichment limits, etc.), but without making them subject to Community authorization;
21. Endorses the proposal to introduce permanent abandonment premiums; agrees with the conditions and amounts specified, but calls:
 - for specific proposals to be introduced to allow the producers concerned to change to alternative crops;
 - for the amounts to be reviewed every two years and
 - for advances to be granted when an application is made provided there are formal guarantees that the funds can be recovered in the event of default;

22. Considers that in order to resolve the growing imbalance between the market demand for quality and the potential of the wine industry, the restructuring and renewal efforts undertaken must be stepped up but on a more restrictive basis (limitation of vine varieties in certain areas not particularly suited to wine growing); invites the Commission to draw up proposals to adjust Regulation No. 458/78 on restructuring to speed up the process;
23. Considers it necessary to grant compensation to wine cooperatives that have to reduce their activities as a result of the measures proposed, but believes it should be commensurate with the decline in activity and considers that the requisite aid should be provided to facilitate the reorganization of wine cooperatives rendered necessary by the decline in activity.
24. Considers it necessary to provide incentives to the industry to produce rectified concentrated grape must, in pursuance of Regulation No. 355/77 on the processing and marketing of agricultural products, and at the same time to direct an information campaign at producers that traditionally use sucrose;

III. The market measures proposed by the Commission

25. Considers it essential for producers to have, at the beginning of the marketing year, a complete picture of the foreseeable market situation and of the management instruments to be used;
26. Welcomes the proposal that, in accordance with the management committee procedure, the Commission should stipulate by 31 December each year, on the basis of the forward estimates drawn up by it (production, consumption, industrial uses and trade balance), the quantity of wine needing to be withdrawn from the market, using existing intervention methods and, if necessary, compulsory distillation;

27. Considers that a situation of serious market imbalance making compulsory distillation necessary should be deemed to exist when the following conditions prevail:
- (a) foreseeable end-of-year stocks exceed four months normal requirements, and
 - (b) production exceeds normal requirements by more than 9%, and
 - (c) representative prices for table wines of types AI and RI remain lower than 82% of the guidance price, for a period to be determined;
28. Agrees with the principle that the total quantity to be delivered for compulsory distillation should be divided up between the regions on the basis of the production increases recorded in each area; believes, however, that the Commission should determine the percentage of production to be delivered for compulsory distillation each year on the basis of the market situation, so as gradually to achieve a balanced market;
29. Stresses that production regions must be defined in accordance with the indications of the Member States and in the respect of the internal administrative structure of each Member State;
30. Approves the proposal to divide up between producers the quantity of wine which each region is required to distil on the basis of the average yield per hectare of the region in question, so as to penalize producers who obtain above-average yields;
31. Requests that at the beginning of the wine year the limits and conditions be decided for all distillations under Articles 11, 12a and 15 which apply to the Community territory as a whole;
32. Reaffirms the principle recognized in 1982 whereby the price and intervention arrangements must endeavour to guarantee a minimum price; insists therefore, on maintaining aid for storage and the performance guarantee;
33. Considers that, by means of a set of measures along these lines, the Commission should manage the market in order to:
- guarantee a remunerative price for better quality table wine,
 - maintain crops in areas suited to vine growing and in areas where there are no production alternatives,
 - safeguard small-scale producers and modernize more backward vineyards,

34. Calls on the Community to solve the problem of over-production of alcohol in such a way as to safeguard the producers of other alcoholic beverages in those regions where distillation is an important source of employment.
35. Rejects the proposal to freeze prices, which would unfairly hit small-scale producers in areas suited to vine growing and better quality wines for which production costs are higher;
36. Considers the difference between the buying-in prices of various types of wines for the same distillation - a 1:3 ration - unjustified, and therefore calls for consideration to be taken of the guide prices for type A 1 white wine and type R 1 red wine only;
37. Considers it a matter of urgency to introduce the wine register at the same time as specific deadlines are set for the Member States;
38. Calls on the Commission to tackle the serious problems of wine made from table grapes to which, according to some estimates, one-third of all distillation is allocated; believes that the making of wine from table grapes should be prohibited and that at the same time appropriate measures concerning table grapes should be taken under the common organization of the market in fruit and vegetables;
39. In the light of all the amendments to the regulations currently under consideration, believes that the Commission's proposal to increase to 10% the compulsory distillation of grape marc and wine lees can make a valid contribution to removing from the market some of the wine used to enrich low quality wine;
40. Points out that for proper and fair management of the wine market and in particular of compulsory distillation, there must be a very efficient control service; therefore calls on the Commission to collaborate with the Member States in organizing a special service capable of carrying out this task and of energetically curbing the production of adulterated wine;
41. Calls also on the Commission to encourage greater harmonization of the administrative provisions governing the movement of wine between the various Member States;

42. Calls once more for a codification of the vast number of regulations on wine, which render almost impossible a clear understanding of Community rules;
43. Calls for the conciliation procedure to be opened should the Council intend to depart from the opinion adopted by the European Parliament, in view of the considerable financial implications of this act;
44. Instructs its President to forward to the Council and Commission, as Parliament's opinion, the Commission's proposal as voted by Parliament and the corresponding resolution.

B
EXPLANATORY STATEMENT

I - SELF-SUPPLY IN THE WINE-GROWING SECTOR

1. Production

The European Community is the world's leading producer of wine. Its production accounts for about 60% of the world total, albeit with the considerable annual variations characteristic of the sector which is highly susceptible to climatic conditions.

Wine production in the Community

MEMBER STATES	1951/55	1956/60	1961/65	1966/70	1971/75	1976/80	1977/78	1978/79	1979/80	1980/81	1981/82	1982/83	1983/84 (prov.)
Germany	2 757	3 945	5 184	6 816	8 222	8 315	11 278	7 842	8 662	4 867	7 480	16 128	13 000
France	56 090	49 823	60 594	62 397	69 278	67 699	52 708	58 429	84 105	69 598	57 311	79 093	67 523
Italy	51 214	50 107	62 253	69 057	69 561	74 024	64 142	71 989	84 337	83 950	69 700	71 948	81 848
Netherlands	-	-	-	-	-	-	-	-	-	-	-	-	-
Belgium	3	4	6	8	6	4	4	4	4	4	4	3	2
Luxembourg	110	109	135	146	145	63	155	72	62	30	97	256	183
United Kingdom					1	2	1	1	1	2	2	7	11
Ireland					-	-	-	-	-	-	-	-	-
Denmark					-	-	-	-	-	-	-	-	-
Greece					5 115	5 366	5 183	5 605	5 243	5 395	5 470	4 500	4 734
EUR 6	110 174	112 998	128 170	138 424	147 212	150 135	128 287	138 336	177 170	158 469	134 992	167 428	162 558
EUR 10					152 328	155 503	133 471	143 942	182 414	163 866	140 064	171 933	167 303

Source: Eurostat, EC Commission

An analysis of the production figures, especially those for the last few years, shows that production in the two most important countries - Italy and France - does not seem to have undergone profound structural changes despite annual variations. In fact, if there have been any structural changes at all in France and Italy, they have taken the form of a reduction in the area under vines - 56,000 and 30,000 hectares respectively. (See the paragraph on structural measures). The same does not apparently apply to Germany where, despite climatic variations, production almost trebled between 1981 and 1984 (+ 267%). This is also true in the case of Luxembourg although the quantities involved are minimal.

Another observation to be made from the table is how variable the production quantity is: it can be for example 141 million hls one year and 173 million the next, which is a variation of more than 15%. This raises the question of whether it is possible to make accurate forecasts in a sector in which a few days of bad weather at a crucial stage can jeopardize the production of millions of hls.

As regards the division of production into table wine and quality wine, we should first of all point out that the rules for defining the characteristics of quality wine are laid down by each country for its own national production and therefore such a division cannot be considered as having an absolute value as far as the quality of wine is concerned.

The production of table wines, quality wines psr and other wines in the Community

Member States	1971/75	1976/80	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82	1982/83	1983/84 (prov.)
	Table wine										
Germany	622	354	241	165	984	301	177	144	141	1 094	3 300
France	45 892	42 544	43 169	47 147	32 384	35 559	51 686	46 946	37 993	44 620	39 596
Italy	63 584	64 844	63 389	58 999	56 589	62 933	72 755	72 941	60 881	61 476	70 480
Luxembourg	78	38	73	55	80	32	22	2	21	86	-
Greece	3 807	4 857	3 476	4 437	4 630	5 305	4 928	4 984	5 000	4 237	4 143
Other countries	7	6	6	7	5	5	5	6	6	10	13
EEC 10	113 992	112 943	110 354	110 812	95 172	104 135	126 573	125 023	104 042	111 523	117 732
	Quality wines psr										
Germany	7 600	7 961	8 864	8 761	10 294	7 541	8 485	4 723	7 339	15 034	9 300
France	13 624	15 492	12 989	15 914	13 000	14 947	18 779	14 819	13 940	22 355	17 508
Italy	5 881	8 435	6 445	6 701	7 553	9 056	9 880	8 984	7 130	8 642	8 917
Luxembourg	67	55	84	73	75	40	40	48	76	170	185
Greece	536	283	260	322	300	275	278	243	300	210	371
EEC 10	27 708	32 226	28 642	31 771	31 222	31 859	37 462	28 817	28 785	46 411	36 481
	Other wines										
France	9 762	9 363	10 115	10 594	6 824	7 923	13 640	7 833	5 378	12 118	10 419
Italy	94	745	-	-	-	-	1 702	2 025	1 689	1 830	2 451
Greece	772	226	841	646	253	25	37	168	170	53	220
EEC 10	10 628	10 334	10 956	11 240	7 077	7 948	15 379	10 026	7 237	14 001	13 090

Source: Eurostat, EC Commission

It is precisely this variation in the rules governing quality in different countries that explains the difference in the quantity of quality wines produced in Germany - more than 74% - and in other countries where there are stricter rules for classifying quality wines produced in a specific region.

2. Consumption

The figures on the consumption of wine in the Community seem to be easy to interpret since they show a fall in total consumption during the period 1980 - 1983. The figures for 1983 - 1984 on the other hand, show a reverse in the trend with a substantial increase in the amount of wine drunk. According to official figures supplied by the Commission, total consumption is more than 125 million hecto litres, whilst average per capita consumption is 46.1 litres.

Wine consumption (000 HL)

	1980	1981	1982	1983
EUR-10	129458	128284	124848	121944*
Germany	15695	15227	15328	16304
France	51584	49790	48162	46923
Italy	49305	49923	47849	46006
Netherlands	1681	1815	1851	1970
Belgium	1869	2015	2020	1841
Luxembourg	172	164	169	237
United Kingdom	4184	4194	4434	4093
Ireland	109	117	109	100
Denmark	647	725	851	857
Greece	4212	4314	4075	3613*

Wine consumption (litres per person)

	1980	1981	1982	1983
EUR-10	47.9	47.3	46.0	44.8*
Germany	25.5	24.7	24.8	26.5
France	96.3	92.5	89.0	86.0
Italy	87.5	88.4	84.6	81.1
Netherlands	11.9	12.8	13.0	13.7
Belgium	19.0	20.5	20.5	18.7
Luxembourg	47.3	44.9	46.2	44.8
United Kingdom	7.4	7.4	7.9	7.3
Ireland	3.2	3.4	3.1	2.9
Denmark	12.6	14.1	16.4	16.7
Greece	43.9	44.5	41.6	36.8*

Two things clearly emerge from these figures: on the one hand the fall in consumption in countries with a high rate of consumption, about 7 million hls less being consumed in France and Italy in the last four years for which figures are available and, on the other hand, the enormous difference in average per capita consumption between the various Community countries - a difference of more than 83 litres between the largest consumer (France with 86 litres per person) and the smallest (Ireland with less than 3 litres). The rate of consumption is more or less stable in the countries which are not traditionally wine drinkers.

We should point out that, although it is true that tradition has a strong influence on the popularity of wine in the countries of northern Europe, it is also true that consumers, especially the Irish, the Danish and the British, find wine too expensive because of the high level of excise duty levied on it which turns it into a luxury item.

Despite an historic judgment by the Court of Justice - after a hearing lasting 6 years - and the reduction in duty, at least in the United Kingdom, the situation is still unsatisfactory and wine, according to the Court's judgment, is still the subject of discrimination compared with beer, which is a competing product.

3. Trade

The Community is the world's leading exporter of wine, with more than 15 million hls. Italy exports the largest quantity - although Italian exports fell substantially in 1983 compared with previous years - but France is the leading exporter in terms of monetary value, because of the higher unit cost of the products exported.

Still on the subject of exports, it is interesting to note that more than 40% of exports from Europe are for the American market. This explains Europe's concern at the possible application of restrictions on trade in wine in the form of the Wine Equity Act, which American Congress recently adopted despite the fact that such measures contravene the rules of GATT.

The EEC imports almost 5 million hls despite its production surplus, which is the best proof that the Community market is not the closed market it is accused of being. 42% of Community wine imports come from Spain; it is interesting to note that Spanish exports to the Community account for about 40% of all Spanish wine exports, whilst only 4% is destined for the American market.

4. Yield

The quality of wine is closely linked with the conditions of the natural environment where the vines are grown. In general, we can say that wines produced in northern regions have a low sugar content and are acidic, whereas wines produced in southern regions are strong, have a high alcohol content, a high natural sugar content and a low level of acidity.

The very nature of the soil is of fundamental importance for the quality of the wine and for this reason there are regions which are naturally suited and regions which are unsuited for the production of wine.

Community exports of wine to third countries

Wine years 1970/1971 - 1982/1983

BTN heading 22.05: Wine of fresh grapes

(quantities in hectolitres)

Recipient country:	1970/74	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82	1982/83
Norway	30,060	45,121	48,614	52,228	50,265	58,200	72,366	61,844	64,562
Sweden	201,683	311,552	380,160	335,980	346,799	359,100	381,533	388,497	427,024
Finland	40,379	37,652	38,773	46,436	39,912	32,214	35,881	36,740	39,322
Switzerland	1,044,313	1,116,192	1,011,020	996,748	1,173,967	1,114,842	1,254,346	1,429,040	1,115,238
Austria	132,275	284,974	175,000	155,039	148,922	172,426	178,634	224,259	136,794
Portugal	1,525	1,469	1,177	920	150,165	78,567	3,007	3,601	1,365
Spain	30,060	4,095	8,156	8,538	6,884	5,473	7,962	8,232	4,876
USSR	85,439	91,727	179,325	309,300	370,015	1,121,384	1,195,375	1,415,404	707,835
GDR	118,124	189,664	118,556	142,819	129,287	138,471	173,433	133,993	127,070
USA	971,989	1,479,729	1,926,331	2,356,497	2,980,605	3,176,544	3,246,244	4,020,975	4,074,846
Canada	223,501	418,967	561,904	639,611	678,376	706,807	734,842	680,620	806,975
Japan	125,574	164,570	170,997	186,402	183,553	189,409	181,760	199,888	190,604
Australia	44,816	53,028	76,264	66,347	113,422	109,683	122,698	133,027	165,597
New Caledonia	21,423	43,514	48,949	54,419	60,366	50,077	56,834	70,565	58,268
French Polynesia	14,980	11,177	13,670	12,054	13,418	17,132	20,985	30,947	44,352
Other countries	11,925	13,438	13,967	10,962	15,441	21,915	25,931	39,229	42,198
Other countries	784,084	969,636	619,292	702,838	736,794	1,013,653	1,303,153	1,411,994	616,007
Extra EUR 10	3,823,150	5,236,505	5,392,175	6,077,138	7,197,991	8,365,897	8,996,984	10,468,855	8,622,953

Sources: EUROSTAT
Information from Member States

Imports of wine from third countries

Wine year 1982/1983

BTN heading 22.05: Wine of fresh grapes (quantities in hectolitres)

Country of origin	EUR 10	Importer Member State									
		France	B.L.E.U.	Netherlands	Germany	Italy	United Kingdom	Ireland	Denmark	Greece	
Austria	235,247	1,180	1,592	2,140	217,899	97	10,926	204	1,206	3	
Portugal	704,435	257,748	110,550	60,789	82,232	50,104	100,146	6,369	36,221	276	
Spain	2,036,439	80,363	83,619	472,734	461,515	8,944	801,533	14,848	111,785	598	
Yugoslavia	544,178	1,423	2,165	2,725	357,643	4,841	174,755	138	449	39	
Soviet Union	31,303	52	340	607	29,876	-	18	-	410	-	
Hungary	385,565	315	772	1,844	338,929	309	36,381	28	6,987	-	
Rumania	119,742	78	332	12	119,220	-	87	-	13	-	
Bulgaria	116,103	94	532	1,701	84,894	-	19,170	44	9,668	-	
Morocco	77,045	60,902	12,453	-	3,689	-	1	-	-	-	
Algeria	151,089	135,959	12,736	-	1,059	-	-	-	1,335	-	
Tunisia	139,592	12,937	61,133	-	65,308	-	2	-	212	-	
South Africa	46,485	133	1,616	2,806	11,326	-	30,515	87	2	-	
U.S.A.	66,088	1,929	4,377	683	10,271	61	45,404	1,639	1,724	-	
Argentina	11,796	11	8,782	99	2,719	-	-	155	30	-	
Cyprus	87,746	-	-	-	2,152	-	85,004	470	8	112	
Australia	11,816	18	-	1,440	3,110	-	6,841	59	348	-	
Other countries	27,478	1,975	5,000	1,668	7,489	1,778	8,175	137	1,256	-	
Extra EUR (10)	4,792,147	555,617	305,999	549,248	1,799,331	66,134	1,318,958	24,178	171,654	1,028	

Sources: EUROSTAT
Information from Member States

While it is true that organoleptic characteristics may be changed during the process of wine-making by the addition of chemical or natural elements - such as saccharose for example - such additives must not change the nature of the wine, as emerges from the definition of wine (Regulation 337/79, Annex II), i.e. 'the product obtained exclusively from the total or partial alcoholic fermentation of fresh grapes, whether or not crushed, or of grape musts.'

Obviously a product not corresponding to the definition cannot be called wine, nor can it benefit from the application of Community regulations.

To make this point in the section on the yield of wine in the various regions of the Community may seem obvious but it seemed necessary since the Commission in its proposal COM(84) 539, uses the over-simplified equation high yield = low quality. Actually, it is not clear whether the Commission is condemning high yields as such, as being 'responsible for a large proportion of the surpluses' or whether it is condemning bad quality wines. If this is the case there are many other factors to be taken into consideration: the alcoholic strength, the vinification methods, natural acidity or the addition of saccharose and at this point yield per hectare becomes only one of the factors contributing to the wine's quality and not a decisive one.

There are many instances of farms which use old equipment and have not made investments or improved quality, having low yields and producing bad quality wine.

After all this has been said, a consideration of the attached tables showing the yield in some producing regions shows that there are relatively few cases of a yield higher than 100 hls per hectare and in general they are to be found in northern European regions.

AVERAGE YIELD IN SOME REGIONS OF THE COMMUNITY (1)

GERMANY (1981/82)

	Production hl	yield hl/ha
Mosel-Saar-Ruwer	2.345,507	203,69
Rheinrhessen	3.748,330	176,32
Rheinpfalz	3.644,199	181,78
Wuerttemberg	1.797,211	198,92
Baden	1.971,367	135,52

FRANCE (1979/80) (2)

	yield hl/ha
Aude	91,43
Charente	122,81
Charente-Maritime	131,87
Corse du Sud	112,33
Corse (Haute)	92,17
Gard	87,20
Gers	100,70
Gironde	68,99
Herault	87,37
Landes	70,09
Loire-Atlantique	74,10
Pyrenees-Orientales	61,36
Rhin (Bas)	62,91
Savoie	55,57
Savoie (Haute)	68,90
Tarn	77,68
Var	63,12
Vaucluse	59,33
Vendee	52,26

ITALY (1979/80) (2)

	Production hl	yield hl/ha
Piedmont	4.354.140	60,6
Lombardy	2.104.517	63,5
Trentino-Alto Adige	840.751	132,2
Veneto	10.540.116	109,8
Friuli-Venezia Giulia	1.202.934	74,5
Emilia-Romagna	8.850.378	91,3
Tuscany	3.926.950	36,8
Marches	2.498.088	78,3
Lazio	5.964.774	61,1
Abruzzi	3.356.926	131,4
Campania	3.321.713	53,9
Apulia	8.352.384	52,5
Calabria	1.236.259	43,1
Sicily	12.248.539	71,6
Sardinia	2.680.239	39,8

(1) Source : national statistics.
(2) Table wines only

II. BUDGETARY EXPENDITURE IN THE WINE-GROWING SECTOR

The production of the Community wine-growing industry represents 5.8% of total production (1982) and in the various producer countries the share of wine in the total value of finished products in each country is as follows:

Country	Percentage
Greece	2
Germany	5.2
France	12.5
Italy	7.6
Luxembourg	16

Source: Eurostat - Agricultural accounts

These figures give an idea of the importance of wine production compared with Community expenditure in this sector.

The Court of Auditors, in analyzing Community expenditure, refers to the ratio between the budgetary cost and the final value of the product - the so-called 'rate of aid'. In its 1983 report the Court of Auditors said, on the basis of this ratio, that wine, with a rate of aid less than 10% was still one of the least subsidized agricultural products in 1982.

On the other hand, it also noted that the situation on the market has been particularly difficult during the last few years because of the combined effect of an increase in production and a decrease in consumption. This has forced the Commission to make increasing use of distillation measures, in order to reduce the supply of wine on the market. During the present wine year, 27% of the table wine produced has been distilled.

Quantity of wine distilled (millions of hectolitres)

1980-81	1981-82	1982-83	1983-84
20.5	13.1	22	32

Source: Eurostat

This situation has had obvious repercussions on the budget, since over and above the initial appropriations allocated, there has been a steady increase in actual expenditure in the wine-growing sector.

Expenditure in the wine-growing sector 1980-1985

Expenditure	1980	1981	1982	1983	1984	1985
Initial appropriations	350	456.7	416	469	576	691
Actual expenditure	299.5	459.4	570.6	659.2	1,107*	-
% of EAGGF expenditure	2.6	4.1	4.6	4.2	7	-

*Amending budget for 1984

On the other hand, absolute cost is not the only thing to be taken into account. According to the argument developed by the Court of Auditors in its report on Community expenditure drawn up at the request of the European Council in Stuttgart on 18 June 1983 (OJ C 287/83), the cost of the CAP must be assessed in relation to the economic importance of the market organization to which they refer.

In this report the Court of Auditors claims that 'the rate of aid (i.e. ratio of net budgetary cost of the market to the final value of the product), however, reveals a different hierarchy in the relative cost of the product', from which it appears that wine, at any rate until 1983, was one of the products receiving least aid.

In fact it was only in 1984 that the rate of expenditure exceeded the percentage representing the value of wine production in the total value of agricultural production. In the dairy sector this has been the case for more than ten years and in a much higher proportion.

The breakdown of expenditure by country in 1983 is as follows:

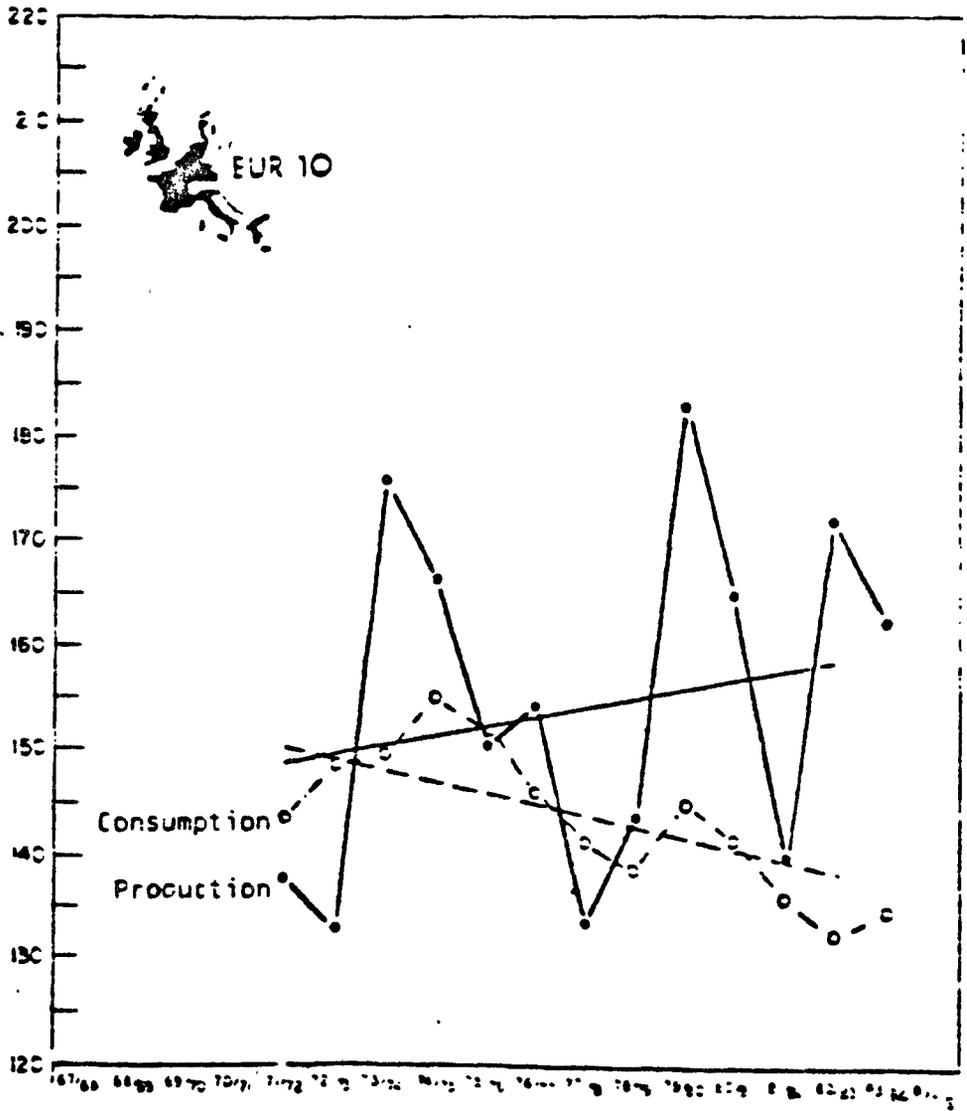
Breakdown of expenditure in the wine-growing sector in 1983 by country
(millions of ECU)

Allocation	Denmark	Germany	Greece	France	Italy	Luxembourg	Netherlands	United Kingdom	EEC total
Storage	-	0.7	6.3	69.3	65.9	0.005	-	-	142.4
Distillation	-	23.3	26.3	150.3	191.3	-	-	-	391.4
Compulsory distillation	-	-	0.2	42.8	19.9	-	-	-	63
Aid for musts	0.01	0.002	0.06	20.7	20.8	-	-	0.3	41.572
Intervention total	0.01	24.1	52.9	283.3	298.1	0.005	-	0.3	639
Refunds	-	0.2	0.6	4.5	14.8	-	0.001	-	20.1
Total expenditure	0.016	24.4	33.5	287.8	312.9	0.005	0.001	0.353	659.2

III. FINAL COMMENTS

1. Since 1970 - the year when the COM was set up - there have been two serious crises in the wine-growing sector, in 1975 and 1981. These crises could be considered as being of cyclical origin. The changing situation in the sector, in particular the increase in production (quite apart from climatic conditions) due to the increase in yield, and the simultaneous fall in consumption, created a structural crisis from which the sector can escape only by adjusting supply to demand.

An analysis of the graph below, especially the average values, clearly shows the divergent trend between production and internal consumption.



2. As can be seen from the report on the situation in the wine-growing sector, submitted by the Commission on 10.10.1984 (1), neither structural measures nor market measures have made it possible to improve the quality of production or correct the supply/demand imbalance.
3. The measures governing the common organization of the market have always been modified in times of deepest crisis; the fact that they were brought in under the influence of economic necessity has meant that the basic objectives which the COM should seek to attain in this sector have been lost sight of. There has never been an overall medium-term policy, although it has been demanded on all sides.
4. The improvement of quality has never been explicitly laid down as an objective in regulations. The lack of restrictive rules for the production of quality wines psr, the fact that the problem of added saccharose has never been solved and that there is no prohibition on making wine from table grapes are among the far from indirect causes of the crisis in the wine-growing sector.
5. Both market measures and structural measures have had the defect - which has impeded their efficiency - of not being sufficiently selective and of using the same parameters for producers of both good wines and bad wines, with the result that the latter have been favoured.
6. The first comment to make about the Commission's proposals is that they form a single whole; the package of proposed measures cannot be split up as was done on other occasions. Grubbing-up and permanent abandonment measures cannot be stepped up without adopting the regulation prohibiting the addition of sugar and measures regarding the use of rectified concentrated grape must, just as compulsory distillation cannot be increased without establishing a viticultural register.

(1) COM(84) 531 final

The Commission's proposals for structural measures prompt the following observations:

(a) Limitation of the right to replant

7. The rapporteur feels that the limitation of the right to replant is one of the sacrifices which the wine-growing sector will have to accept although this must not lead to the desertification of certain areas. More selectiveness is called for in making irrigation a determining factor. There are tracts of land with minimal irrigation in areas naturally suited for wine-growing which produce good quality wine and have no alternative types of farming. In such cases, the 50% limit seems excessive and might even induce producers to increase yield in order to maintain a certain level of income.

(b) Tax on saccharose

8. The principle of a tax on saccharose, combined with the prohibition on the addition of sugar in areas where it is allowed at present and the enrichment of wines with rectified concentrated must have always been recommended by the European Parliament (1). We must continue to argue this case, even if it does not seem advisable to restrict the tax on saccharose to wines obtained from grapes yielding more than 80 hectolitres per hectare; the aim is, in fact, to make the cost of achieving the same alcoholic strength the same in areas where the addition of sugar is permitted and where it is prohibited. It is in any case an important principle.

(c) Quality wines psr

9. Making the recognition of quality wines psr subject to Community authorization is an unacceptable measure. It would be preferable for the Commission to lay down the parameters to be respected by the Member States. The fact that the rules on quality wines psr have been applied too loosely so far, especially in certain Member States, has had negative effects on the market in table wines. We feel that these rules should be harmonized, so that the same parameters are used for assessing quality wines for the consumer's benefit.

(d) Permanent abandonment premiums

10. The rapporteur agrees that the temporary abandonment premium should be restricted to the current wine-year, and agrees with the proposal for a regulation on the granting of permanent abandonment premiums. This is the key measure in the arrangements for modifying the COM in wine. If this regulation can be made operative, a start may be considered as having been made to finding a solution to the problems of the wine market.

(1) SUTRA resolution, OJ No. C 334/82

11. The rapporteur agrees with the amounts laid down, provided that they are reviewed at least every two years, the minimum of 25 ares for granting the premium and the other limitations provided for.
12. In view of the importance of this regulation, the rapporteur feels that the expenditure allocated should be commensurate with the aims to be achieved. It should not be forgotten that from the medium-term economic point of view, a good Community investment in the implementation of this regulation will be much more profitable than continuing to spend variable annual amounts on distillation - including compulsory distillation - and the disposal of alcohol. This measure must be considered as central to the whole sector in the present circumstances.

(e) Compensation for wine cooperatives

13. The rapporteur agrees that compensation must be provided for cooperatives in view of the reduced scale of activity to be achieved by the measures under consideration. However he suggests that such aid should be granted on a progressive scale, proportionate to the reduction in production.

As regards the Commission's proposals on market measures, we would make the following observations:

14. The situation on the market in the wine-year 1982/83 was characterized by an increase in Community wine production (22.6% compared with the year 81/82) which by far exceeded the increase in total consumption (+ 3.6%). The resulting rate of self-supply was 128.4%. However, if the quantities distilled are taken into account, the figure actually falls to 110.8%, which is still worrying (see attached table). Market prices remained somewhat depressed, being on average less than 80% of the guide price, even falling to less than 50% of the guide price in the case of certain types of wine.
15. In these circumstances a careful consideration of the administrative measures laid down by the COM seems necessary. Actually, even if the measures aimed at restoring structural balance in the medium and long term were adopted effectively and applied consistently it would not be possible to expect an improvement in the market in the near future.

The market intervention measures used by the Commission to enable it to withdraw products from the market are the following:

- distillation supplementary to long-term storage contracts;
- preventive distillation;
- compulsory distillation of wines obtained from table grapes and others;
- distillation of the by-products of vinification;
- compulsory distillation;
- support distillation.

16. In the past two wine-years this system could not be applied properly because of the tenuous links between the various types of distillation and the fact that they are often activated after some delay, mostly owing to the lack of a clear and comprehensive reference framework of market conditions on which to build these intervention measures. Incomplete or incorrect statements regarding production provided by Member States have contributed to the unsatisfactory running of the market. In particular, the whole package of intervention measures should be determined at the beginning of the wine-year if it is to have a real influence on market prices and the behaviour of producers and commercial operators.
17. The rapporteur is convinced that it is possible, by using these instruments of intervention, to give the right kind of guidance and support to the wine market with the aim of:
- giving preferential treatment to quality wines and the best wine-growing areas and
 - guaranteeing the incomes of producers - especially small ones - of better wine in areas where there are no alternative types of farming.

To this end we feel that before the beginning of the wine-year and certainly before 31 December the Commission must:

- (a) draw up a realistic estimate of the quantity of wine available, based on any information it judges to be useful and particularly that acquired from direct surveys;
- (b) consider, at the same time, the probable use to be made of the wine, and hence trends in the trade balance, direct consumption and industrial uses;
- (c) decide what quantity of wine should be withdrawn from the market in order to guarantee satisfactory price levels, on the basis of the information mentioned under (a) and (b) above;
- (d) adjust the total amount to be disposed of using the various forms of distillation (quantity and price) in order to achieve the objectives mentioned above, for the various types of wine and the various areas;
- (e) consequently also determine at what point to activate compulsory distillation, which should be automatic but based on actual market conditions determined on a year-to-year basis;
- (f) decide, in accordance with the Management Committee procedure, on the implementation of compulsory distillation on the basis of the total quantity which, after other forms of intervention have been decided on, should be distilled, remembering that:
 - . the price must fall as the yield per hectare of each producer rises;
 - . the yardstick for assessing how much to penalize producers must be the average regional yield, in order to make allowance for differing climatic and soil conditions;
 - . the size of the farm and the wine-growing potential of the area in which it is situated (with particular reference to the difference between irrigated hill country and flat land) must be taken into account in order to combat surplus production effectively.

18. In contrast to the regulation currently in force, these arrangements would boost compulsory distillation which must be triggered promptly when market conditions so require. Adjustment on the basis of the usual yields of the various regions, as already laid down in Regulation 2144/82, should continue to be made.
19. The rapporteur cannot accept, however, that the reference quantity should be established for 10 years - i.e. until the end of the 1989/90 marketing year - on the basis of the three reference years 1981-1984. This would make it impossible for changes which occur following the application of structural measures to be reflected in the management of the market.
20. In the rapporteur's opinion, this system is capable of combating surplus production. There is thus no justification at all for the proposal to freeze prices, which might have a detrimental effect on small producers in good wine-growing areas and the best quality products.
21. A further element which produces an unnecessary lack of flexibility is the establishment of a fixed percentage - 85% in the Commission's proposal - for the introduction of reference production. The rapporteur believes that this constraint would be damaging and that the point at which compulsory distillation is triggered should be decided each year by the Commission on the basis of, on the one hand, market conditions and, on the other, the reference quantity, which must take account also of the results of the implementation of structural measures.
22. The rapporteur welcomes the proposal that the quantity of wine to be delivered for compulsory distillation should be broken down between the various regions of the Community, provided that the regions are indicated by the Member States and correspond to administrative regions so as to facilitate the application and control of this measure.
23. The wine market management measures as a whole take account of some of the requirements which will arise following the accession of the two candidate countries, Spain and Portugal. In particular, the introduction of regional reference parameters will protect the Community against the danger of possible increases in the regional yields of the future new members of the Community, while at the same time offering adequate guarantees to Spanish and Portuguese wine growers that they will be joining and participating in a market organization to which balance is being restored.
24. In accordance with the principle of laying down blanket measures (see paragraph 6), the rapporteur feels that it is of fundamental importance for the Commission simultaneously to submit other measures needed to restore lasting balance in the sector, thus adding the finishing touches to the common organization of the market in wine in the long and medium term.
25. Expansion of markets

The proposals made by the Commission to promote the consumption of grape juice do not seem sufficient and we feel decisive action by the Community in accordance with Article 41(b) of the Treaty is called for, in particular:

- a policy of export promotion, ensuring that no barriers to international trade are created in contravention of GATT rules;
- determined research efforts to find new uses for the sector's by-products;
- harmonization of the excise duties on consumer prices in the various Member States;
- projects to promote the consumption of new grape-based drinks (for example drinks with a low alcohol content, fizzy drinks made from grapes, etc.).

26. The vinification of table grapes

This practice, which at present is tolerated for domestic purposes (the transport of wine made from table grapes is prohibited unless it is being delivered to distilleries) accounts for a large proportion of the output sent for distillation - about 8 million hectolitres, according to unofficial estimates. In order to relieve the burden on the wine market, it should be absolutely forbidden to make wine from table grapes and the rules governing the COM in fruit and vegetables should be altered to widen the range of opportunities for intervention for grapes.

27. Viticultural register

The establishment of a viticultural register was mentioned by the Commission in its communication of July 1984. The rapporteur wishes to emphasize the urgent need for this instrument - essential for the correct application of the measures under consideration - to be submitted formally to the Council for simultaneous adoption.

28. Wine deliveries

It would be advisable to increase the rate of compulsory distillation for marcs and lees from 8% to 10%, as proposed by the Commission, and extend it to those areas which are now exempt. This would make it possible to withdraw from the market some of the products which are normally used for enriching low-quality wine.

29. Rectified concentrated must

With a view to generalized use, it would be a good idea for the Commission to submit proposals regarding the qualitative level of must, campaigns to provide the producers concerned with information on the uses of must and, furthermore, there should be more extensive opportunities for developing the must processing industry in the Community, by implementing Regulation 355/77.

Harmonization of taxes

Although the tax situation has improved considerably in at least one Member State - the United Kingdom - following the judgment of the Court of Justice in Case 170/78 of 12 July 1983, and in particular after the decision of the British Parliament of 13 March 1984, the Commission needs to submit a proposal aimed at harmonizing taxes in all the Member States in line with the guidelines given by the Court of Justice and as called for by the European Parliament in its resolution of 13 April 1984 (1).

(1) Ligios report, Doc. 1-48/84, OJ No. C 127/84

SUPPLY AND USE OF WINE

(1 000 hl)

ITEIS	1971/75	1976/80	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82	1982/83	forecast for 1983/84
Production	152 328	155 503	153 823	133 471	143 942	182 414	163 866	140 064	171 935	167 303
Community distillation	5 786	9 849	5 390	1 029	1 669	18 231	222 928	13 903	21 270	34 860
Stock variations	- 618	+ 2 322	+ 3 363	- 7 358	+ 2 288	+15 967	- 2 651	-14 992	+12 871	- 7 422
Trade balance (1)	+ 2 115	- 1 217	+ 192	+ 964	- 1 534	- 3 886	- 1 821	- 5 262	- 3 927	+ 5 606
Industrial uses (2)	15 265	12 116	13 066	10 247	10 500	13 992	12 774	10 281	11 110	7 949
Direct consumption	133 199	129 226	131 442	129 760	127 184	129 458	128 284	124 848	121 944	125 433
Rate of self-supply (%)	102,0	109,4	105,9	94,8	104,0	126,4	115,6	103,1	128,4	124,6

(1) + import surplus, - export surplus
 (2) Processing and losses

Source: EUROSTAT - Information from Member States

Motion for a resolution (Document 2-418/84) tabled by Mr d'ORMESSON pursuant to Rule 47 of the Rules of Procedure on the measures necessary to improve the common market in wine and ensure that the regulations in the wine sector are applied

The European Parliament,

- A - whereas any measures to improve the Community market in wine must be compatible with the rules governing the wine sector contained in Regulation No. 337/79 on the common organization of the market in wine and must comprise checks on how the rules are applied; the promotion of high-quality products and their export and the application of common prices and identical excise duties,
- B - having regard to the proposal for a Council regulation (EEC) amending Regulation (EEC) No. 337/79 on the common organization of the market in wine (COM(83) 639 final) with regard to prices and related measures,
- C - regrets that these proposals make no provision for the reduction of excise duty on wine, despite the fact that such a reduction would appear to be essential to achieving a balance on the market and eliminating the obstacles to the free movement of wine in certain Member States which impose prohibitive duties on wine,
- D - regrets the amendment made to Article 7 of the Regulation, since the short-term storage of wine in fact relieves pressure on the market by withdrawing large volumes of wine from sale in periods of crisis. It is also unfortunate that the elimination of this measure will not even reduce the burden on the budget as it will lead to a significant increase in the volume of long-term contracts,
- E - calls for incentives to encourage the use of concentrated must for enrichment, more specifically by the granting of Community aid, reserved for producers, and not exceeding a certain yield per hectare,
- F - calls for the introduction of effective control of the downgrading of quality wines produced in specified regions, particularly when they have been enriched,

G - considers that the revised version of paragraph 6 of Article 15 which refers to 'one or more wine-growing zones or parts of wine-growing zones'¹ may prove to be difficult to apply, since it may give rise to protests from adjacent areas that are excluded from the intervention measures. The status quo would therefore be preferable,

H- considers, with regard to paragraph 8 of the same article, that the minimum basis for, the amount of aid for distillation should be 88% of the guide price and that the volume covered by the guarantee should be defined in terms of pure alcohol, with a minimum level of 1,200,000 hl for the Community as a whole,

I -proposes stricter limits on enrichment margins for certain wine-growing zones and the strengthening of the rules on coupage which would then apply exclusively to wines where the difference in alcoholic strength does not exceed 2°,

J- proposes that when the need for compulsory distillation arises, after calculation of the Community surplus, account should be taken of the size of national surpluses, on the basis of the 'availability - utilization' ratio, a standard yield should then be established and finally qualitative criteria should be considered so as to eliminate the poorest quality wines first,

K- regrets that proposal (83) 639 makes no provision for changes in the arrangements for preventive distillation,

L- proposes therefore that clear incentives should be provided for preventive distillation, which should be opened automatically as from 1 September, in the form of an adequate difference in price compared to the prices for compulsory distillation, irrespective of whether or not this has already been decided upon. This would rationalize the market situation from the beginning of the season,

1. Recalls:

- (a) that each wine-producing Member State is obliged to submit as soon as possible the results of its surveys of the situation in the wine-growing sector (area under cultivation, area planted, grubbing),

¹ Zones:

- . North A and B - Loire Valley, Burgundy, Germany (A)
- . Centre C I Bordeaux
- . South C II - Languedoc, Tuscany
- . Far South C III - Puglia, Sardinia, Sicily, Corsica

(b) that the declarations of yield should include rosé wine as well as red and white wine, so that the rules governing red and white wines would also apply to rosé wines,

(c) the following proposal for the definition of rosé wines:

Rosé wine: the product obtained from special processing, i.e. either the white wine process or the red wine process with shortened fermentation, using black grapes only or black

and white grapes and blended before delivery to the vat, Rosé wines may not be obtained from the coupage of still wines of different colours. They shall have the following analytical characteristics - a rating of less than 20 on the FOLIN CIOCALTEU scale and a colour intensity of less than 2 at one centimetre.

(d) the need to set up an effective Community Department to combat fraud with the power to impose sanctions in respect of illegal coupage or enrichment, false declarations and the production of blended wines which damage the reputation of table wines in general.

2. Instructs its President to forward this resolution to the Council and the Commission.

Motion for a resolution (Document 2-542/84) tabled by Mr Nino PISONI, Mr CHIABRANDO, Mr GAIBISSO and Mr POMILIO pursuant to Rule 47 of the Rules of Procedure on the Community market in wine

The European Parliament,

- A. whereas, as a result of the surpluses in the Community market in wine, the Community is being persuaded to limit intervention aid to this market,
- B. whereas any measure limiting wine production has a severe effect on the incomes of growers who are already facing serious difficulties,
- C. whereas many Community countries impose prohibitive duties thereby impeding the free circulation of wine,
 - 1. Asks the Commission to call on Member States to abolish such duties applied to wines classified by individual Member States as 'of designated origin', with a view to encouraging the free marketing of quality wines, which would strengthen the wine market as a whole and require the modification of the regulations in force which are out of date in the current situation;
 - 2. Requests the Commission also to take steps to prevent the marketing of wines to which sugar has been added, with a view to excluding low quality wines from the market;
 - 3. Instructs its President to forward this resolution to the Council, the Commission and the governments of the Member States.

MOTION FOR A RESOLUTION (DOCUMENT 2-550/84)
tabled by Mr EPHREMIDIS, Mr ADAMOU and Mr ALAVANOS
pursuant to Rule 47 of the Rules of Procedure
on measures for Greek wines of designated origin

The European Parliament,

- A. whereas in Greece wines of designated origin account for only 5% of total Greek wine production (Germany 96%, France 23%),
- B. whereas soil and climatological conditions in Greece are very favourable for the development of wine-growing and, in particular, for varieties of vines which would produce wines of designated origin and also having regard to the fact that there are hundreds of thousands of vine-growers, particularly small-scale growers, whose income and families are dependent on viticulture,
- C. whereas research in Greece into the choice and development of quality varieties should be continued and, given Greek soil conditions, wine-growing with quality varieties producing wines of designated origin can and should be extended,
- D. whereas Greece should modernize its underdeveloped technological infrastructure which is a precondition for improving the quality of the wines produced,
- E. whereas the Commission decision banning the planting of new vines producing wines of designated origin is particularly damaging to Greece as it deprives it of the opportunity of gearing itself towards quality varieties,

Calls on the Commission and the Council:

1. To abolish the regulations and decisions limiting in Greece the expansion of vine varieties producing wines of designated origin;
2. To approve and subsidize by means of the Community programme systematic research into the choice of suitable varieties and the introduction of the appropriate agricultural technology for their cultivation;

3. To provide substantial incentives and grants to promote replanting of vineyards with new varieties producing wines of designated origin;
4. To provide incentives and grants for the modernization of the technological infrastructure with a view to finely controlling wine production, thereby improving the quality of the wines produced;
5. Instructs its President to forward this resolution to the Commission and the Council.

MOTION FOR A RESOLUTION (DOCUMENT 2-584/84)

tabled by Mr MUSSO, Mr MOUCHEL, Mr MACSHARRY, Mr FANTON, Mr PASTY, Mr GUERMEUR and Mr BARRETT on behalf of the Group of the European Democratic Alliance pursuant to Rule 47 of the Rules of Procedure on changes which are urgently necessary in the wine and wine products sector

The European Parliament,

- A. whereas the Commission has once again drawn up proposals in an attempt to hold down surpluses in the wine and wine products sector,
- B. whereas the Commission's approach is based solely on budgetary considerations,
- C. having regard to the need for wine growers to be assured stable and equitable earnings and for stability of employment to be safeguarded in this sector for thousands of producers in the Community, in particular in the South of France and Corsica,
- D. whereas the earnings of French, Italian and other wine growers have been seriously eroded for many years,
 1. Makes an unequivocal appeal to the Commission to deal with the underlying problems in the wine and wine products sector, by proposing long term solutions which are made all the more necessary by the negotiations on enlargement;
 2. Calls for permanent and systematic intervention to be established at a satisfactory level;
 3. Calls for harmonization of the cost factors borne by European wine growers; at present these factors vary widely and are seriously prejudicial to French wine growers;
 4. Asks for storage contracts to be maintained with a completion guarantee;
 5. Calls for supplementary measures to facilitate distillation;
 6. Advocates the introduction of an active policy for the export of Community wines and wine products of high quality to third countries through the provision of adequate refunds extended to new countries;
 7. Asks for every effort to be made to promote the consumption of wine;
 8. Advocates further the effective introduction of a minimum price for intra-Community product movements;
 9. Warns the Commission, on the subject of chaptalization, that the transition from the existing system to the proposed new system should not penalize whole wine growing regions which have for a great many years been organized around chaptalization;

ANNEX IV



10. Insists on the need to widen available markets, in particular by harmonizing and effectively reducing excise duties;
11. Insists upon the fact that the above proposals are simply a first step and that further action will definitely be necessary;
12. Points out accordingly that the only acceptable answer is a unified regulation covering the wine and wine products sector, dealing with the underlying problems and bringing long term solutions;
13. Instructs its President to forward this resolution to the Council and Commission of the European Communities.

OPINION OF THE COMMITTEE ON BUDGETS

Letter from Mr COT, chairman of the Committee on Budgets to Mr TOLMAN,
chairman of the Committee on Agriculture, Fisheries and Food

Subject: Proposals for regulations on wine-growing and amending Regulation
(EEC) No. 337/79 on the common organization of the market in wine
(COM(84) 515 - Doc. 629/84 and COM(84) 539 - Doc. 780/84)

Dear Mr Tolman,

The Committee on Budgets considered the above proposals at its meeting of
10 December 1984.

It noted that the decisions taken by the European Council in Dublin had
created a new situation and rendered part of the Commission's proposals
obsolete. Noting therefore that the subject on which it had been consulted
was not clearly defined, the Committee on Budgets did not feel it could give
an opinion.

The Committee on Budgets considers that it must be consulted once again on
the new proposals from the Commission. In view of the expected financial
consequences, this is likely to lead to conciliation procedure with the
Council.

Yours sincerely,

(sgd) J.P. COT

Present: Mr COT, chairman; Mr RYAN and Mr CURRY, vice-chairmen; Mr
d'ORMESSON, draftsman; Mr ADAM, Mr BARDONG, Mr BONDE, Mrs BOSERUP,
Sir Fred CATHERWOOD, Mr CHRISTODOULOU, Mr COLLINOT, Mr CORNELISSEN,
Mr DANKERT, Mr EBEL (deputizing for Mr MIZZAU), Lady ELLES, Mr
LALOR, Mr LOUWES, Mr NORMANTON, Mr PASTY, Mr POETSCHKI (deputizing
for Mr LANGES), Mr SCHREIBER (deputizing for Mrs HOFF), Mrs
SCRIVENER, Mr SUTRA (deputizing for Mr RIGO), Mr TOMLINSON, Mrs VAN
HEMELDONCK (deputizing for Mr ARNDT) and Mr VON DER VRING.

