

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 26 August 1981

Proposal for a

COUNCIL REGULATION (EEC)

derogating from the provisions of Regulation (EEC) No 343/79
in respect of certain rules relating to the distillation of
table wines decided upon in accordance with Article 12a of
Regulation (EEC) No 337/79

EXPLANATORY MEMORANDUM

This Regulation makes provision, within the "performance guarantee" distillation arrangement, for waiving the provisions in Regulation (EEC) No 343/79 in respect of payment of the minimum purchase price and payment of the aid . On account of the serious crisis on the table wine market which is resulting in cash flow problems for producers, it is proposed that payment of the aid due to them be advanced as far as possible, while guaranteeing the proper conduct of operations by means of an appropriate deposit system.

Proposal for
COUNCIL REGULATION (EEC)

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 337/79 of 5 February 1979 on the common organization of the market in wine (1), as last amended by Regulation (EEC) No 3456/80 (2) and in particular Article 12a(4) thereof,

Having regard to the proposal from the Commission,

Whereas the present serious crisis on the table wine market is resulting in cash flow problems for **producers**; whereas, in these circumstances, it is essential to advance the payment of aid due to them under the distillation measures decided upon pursuant to Article 12a of Regulation (EEC) No 337/79 as far as possible, while guaranteeing that operations are correctly carried out by means of an appropriate system of securities; whereas it is therefore necessary to derogate from the provisions of Council Regulation (EEC) No 343/79 (3), by making provision for payment of the aid in accordance with a procedure comparable to that laid down for the exceptional distillation of table wines decided upon during the 1980/81 wine-growing year, adjusted in the light of experience;

(1) OJ No L 54, 5. 3.1979, p. 1

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

(3) OJ No L 54, 5.3.1979, p.64

Whereas the quantity of table wine which may be distilled pursuant to Article 12a of Regulation (EEC) No 337/79 is limited for each producer to a certain percentage of his production; whereas control of compliance with that provision entails detailed checks on producers' harvest declarations and records at the time of approval of delivery contracts;

Whereas the provision in Article 8(2) of Regulation (EEC) No 343/79, whereby the competent intervention agency is that of the Member State on whose territory distillation takes place, could give rise to serious administrative difficulties where distillation takes place in a Member State other than that in which the wine was produced; whereas a derogation should therefore be made to the said provision and provision made for the competent intervention agency to be that of the Member State where the wine is situated at the time the contract is concluded, for the purposes of approval of the abovementioned delivery contracts;

HAS ADOPTED THIS REGULATION :

Article 1

For distillation decided upon pursuant to Article 12a of Regulation (EEC) No 337/79 in the context of measures reserved for holders of long-term storage contracts concluded during the 1980/81 wine-growing year and by way of derogation from Article 4 of Regulation (EEC) No 343/79, the provisions applicable in respect of payment of the minimum purchase price and payment of aid shall be those laid down in Article 2.

Article 2

1. When the total quantity of wine covered by the delivery contract enters the distillery, the distiller shall pay the producer at least the difference between the minimum purchase price and the aid laid down.
2. By way of derogation from paragraph 1, the minimum purchase price shall be paid by the distiller within the time limits to be laid down:
 - when distillation takes place in a Member State other than that where the wine was subject to a long-term storage contract, or
 - where provision to this effect is made in the delivery contract.

3. Where proof is furnished that the total quantity of wine given in the contract has been distilled the intervention agency shall pay the aid laid down to the producer or, in the circumstances referred to in paragraph 2, to the distiller.

Where the aid is paid to the distiller, the latter shall provide proof that he has paid the minimum purchase price to the producer.

4. The producer or, in the circumstances referred to in paragraph 2, the distiller may request that the aid be advanced on condition that a security of 110% of the amount of the aid is provided for the benefit of the intervention agency. The security shall take the form of a guarantee provided by an establishment which complies with criteria fixed by the Member State to which the intervention agency is responsible.

The advance may be paid only after the date of the approval referred to in Article 1(1) of Regulation (EEC) No 343/79.

The advance may be paid to the distiller only on condition that the distiller undertakes to pay the producer

- at least 65% of the minimum purchase price not later than 30 days after the date when he receives the advance,
- the difference between the minimum purchase price and the amount referred to in the first indent not later than 30 days after distillation of all the wine covered by the delivery contract.

Subject to Article 6a of Regulation (EEC) No 343/79, the security referred to in the first sub-paragraph shall be released only if, within a time limit to be determined, proof is provided that:

- the total quantity of wine covered by the delivery contract has been distilled,
- and, where the security was provided by the distiller, the minimum purchase price has been paid to the producer within the time limits referred to in the third subparagraph.

At the time of release of the security, the intervention agency shall make the necessary adjustments to take account of the tolerances referred to in Article 6 of Regulation (EEC) No 343/79.

Article 3

1. For the purposes of the distillation referred to in Article 1, and by way of derogation from Article 8(2) of Regulation (EEC) No 343/79, the intervention agency competent for approval of the delivery contract shall be the intervention agency of the Member State where the wine is situated at the time the contract is concluded.
2. Where distillation takes place in a Member State other than that in which the contract is approved, the intervention agency which approved the contract shall send a copy to the intervention agency of the Member State where distillation takes place.

Article 4

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

It shall apply with effect from 16 September 1981.

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

Done at Brussels,

For the Council

