

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(78) 260 final Volume III
Brussels, 4 August 1978

Proposal for a
COUNCIL REGULATION (EEC)
amending Regulation (EEC) No 816/70 laying down additional provisions
for the common organization of the market in wine

Proposal for a
COUNCIL REGULATION (EEC)
on the grant of conversion and permanent abandonment premiums in
respect of certain areas under vines

Proposal for a
COUNCIL REGULATION (EEC)
establishing a system of premiums for the cessation of wine-growing

(Submitted by the Commission to the Council)

Proposal for
COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 816/70 laying down additional
provisions for the common organization of the market in wine

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Having regard to the Opinion of the Economic and Social Committee,

Whereas, experience shows that certain amendments should be made to Council Regulation (EEC) No 816/70 of 28 April 1970 laying down additional provisions for the common organization of the market in wine¹, as last amended by Regulation (EEC) No 2560/77², in particular to strengthen the mechanisms for the management of the market;

Whereas raising the alcoholic strength by the use of concentrated grape must can sometimes cause difficulties, notably by altering the quality characteristics of certain wines; whereas scientific and technical advances have been made which enable rectified concentrated grape must to be produced and used, thereby avoiding such difficulties; whereas it therefore appears necessary to amend the provisions of Regulation (EEC) No 816/70 so as to permit the manufacture of the abovementioned product;

¹ OJ No L 99, 05.05.1970, p. 1

² ON No L 303, 28.11.1977, p. 1

Whereas Council Regulation (EEC) No 1162/76 of 17 May 1976 on measures designed to adjust wine-growing potential to market requirements³, as amended by Regulation (EEC) No 3140/76⁴, provides for the adoption, before 1 October 1978, of structural measures to adapt wine-growing potential to the outlets available; whereas such measures will not yield results for several years; whereas it is meanwhile essential, during a transitional period covering four wine-growing years, to adopt certain measures relating to the intervention mechanisms which have sometimes not succeeded in restoring price levels in cases of short-term imbalance on the market in table wines; whereas, to remedy that shortcoming and to assure producers of a fair income in the period ahead, provision should be made for bringing about an improvement in prices by prohibiting the marketing, below a minimum price, of types of table wines the price of which remains very low for three consecutive weeks and, at the same time, for distilling such table wines, provided that they meet certain quality standards;

Whereas Article 24a of Regulation (EEC) No 816/70 lays down that the alcohol content of by-products of wine-making delivered for obligatory distillation may be increased by from 0 to 6%; whereas to ensure better control of the market, it would appear necessary to increase the range of the increase to 8%; whereas, having regard to the need to ensure that the obligations are balanced as between different regions of the Community, producers whose vineyards are located in the Italian parts of the C zones should no longer be exempt from the increase, although the maximum rate applicable in their case should be limited to 5%;

³ OJ No L 135, 24.05.1976, p. 32

⁴ OJ No L 354, 24.12.1976, p. 4

Whereas, to ensure that the conditions of competition are comparable between the various products which can be used to increase natural alcoholic strength, aid should be granted in respect of the use of products the price of which involves higher production costs for producers who have to resort to them;

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 816/70 is amended as follows:

1. The second indent of Article 1(4)(b) is replaced by the following text:

" Community-produced grape must with fermentation arrested by the addition of alcohol, concentrated grape must, rectified concentrated grape must, wine suitable for yielding table wine, table wine, liqueur wine, sparkling wine, aerated sparkling wine, semi-sparkling wine and aerated semi-sparkling wine;"

2. Article 19 of Regulation (EEC) No 816/70 is amended as follows:

Paragraph 1 is replaced by the following text:

"1. The increase in natural alcoholic strength provided for in Article 18 may only be effected:

(a) in respect of fresh grapes, grape must in fermentation or new wine still in fermentation, by adding sucrose, concentrated grape must or rectified concentrated grape must;

(b) in respect of grape must, by adding sucrose or concentrated grape must or rectified concentrated grape must or by partial concentration;

(c) in respect of wine suitable for yielding table wine and table wine, by partial concentration through cooling."

Paragraph 4 is replaced by the following text:

"4. The addition of concentrated grape must or rectified concentrated grape must shall not have the effect of increasing the initial volume of fresh crushed grapes, grape must, grape must in fermentation or new wine still in fermentation, by more than 11% in wine-growing zone A, 8% in wine-growing zone B and 6.5% in wine-growing zones C.

If Article 18(2) is applied, the limits on increases of volume shall be raised to 15% in wine-growing zone A and to 11% in wine-growing zone B."

3. Article 21(1)(b) is replaced by the following text:

"(b) with concentrated grape must or rectified concentrated grape must or grape must, provided that the total alcoholic strength of the table wine in question is not raised by more than 2°, if the products mentioned under (a) have not been the subject of one of the processes mentioned in Article 19(1)."

4. The second subparagraph of Article 22(1) is replaced by the following text:

"Each of the processes referred to in the first subparagraph must be notified to the competent authorities. The same shall apply in respect of the quantities of sucrose or concentrated grape must or rectified concentrated grape must held in the exercise of their profession by natural or legal persons, in particular producers, bottlers, processors and merchants to be determined, at the same time and in the same place as fresh grapes, grape must, grape must in fermentation or wine in bulk. The notification of these quantities may, however, be replaced by entry in a goods inwards and stock utilization register."

5. Article 271(1) is replaced by the following text:

"1. Unless otherwise decided by the Council acting on a proposal from the Commission in accordance with the voting procedure laid down in Article 43(2) of the Treaty, only grapes from recommended or authorized vine varieties as referred to in Article 16 and products derived from such grapes may be used within the Community for the production of:

- grape must with fermentation arrested by the addition of alcohol,
- concentrated grape must,
- rectified concentrated grape must,
- wine suitable for yielding table wine,
- table wine,
- quality wine p.s.r.,
- liqueur wine."

6. Article 28 is amended as follows:

The first subparagraph of paragraph 2 is replaced by the following text:

"2. Unless otherwise decided by the Council acting on a proposal from the Commission in accordance with the voting procedure laid down in Article 43(2) of the Treaty, fresh grapes, grape must, grape must in fermentation, concentrated grape must, rectified concentrated grape must, grape must with fermentation arrested by the addition of alcohol, grape juice and concentrated grape juice originating in non-member countries may not be turned into wine or added to wine in the territory of the Community."

Paragraph 3 is replaced by the following text:

"3. The products mentioned in the first subparagraph of paragraph 2 shall be subject to control with respect to their use. The addition of an indicator to imported grape must, imported grape must in fermentation, imported concentrated grape must, imported rectified concentrated grape must, imported must with fermentation arrested by the addition of alcohol and imported grape juice, whether or not concentrated, may be made compulsory."

7. Annex II is amended as follows:

Point 4 is replaced by the following text:

"4. Concentrated grape must: uncaramelized grape must which is:

- obtained by partial dehydration of grape must carried out by any authorized method other than direct heat of a fire in such a way that its density at 20°C is not less than 1.240 nor more than 1.320;

- derived exclusively from vine varieties referred to in Article 16,
- produced within the Community, and
- obtained from grape must having at least the minimum natural alcoholic strength laid down for the wine-growing zone in which the grapes were harvested."

The following text is inserted after point 4:

"4a - Rectified grape must:

the liquid uncaramelized product which

- is obtained by partial dehydration of grape must, carried out by any authorized method other than direct heat of a fire in such a way that its density at 20°C is not less than 1.350 nor more than 1.420
- has undergone authorized treatment for de-acidification and elimination of components other than sugar, so that its acidity, expressed as tartaric acid, is not greater than 0.1 g/l and its ash content is not greater than 0.12 g/100 g of sugar
- has a
 - total phenol content not greater than 150 mg/l
 - simple phenol content not lower than four-fifths of total phenols
 - tannin content not greater than one-fifth of total phenols
- shows only traces of sucrose
- is derived exclusively from the vine varieties referred to in Article 27a
- is produced within the Community."

8. The following paragraph is added to Annex IIa:

"1a Oenological practices and processes which may be applied to grape must intended for manufacture of concentrated rectified grape must:

- (a) aeration;
- (b) thermal treatment;

- (c) centrifuging and filtration, with or without an added inert filtering agent, on condition that no undesirable residue is left in the product so treated;
- (d) use of sulphur dioxide (or potassium metabisulphite, also called potassium disulphite or potassium pyrosulphite);
- (e) elimination of sulphur dioxide by physical processes;
- (f) treatment with charcoal for oenological use;
- (g) use of calcium carbonate, which may contain small quantities of double calcium salt, L(+) tartaric and L (-) malic acids;
- (h) use of ion exchange resins under conditions to be laid down."

Article 2

The following Article is added to Regulation (EEC) No 816/70:

"Article 6e

1. When harvest forecasts show the need to undertake enrichment of a substantial proportion of production, the Council, acting on a proposal from the Commission in accordance with the voting procedure laid down in Article 43(2) of the Treaty, may decide to grant aid for concentrated grape musts and concentrated rectified grape musts produced in wine-growing zone C III, used to increase the natural alcoholic strength referred to in Article 18.

The Council shall, in accordance with the same procedure, adopt general rules on granting the aid referred to in the first paragraph and fix the amount of the aid.

2. The detailed rules for the application of this Article shall be adopted in accordance with the procedure provided for in Article 7 of Regulation No 24.

Article 3

The following Article is added to Regulation (EEC) No 816/70:

"Article 7a

1. Where the representative price for a type of table wine remains below 85% of the guide price for three consecutive weeks despite implementation of all the intervention measures provided for in this Regulation and including that referred to in Article 7, the Council, acting by a qualified majority on a proposal from the Commission in accordance with the voting procedure laid down in Article 43(2) of the Treaty, may decide to prohibit the marketing of table wines of this type below a minimum price to be set by the Council at the same time.

The minimum price referred to in the subparagraph above shall be adjusted for some production regions, depending on their proximity to the areas of use, so as to ensure that price formation takes its normal course.

2. When it is decided to prohibit marketing as referred to in paragraph 1 the Council, acting on a proposal from the Commission in accordance with the voting procedure laid down in Article 43(2) of the Treaty, shall at the same time take a decision to allow distillation of the wines of the type in question which meet the analytical quality requirements set for wines which may be the subject of long-term storage contracts.
3. The Council, acting on a proposal from the Commission in accordance with the voting procedure laid down in Article 43(2) of the Treaty, shall adopt provisions to govern the distillation referred to in paragraph 2 and in particular:
 - the purchase price of the wine delivered for distillation,
 - the conditions under which distillation may be carried out,
 - the amount of the aid to facilitate disposal of the products obtained,
 - the price to be paid for the alcohol taken over by intervention agencies,
 - the share of the intervention agencies' expenditure to be financed by the Guarantee Section of the EAGGF.

4. The level of the minimum price referred to in paragraph 1 and the provisions on distillation referred to in paragraph 2 must be such as to enable the market price rapidly to attain a level equal to or higher than the activating price.
5. These detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24. They may also cover provisions relating to the control measures to be adopted by the Member States to ensure that the minimum price is respected.
6. The provisions of this Article shall apply only for the wine-growing years 1978/79, 1979/80, 1980/81 and 1981/82.

Article 4

Article 24a of Regulation (EEC) No 816/70 is replaced by the following text:

"Article 24a

1. The quantities of alcohol referred to in Article 24(3) may be increased.

From the 1978/79 wine-growing year the additional rate to be fixed shall range from 0 to 8%. It shall be fixed on the basis of data contained in the forward estimates before 15 December of each year. The rates actually applied must however be such as to ensure that each region of the Community bears a fair share of the obligation and that the compulsory distillation of wines obtained from table grapes referred to in Article 24b is taken into account.

A decision may be taken to adjust the additional rate, according to region, on the basis of one or more of the following criteria:

- the yield per hectare,
- the vine variety,
- the colour or type of wine,
- the alcoholic strength.

2. The increase referred to in paragraph 1 shall apply to all wine producers except those:

- whose vineyards are situated in the Italian parts of the C zones
- who produce quality wines psr; the exception shall cover the part of their production to which this designation applies;
- who are exempt under Article 24(2) and (5) and the second subparagraph of (6).

However, from the 1978/79 wine-growing year, if the additional rate is fixed at a level exceeding 3%, the producers referred to in the first indent shall not be subject to an increase exceeding 5%.

3. The buying-in price for wine delivered for distillation under paragraph 1 shall be 50% of the guide price for table wine of type A I which

enters into force in the year of the harvest concerned.

However, for the wine-growing years 1976/77, 1977/78 and 1978/79, it shall be fixed at 63%, 60% and 55% respectively of the guide price referred to in the above subparagraph.

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

4. The Council, acting on a proposal from the Commission in accordance with the voting procedure laid down in Article 43(2) of the Treaty, shall adopt general rules concerning the distillation referred to in paragraph 3, and in particular:

- the conditions under which distillation may be carried out,
- the price to be paid for the alcohol taken over by the intervention agencies,
- the share of the intervention agencies' expenditure to be financed by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund.

5. The decision fixing the additional rate referred to in paragraph 1 and the detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24."

6. The Council shall take a decision on the maximum level of the additional rates referred to in paragraphs 1 and 2 applicable from the 1981/82 wine-growing year, on the basis of a report by the Commission to be presented before 1 August 1981.

Article 5

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

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

Done at Brussels

For the Council
The President

FINANCIAL STATEMENT

DATE : 24.7.78

1. BUDGET LINE CONCERNED : Art. 691 APPROPRIATIONS 202.3 m u.a.

2. ACTION : Proposal for a Council Regulation, amending Regulation (EEC) No 816/70 laying down additional provisions for the common organization of the market in wine.

3. LEGAL BASIS : Articles 42 and 43 of the Treaty

4. OBJECTIVES : Amendments to Regulation (EEC) No 816/70 to improve the situation on the market in table wine.

5. FINANCIAL CONSEQUENCE	FOR THE MARKETING YEAR	CURRENT FINANCIAL YEAR	FOLLOWING FINANCIAL YEAR
5.0 EXPENDITURE		()	()
-CHARGED TO THE EC BUDGET (REVENUES / EXPENDITURES)	20 m u.a.	5 m u.a.	20 m u.a.
- CHARGES TO NATIONAL ADMINISTRATIONS	= 22 m EUA	= 5.4 m EUA	= 22 m EUA
- CHARGES TO OTHER NATIONAL GROUPS			
5.1 RECEIPTS			
XX - CHARGES TO THE EC BUDGET (REVENUES / EXPENDITURES)			
XXXXXXXX			

	1979	1980	1981
	YEAR	YEAR	YEAR
5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE			
5.1.1 PLURIANNUAL PATTERN OF RECEIPTS	20 m u.a. = 22 EUA		

5.2 METHOD OF CALCULATION
 Art.1: No effect

Art.2: The enrichment by 2 degrees of 1 million hl of wine, with an aid of about 1 u.a. per °/hl will cost 2 m u.a. If this measure is put into effect an average of 10 million hl of wine could be enriched which would lead to expenditure of about 20 m u.a. If the wine harvest were bad, the quantities to be enriched could amount to as much as 22.5 million hl involving expenditure of about 45 m u.a. However, this enrichment would contribute towards a certain reduction in the raw material available for wine-making. (see following page)

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ? ~~XXX~~/NO

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ? YES ~~XX~~

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ? ~~XXX~~/NO

6.3 CREDITS TO BE WRITTEN INTO FUTURE BUDGETS ? YES ~~XX~~

COMMENTS :

¹ This estimate is for a so-called normal wine harvest. In the case of a large harvest Articles 3 and 4 would probably apply and would involve additional expenditure (see explanations on Articles 3 and 4).

Art. 3: Since the amount of the aid and the part to be financed by the EAGGF, Guarantee Section, will, if this measure is applied be the subject of proposals to the Council and in view of the fact that the quantity to be distilled will depend on the wine harvest and the buying-in price, it is therefore difficult to estimate the financial effect at present.

However, as an indication, the following table shows the expenditure per million hl distilled at different buying-in prices starting with the guide price of 2 u.a./ /hl.

Buying-in price as a percentage of the guide price	Cost per million hl to the EAGGF (aid and part to be financed)
85%	13.5 m u.a.
75%	11.5 m u.a.
65%	9.5 m u.a.

Art. 4: It should be noted that the present rules already provide for an additional rate of 6%. The 1% increase will lead to the distillation of a further 1 million hl which will cost the EAGGF, Guarantee Section, 6.5 m u.a. If the maximum rates are applied the expenditure could reach 23 m u.a.

Proposal for
COUNCIL REGULATION (EEC)

on the grant of conversion and permanent abandonment premiums
in respect of certain areas under vines

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament¹,

Having regard to the opinion of the Economic and Social Committee²,

Whereas the disparity between the production and consumption of wine in the Community cannot be attributed merely to cyclical variations; whereas the intervention measures for stabilizing markets, provided for in Council Regulation (EEC) No 816/70 of 28 April 1970 laying down additional provisions for the common organization of the market in wine³, as last amended by Regulation (EEC) No⁴, have proved to be inadequate; whereas experience gained from the implementation of Council Regulation (EEC) No 1163/76 of 17 May 1976 on the granting of a conversion premium in the wine sector⁵, as last amended by Regulation (EEC) No 1155/78⁶, has

1

2

³OJ No L 99, 05.05.1970, p. 1

4

⁵OJ No L 135, 24.05.1976, p. 34

⁶OJ No L 144, 31.05.1978, p. 9

shown that greater efforts need to be made to reduce Community wine-growing potential; whereas to encourage wine-growers to act accordingly, premiums should be granted for the conversion or permanent abandonment of areas under vines of categories II and III within the meaning of Regulation (EEC) No⁷; whereas to avoid unjustified expenditure, such premiums should not be granted in respect of areas under vines for which producers have already received other premiums pursuant to Council Directive 78/627/EEC of 19 June 1978 on the programme to accelerate the restructuring and conversion of vineyards in certain Mediterranean regions in France⁸, and Council Regulation (EEC) No of 1978 [laying down measures for the modernization of wine-growing holdings]⁹;

Whereas the incentive for the conversion or abandonment of areas under vines should be so devised as to reduce the quantities of poor quality wine on the market; whereas it is therefore necessary to restrict the conversion premium to certain vine varieties the cultivation of which is undesirable and which are planted in category II areas and to all vine varieties planted in category III areas; whereas with the same end in view the abandonment premium should be available in respect of all vine varieties planted in category II or III areas;

Whereas to encourage producers to convert or, as the case may be, abandon areas under vines in the near future and thereby hasten the restoration of market equilibrium, a time-limit for the grant of the conversion premium and the abandonment premium should be laid down;

⁷ OJ No

⁸ OJ No L 206, 29.07.1978, p. 1

⁹ OJ No

Whereas to facilitate administration of the conversion and abandonment premiums time limits should be fixed for the submission of applications and conditions to be observed by the recipient should be laid down; whereas, in order to achieve lasting results, the recipient of the conversion premium should be required not to increase the area under vines for a given period and the recipient of the abandonment premium should be required never to increase the area under vines, if indeed he continues wine-growing at all; whereas, moreover, to ensure that wine-growing is abandoned permanently, it is essential to lay down that the areas abandoned are to be placed under restriction according to the legal provisions of the Member States;

Whereas the amount of the conversion premium must be set at a level which takes account of the cost of grubbing and, to some extent, of the prospective loss of income; whereas the amounts fixed for the conversion premium should therefore be differentiated according to the productivity of the areas under vines to be converted; whereas, having regard to the fact that the abandonment premium relates to areas which have already been grubbed and in respect of which the conversion premium has been granted, the amount of the abandonment premium should be fixed at the same level for the three marketing years following the grant of the conversion premium and, to encourage producers to cease wine-growing in the near future, the amount should be progressively reduced thereafter;

Whereas, in order to ensure the correct application of the system of premiums, it should be laid down that national aid designed to achieve the same objectives as those which are sought by the said system may be granted only where the applications relating thereto have been submitted before the entry into force of this Regulation;

Whereas all the measures considered are of Community interest and are designed to achieve the objectives laid down in Article 39(1)(a) of the Treaty; whereas they constitute a common measure within the meaning of Article 6(1) of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy¹⁰, as last amended by the Treaty of Accession¹¹,

HAS ADOPTED THIS REGULATION:

¹⁰OJ No L 94, 28.04.1970, p. 13

¹¹OJ No L 73, 27.03.1972, p. 14

Article 1

1. Wine-growers cultivating areas under vines classified in categories II and III within the meaning of Regulation (EEC) No shall, upon application and subject to the conditions laid down in this Regulation, be eligible for
 - a premium for the conversion of their areas under vines to other purposes;
 - a premium for the permanent abandonment of wine-growing, hereinafter called "abandonment premium".

2. Wine-growers in receipt of the special conversion premium provided for in Directive 78/627/EEC on the programme to accelerate the restructuring and conversion of vineyards in certain Mediterranean regions in France shall not be eligible for the abandonment premium.

3. Wine-growers who are in receipt of the premiums referred to in paragraph 1 may not subsequently receive the premiums provided for in Regulation (EEC) No [laying down measures for the modernization of wine-growing holdings].

Article 2

For the purposes of this Regulation:

- (a) grubbing means the complete elimination of all vine stocks on an area planted with vines.
- (b) replanting means the planting of vines within eight years of grubbing an equivalent area on the same holding.

- (c) new planting means a planting of vines which does not correspond to the definition of replating given in (b).
- (d) conversion means the cessation of vine cultivation on an area for eight years from the start of the wine-growing year following the grubbing of vines.
- (e) abandonment means the permanent cessation of vine cultivation on an area, attested by a legal restriction placed upon those areas in accordance with the provisions of the Member State concerned.

Article 3

1. For the wine-growing years 1978/79, 1979/80, 1980/81, 1981/82, 1982/83, 1983/84 and 1984/85 the conversion premium shall be granted:
 - (a) for the conversion of areas classified in category II within the meaning of Regulation (EEC) No planted with wine grape or table grape varieties,
 - in the category of provisionally authorized varieties,
 - obtained from interspecific crossings (direct-producer hybrids) in the category of authorized varieties,
 - or
 - on a list to be adopted.
 - (b) for the conversion of areas under vines classified in category III within the meaning of Regulation (EEC) No

2. The abandonment premium shall be granted in respect of the permanent cessation of wine-growing on areas which are classified in categories II or III within the meaning of Regulation (EEC) No and in respect of which the conversion premium has been granted.
The abandonment premium may be granted only during the eight marketing years following that in which the conversion premium was granted.
3. The conversion premium may not be granted in respect of
 - (a) areas planted with vines totalling less than 25 ares on any one holding,
 - (b) areas planted with vines in infringement of Community or national provisions,
 - (c) areas planted with vines which are no longer tended.
4. When the list of vine varieties referred to in the third indent of paragraph 1(a) is drawn up and subdivided according to geographical units in accordance with Article 17 of Regulation (EEC) No 816/70, account shall be taken of
 - the quality of the wines obtained from the varieties in question,
 - other Community measures to adapt wine-growing potential to market requirements,
 - market demand.
5. The conditions for granting the premium and the list of varieties referred to in the third indent of paragraph 1(a) shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24 .

Article 4

1. Applications for premiums shall be lodged with the departments appointed by the Member States,
 - as regards the conversion premium, before 31 December following the start of the wine-growing year during which the vines were grubbed;
 - as regards the abandonment premium, before 31 December of each year for the period referred to in the second subparagraph of Article 3 (2).

2. The grant of the conversion premium shall be subject to:

(a) the condition that since the entry into force of this Regulation, the only vine-planting the applicant has engaged in on his holding has been offset by the prior grubbing of an equivalent area under vines;

(b) a written declaration by the applicant to the effect that:

- by 1 April of the year following that in which the application is lodged, he will grub or have grubbed the vines on the areas for which the premium has been requested;
- he will not, before 31 March 1982, plant on the areas referred to in the first indent fruit trees of the varieties referred to in Article 1 of Council Regulation (EEC) No 794/76 of 6 April 1976 laying down new measures for the rationalization of fruit production in the Community;
- he will refrain from increasing the total area under vines on his holding by any planting which has not been offset by the prior grubbing of equivalent areas under vines, for a period of eight years from the start of the wine year following the date on which the grubbing referred to in the first indent was carried out ;
- annually during this period, when declaring his harvest, he will also declare the area under vines which is, and that which is not yet, productive;

(c) the applicant:

- being entitled, in accordance with national laws, to continue to cultivate the area concerned for the period referred to in the third indent of (b) above;
- producing, if he does not fulfil the condition referred to in the preceding indent, a written undertaking by the owner of the land that he will guarantee that the obligations referred to in (b) are complied with or that he will comply with them personally.

If, after the granting of the premium and in the course of the period referred to in the third indent of paragraph 2(b), all or part of the holding should pass to another party, the recipient of the premium of his assignees shall remain responsible for the execution by the successor of the undertaking entered into by the recipient, unless:

- the successor enters into such an undertaking in his own right for the remainder of the period,
- or
- the owner has given the undertaking provided for in the second indent of paragraph 2(c).

3. The grant of the abandonment premium shall be subject to:

- (a) the condition laid down in paragraph 2(a);
- (b) a written declaration by the application containing the undertaking:
 - referred to in the second indent of paragraph 2(b);
 - not to increase the total area under vines on his holding by any planting which has not been offset by the prior grubbing of equivalent areas under vines;
 - to declare annually, when declaring his harvest, the area under vines which is, and that which is not yet, productive.
- (c) an undertaking by the owner of the areas in respect of which the abandonment premium is applied for that the legal obligation referred to in Article 2(e) shall apply to the said areas.

Article 5

1. The amount of the conversion premium shall be fixed:

- (a) at 1 500 u.a. per hectare for areas under vines of very low productivity;

- (b) at 2 000 u.a. per hectare for areas under vines of low productivity;
 - (c) at 2 500 u.a. per hectare for areas under vines of average productivity which are kept in normal conditions and do not yet show any signs of deterioration due to age;
 - (d) at 3 000 u.a. per hectare for areas under vines of high productivity.
2. The amount of the abandonment premium shall be fixed at 2 000 u.a. This amount shall be reduced by 200 u.a. per hectare each year from the fourth year following the granting of the conversion premium.
 3. For the grant of the conversion premium mixed cultivation areas shall be expressed as specialized cultivation areas by using the customary conversion factor for the wine-growing area concerned.
 4. Where the area to be converted for which the premium is requested is planted with a mixture of several vine varieties, some of which do not qualify for the premium, the premium shall be granted:
 - for the entire area, provided that the varieties referred to in Article 3(1)(a) cover more than 70% of the area in question,
 - for the part of the area actually planted with the varieties referred to in Article 3(1)(a) where those varieties cover 70% or less of the area in question.
 5. For the grant of the abandonment premium the areas to be taken into consideration shall be those by reference to which the conversion premium is calculated.

However, in the case referred to in the second indent of paragraph 4 the entire area shall be taken into consideration.

6. The amount of the conversion premium shall be paid in a single payment not more than six months after the applicant has furnished proof that grubbing has in fact taken place.

The amount of the abandonment premium shall be paid in a single payment not more than six months after the legal obligation referred to in Article 2(a) has been established and formalized.

7. The Council, acting by a qualified majority on a proposal from the Commission, may decide to alter:

- the amounts of the premiums,
- the date laid down in Article 4(1).

In accordance with the same procedure, the Council may provide for derogations in respect of the date laid down in the first indent of Article 4(2)(b).

Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24.

Article 6

1. The Member States shall verify that the undertakings referred to in paragraphs 2(b) and 3 of Article 4 have been respected.
2. The Member States shall inform the Commission of the results of this verification.
3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24.

Article 7

1. All measures laid down in this Regulation shall constitute a common measure within the meaning of Article 6(1) of Regulation (EEC) No 729/70.
2. The measure referred to in paragraph 1 shall:
 - be confined to the wine years 1978/79, 1979/80, 1980/81, 1981/82, 1982/83, 1983/84 and 1984/85 as regards the conversion premium,
 - end with the 1992/93 wine year as regards the abandonment premium.

Article 8

The total costs of the common measure to the European Agricultural Guidance and Guarantee Fund shall be 150 million units of account.

Article 9

1. The expenditure incurred by the Member States in respect of the measure provided for in this Regulation shall be eligible for financing by the EAGGF Guidance Section.
2. The EAGGF Guidance Section shall refund to the Member States 50% of the eligible expenditure.
3. Detailed rules for the application of paragraph 2 shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 10

1. Applications for reimbursement shall relate to expenditure incurred in a calendar year by the Member States and shall be submitted to the Commission before 1 July of the following year.
2. The Commission shall take a decision on these applications, on one or more occasions, in accordance with the procedure laid down in Article 7(1) of Regulation (EEC) No 729/70.

Article 11

1. Without prejudice to Article 8 of Regulation (EEC) No 729/70, the Member States shall take, in accordance with their national laws, regulations and administrative provisions, the necessary measures to recover the amounts paid in cases where the undertakings referred to in Article 4 have not been respected.

They shall inform the Commission of measures taken for this purpose and in particular shall periodically notify it of the state of administrative and judicial procedures relating thereto.

2. The sums recovered shall be paid to the paying authorities or bodies and deducted by them from the expenditure financed by the EAGGF pro rata to Community financing.
3. The financial consequences of failing to recover amounts paid out shall be borne by the Community pro rata to Community financing.
4. The amounts to be recovered may be increased by interest.
5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 12

The Member States shall communicate to the Commission during the wine years referred to in Article 3(1) and (2) the areas of vines which have been converted or abandoned and have been granted the premium, as part of the national forecast referred to in Article 17 (3) of Regulation (EEC) No 816/70. The Commission shall take account of this information in the report referred to in paragraph 4 of the said Article.

Article 13

This Regulation shall not impede the granting of aid provided for by national regulations designed to achieve similar objectives to those which are sought by this Regulation, provided the applications for such aid were submitted before the date of its entry into force.

Article 14

Regulation (EEC) No 1163/76 is repealed.

Article 15

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

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

Done at Brussels,

For the Council

FINANCIAL STATEMENT

DATE : 26 July 1978

1. BUDGET LINE CONCERNED : 8352

2. ACTION : Proposal for Council Regulation on the grant of conversion premiums in the wine sector.

3. LEGAL BASIS : Article 6 of Regulation (EEC) No 729/70

4. OBJECTIVES : To encourage the conversion of areas under vines to other crops and the permanent abandonment of wine-growing

5. FINANCIAL CONSEQUENCE	FOR THE MARKETING YEAR	CURRENT FINANCIAL YEAR (78)	FOLLOWING FINANCIAL YEAR (79)
5.0 EXPENDITURE			
-CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)	-	-	10.95
-CHARGED TO NATIONAL ADMINISTR.		21.9	42.4
-CHARGED TO OTHER NATIONAL GROUPS			
5.1 RECEIPTS			
-OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)			
-NATIONAL			

	YEAR ...1979.....	YEAR ...1980.....	YEAR ...1981.....
5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE	10.95	21.20	22.08
5.1.1 PLURIANNUAL PATTERN OF RECEIPTS			

5.2 METHOD OF CALCULATION

See Annex

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ? YES/NO

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ? YES/NO

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ? YES/NO

6.3 CREDITS TO BE WRITTEN INTO FUTURE BUDGETS ? YES/NO

COMMENTS :

CALCULATION OF COSTS

1. Conversion rate :

LIT : 1 AUA* = 1 154 LIT
1 EUA = 1 070.33 LIT (24 July 1978)

FF : 1 AUA = 6.45761 FF
1 EUA = 5.58240 FF (24 July 1978)

1 AUA_{FF} = 1.1567802 EUA
1 AUA_{LIT} = 1.07817 EUA

2. Area involved :

A. Conversion

Under the action programme for the wine sector it is proposed to convert a total of 77 000 ha, i.e. about 11 000 ha/year (including the area not yet converted in Languedoc-Roussillon). Four different levels of premium are provided for to take account of the productivity of vineyards (1 500 u.a./ha, 2 000 u.a./ha, 2 500 u.a./ha and 3 000 u.a./ha).

The average premium per hectare is estimated at 2 500 EUA.

Duration of the measure : eight years, from 1978/79 to 1984/85.

*AUA = agricultural unit of account.

B. Permanent abandonment :

- Total area : 56 000 ha, of which :

1) area already converted pursuant to Regulation (EEC) No 1163/76 =
28 000 ha which is divided between France and Italy as follows :

FRANCE	(45%)	:	12 600 ha,
ITALY	(55%)	:	15 400 ha.

2) area newly converted : 28 000 ha which is divided between France
and Italy as follows :

FRANCE	(*)	:	8 400 ha
ITALY		:	19 600 ha.

- Rate of decision to abandon areas under vines :

YEAR	1	2	3	4	5	6	7	8
% of recipients	20	20	20	15	10	5	5	5
Amount of the premium (u.a./ha)	2.000	2.000	2.000	1.800	1.600	1.400	1.200	1.000

(*) To this are added the 33 000 ha whose permanent conversion is financed to Council Directive 78/627/EEC of 19 June 1978 on the programme to accelerate the restructuring and conversion of vineyards in certain Mediterranean regions in France.

3. CALCULATION OF COSTS

A. Conversion

Year	Area converted (ha)	Average premium (EUA)	Cost in MEUA	
			Member States	EAGGF (50%)
1978	3 500	2 500	8.75	-
1979	11 000	2 500	27.5	4.38
1980	11 000	2 500	27.5	13.75
1981	11 000	2 500	27.5	13.75
1982	11 000	2 500	27.5	13.75
1983	11 000	2 500	27.5	13.75
1984	11 000	2 500	27.5	13.75
1985	7 500	2 500	18.75	13.75
1986	-	-	-	9.37
Total	77 000		192.5	96.25

B. Permanent abandonment

I. of areas already grubbed pursuant to Regulation (EEC) No 1163/76

(Duration: 6 wine-growing years starting in 1978/79) : 28 000 ha

Year	Ha abandoned, of which: FRANCE: 45 % ITALY : 55%	Premium (AUA)	Total cost (M AUA)	of which: (M AUA)	FRANCE (M EUA)	ITALY		Cost (M EUA)	
						M AUA	M EUA	Total	EAGGF in(t+1)
1978	5 600	2 000	11.2	5.04	5.83	6.16	6.64	12.47	6.24
1979	5 600	2 000	11.2	5.04	5.83	6.16	6.64	12.47	6.24
1980	5 600	2 000	11.2	5.04	5.83	6.16	6.64	12.47	6.24
1981	4 200	1 800	7.56	3.4	3.93	4.16	4.49	8.42	4.21
1982	2 800	1 600	4.48	2.02	2.34	2.46	2.65	4.99	2.49
1983	2 800	1 400	3.92	1.76	2.04	2.16	2.33	4.37	2.18
1984	1 400	1 200	1.68	0.76	0.88	0.92	0.99	1.87	0.93
Total	28 000		51.24	23.06	26.68	28.18	30.38	57.06	28.53

II. Permanent abandonment of areas newly converted:
 (Duration of the measure : 7 wine-growing years from 1978/79 to 1984/85) 28 000 ha or 4 000 ha on average for 6 300 ha/year newly converted

1. Areas (ha)

Year of abandonment	Time between abandonment and grubbing								Total	France	Italy
	0	1	2	3	4	5	6	7			
1978	300								300	90	210
1979	800	300							1 100	330	770
1980	800	800	300						1 900	570	1 330
1981	800	800	800	225					2 625	790	1 835
1982	800	800	800	600	150				3 150	945	2 205
1983	800	800	800	600	400	75			3 475	1 040	2 435
1984	800	800	800	600	400	200	75		3 675	1 100	2 575
1985	500	800	800	600	400	200	200	75	3 575	1 070	2 505
1986		500	800	600	400	200	200	200	2 900	870	2 030
1987			500	600	400	200	200	200	2 100	630	1 470
1988				375	400	200	200	200	1 375	410	965
1989					250	200	200	200	850	255	595
1990						125	200	200	525	160	365
1991							125	200	325	100	225
1992								125	125	40	85
									28 000	8 400	19 600

2. Cost of permanent abandonment of land newly grubbed

Year of abandonment	Time between abandonment and grubbing								Total	France		Italy	
	0	1	2	3	4	5	6	7	MAUA	MAUA	MEUA	MAUA	MEUA
1978	0.6								0.6	0.18	0.21	0.42	0.45
1979	1.6	0.6							2.2	0.66	0.76	1.54	1.66
1980	1.6	1.6	0.6						3.8	1.14	1.32	2.66	2.87
1981	1.6	1.6	1.6	0.4					5.2	1.56	1.8	3.64	3.92
1982	1.6	1.6	1.6	1.08	0.24				6.12	1.84	2.13	4.28	4.61
1983	1.6	1.6	1.6	1.08	0.64	0.11			6.63	1.99	2.3	4.64	5.0
1984	1.6	1.6	1.6	1.08	0.64	0.28	0.09		6.89	2.07	2.39	4.82	5.2
1985	1.0	1.6	1.6	1.08	0.64	0.28	0.24	0.08	6.52	1.96	2.27	4.56	4.92
1986		1.0	1.6	1.08	0.64	0.28	0.24	0.2	5.04	1.51	1.75	3.53	3.81
1987			1.0	1.08	0.64	0.28	0.24	0.2	3.44	1.03	1.19	2.41	2.6
1988				0.68	0.64	0.28	0.24	0.2	2.04	0.61	0.71	1.43	1.54
1989					0.4	0.28	0.24	0.2	1.12	0.34	0.39	0.78	0.84
1990						0.18	0.24	0.2	0.62	0.19	0.22	0.43	0.46
1991							0.15	0.2	0.35	0.11	0.13	0.24	0.26
1992								0.13	0.13	0.04	0.05	0.09	0.1
TOTAL	11.2	11.2	11.2	7.56	4.48	1.97	1.68	1.41	50.7	15.23	17.62	35.47	38.24

III. Total cost of permanent abandonment

M EUA

Year	Expenditure by Member States			Expenditure charged to EAGGF Guidance Section.		
	I	II	TOTAL	I	II	TOTAL
1978	12.47	0.66	13.13	-	-	-
1979	12.47	2.42	14.89	6.24	0.33	6.57
1980	12.47	4.19	16.66	6.24	1.21	7.45
1981	8.42	5.72	14.14	6.24	2.09	8.33
1982	4.99	6.74	11.73	4.21	2.86	7.07
1983	4.37	7.3	11.67	2.49	3.37	5.86
1984	1.87	7.59	9.46	2.18	3.65	5.83
1985	-	7.19	7.19	0.93	3.79	4.72
1986	-	5.56	5.56	-	3.6	3.6
1987	-	3.79	3.79	-	2.78	2.78
1988	-	2.25	2.25	-	1.89	1.89
1989	-	1.23	1.23	-	1.13	1.13
1990	-	0.68	0.68	-	0.61	0.61
1991	-	0.39	0.39	-	0.34	0.34
1992	-	0.15	0.15	-	0.2	0.2
1993	-	-	-	-	0.08	0.08
TOTAL	57.06	55.86	112.92	28.53	27.93	56.46

C. Total cost charged to the EAGGF Guidance Section

M EUA

Year	Conversion	Permanent abandonment	Total
1978	-	-	
1979	4.38	6.57	10.95
1980	13.75	7.45	21.2
1981	13.75	8.33	22.08
1982	13.75	7.07	20.82
1983	13.75	5.86	19.61
1984	13.75	5.83	19.58
1985	13.75	4.72	18.47
1986	9.37	3.6	12.97
1987	-	2.78	2.78
1988	-	1.89	1.89
1989	-	1.13	1.13
1990	-	0.61	0.61
1991	-	0.34	0.34
1992	-	0.2	0.2
1993	-	0.08	0.08
TOTAL	96.25	56.46	152.71

Proposal for
COUNCIL REGULATION (EEC) N°

establishing a system of premiums for the cessation of wine-growing in France and Italy.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Whereas the sector covered by Council Regulation (EEC) N° 816/70 of 28 April 1970 on the common organization of the market in wine,¹ as last amended by Council Regulation (EEC) N° 2560/77 of 7 November 1977², is in a substantial surplus situation;

Whereas, in order to enable Council Regulation N° ... on the granting of conversion premiums in the wine-growing sector to be as effective as possible over the long term, older wine growers should be allowed to cease farming without suffering any great financial loss; whereas this objective may be achieved by granting such farmers an annual premium calculated on the basis of the area under vines they previously farmed; whereas this annual premium must be additional to the aid granted under Directive 72/160/EEC to encourage the cessation of farming;

Whereas the proposed measures serve the interest of the Community and are aimed at achieving the objectives set out in Article 39(1)(a) of the Treaty, including the structural changes necessary for the proper working of the common market; whereas they therefore constitute common measures within the meaning of Article 6 of Council Regulation (EEC) N° 729/70 of 21 April 1970 on the financing of the common agricultural policy³, as last amended by Regulation (EEC) N° 2788/72⁴;

¹ OJ N° L 99, 5.5.1970, p. 1

² OJ N° L 303, 28.11.1977, p. 1

³ OJ N° L 94, 28.4.1970, p. 13

⁴ OJ N° L 295, 30.12.1972, p. 1

Whereas, in view of the objectives to be attained and the probable repercussions on the market situation, 50% of the expenditure incurred by the granting of the annual per hectare premium should be financed by the Community,

HAS ADOPTED THIS REGULATION:

TITLE I

Annual per hectare premium

Article 1

1. In order to offer a satisfactory alternative source of income to elderly farmers whose main source of income is wine-growing, France and Italy shall set up a system of aid to encourage them to give up farming.
2. The system of aid referred to in the previous paragraph shall be additional to the aid existing in the Member States concerned pursuant to Directive 72/160/EEC.

Article 2

1. The measures provided for in Article 1 shall comprise the grant of an annual premium, calculated on the basis of the area used for wine-growing, to farmers aged between 55 and 65 applying therefor, provided that the area under vines comprises at least 20% of the total utilized agricultural area.
2. In order to qualify for the annual premium referred to in the previous paragraph a farmer shall undertake to:
 - grub and permanently abandon his vineyard;
 - cease farming by 31 December 1985 and
 - put an end to the existence of the farm as an independent economic unit, and reallocate at least 85% of the land released either to other existing farms, or for non-agricultural use or to land agencies.

Article 3

1. The amount of the annual premium shall be at least [500] u.a. per hectare under vines withdrawn from use.
2. The annual premium shall be paid until the recipient completes his 65th year.

TITLE II

Financial and general provisions

Article 4

The measures provided for in this Regulation constitute a common measure within the meaning of Article 6(1) of Regulation (EEC) N° 729/70.

Article 5

The total contribution by the EAGGF to the cost of the common measure is estimated at [22] million EUA.

Article 6

1. Expenditure incurred by Member States within the framework of the measure provided for by this Regulation shall be eligible for assistance from the EAGGF, Guidance Section.
2. The EAGGF, Guidance Section, shall refund to the Member States concerned 50% of eligible expenditure.
3. Detailed rules for applying paragraph 2 shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) N° 729/70.

Article 7

1. Applications for reimbursement shall relate to expenditure incurred by the Member States concerned in the course of a calendar year and shall be submitted to the Commission before 1 July of the following year.
2. The Commission shall take a decision on these applications in one or more instalments, in accordance with the procedure laid down in Article 7(1) of Regulation (EEC) N° 729/70.

Article 8

1. Subject to Article 8 of Regulation (EEC) No 729/70, the Member States concerned shall, in the event of non-compliance with the undertakings provided for, take all necessary steps to recover premiums paid out.

They shall inform the Commission of the steps taken and shall in particular regularly notify it of the state of administrative or judicial procedures relating thereto.

2. The sums recovered shall be returned to the paying departments or agencies, which shall set off the proportion of these sums corresponding to Community financing against the expenditure financed by EAGGF.

3. The financial consequences of non-recovery of sums paid out shall be apportioned as between the Community and the Member States concerned in proportion to their respective contributions.

4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) N° 729/70.

Article 9

France and Italy may adopt supplementary conditions for the implementation of the aid measures provided for in this Regulation.

Article 10

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

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

Done at Brussels,

For the Council

FINANCIAL STATEMENT

DATE : 24.7.1978

1. BUDGET HEADING : 8111

2. MEASURE : Proposal for a Regulation setting up a system of premiums for the cessation of wine-growing.

3. LEGAL BASIS : Article 6 of Regulation N° 729/70.

4. OBJECTIVES : To accelerate the withdrawal from wine-growing of farms held by elderly farmers.

5. FINANCIAL CONSEQUENCE	PERIOD WINE YEAR	CURRENT FINANCIAL YEAR (78)	FOLLOWING FINANCIAL YEAR (79)
5.0 EXPENDITURE			
-CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)	-	-	0.88
-CHARGED TO NATIONAL ADMINISTR.	-	1.76	3.52
-CHARGED TO OTHER NATIONAL GROUPS	-	-	-
5.1 RECEIPTS			
-OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)			
-NATIONAL			

	YEAR ... 79.....	YEAR 80.....	YEAR 81.....
5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE	0.88 mill. EUA	1.76 mill. EUA	2.64 million EUA
5.1.1 PLURIANNUAL PATTERN OF RECEIPTS			

5.2 METHOD OF CALCULATION

See Annex

6.0 FINANCING POSSIBLE WITH APPROPRIATIONS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ? YES/NO

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ? YES/NO

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ? YES/NO

6.3 APPROPRIATIONS TO BE WRITTEN INTO FUTURE BUDGETS ? YES/NO

COMMENTS :

Method of calculation

1. Assumptions:

(a) Area involved : 16 000 ha

(b) Rate of cessation :

Budgetary year	1st	2rd	3rd	4th	5th	6th	7th	8th
% of recipients	20	20	20	15	10	5	5	5

(c) Premium per year and hectare : 500 u.a., or an average of 550 EUA.

(d) Average period for which the premium is granted: 5 years (the recipients are between 55 and 65 years old).

2. Calculation of costs:

Budgetary year	Area withdrawn	Expenditure of the Member States								Total cost	Reimbursement by EAGGF 50 %
		First year of cessation									
		1978	1979	1980	1981	1982	1983	1984	1985		
1978	3200	1.76	-	-	-	-	-	-	-	1.76	-
1979	3200	1.76	1.76	-	-	-	-	-	-	3.53	0.88
1980	3200	1.76	1.76	1.76	-	-	-	-	-	5.28	1.76
1981	2400	1.76	1.76	1.76	1.32	-	-	-	-	6.6	2.64
1982	1600	1.76	1.76	1.76	1.32	0.88	-	-	-	7.48	3.3
1983	800		1.76	1.76	1.32	0.88	0.44	-	-	6.16	3.74
1984	800			1.76	1.32	0.88	0.44	0.44	-	4.84	3.08
1985	800				1.32	0.88	0.44	0.44	0.44	3.52	2.42
1986						0.88	0.44	0.44	0.44	2.2	1.76
1987							0.44	0.44	0.44	1.32	1.1
1988								0.44	0.44	0.88	0.66
1989									0.44	0.44	0.44
1990									-	-	0.22
Total	16.000	8.8	8.8	8.8	6.6	4.4	2.2	2.2	2.2	44.0	22.0

