

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(77) 174 final.

Brussels, 10 May 1977.

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

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(submitted to the Council by the Commission)

COM(77) 174 final.



## EXPLANATORY MEMORANDUM

Under the overall agreement arrived at by the Council meeting on 2 to 6 March 1976, the basic regulation on the common organization of the market in wine (1) was substantially amended by Regulation (EEC) No 1160/76 (2), in particular as regards the price and intervention system.

Management of the market under the new provisions from 1 September 1976 has shown that some of the revised measures do not always permit action to be taken with the speed and flexibility which is needed to remedy market difficulties at the outset of the marketing year. As this was that the Council was trying to achieve, some technical adjustments seem necessary. Moreover, doubts and difficulties regarding the legal interpretation of some of the wording need to be removed by clearer drafting.

This proposal concerns the following technical adjustments :

1. Fixing the "weighted average price" (Article 4(1))

The compromise solution arrived at in 1976 has the disadvantage that it takes into consideration only the lowest prices representing at least 50 % of the quantities quoted, so that this "average" therefore does not accurately reflect the price situation. Moreover, the new provisions applied to ascertain production prices in France since September 1976 have led to a considerable increase in the quantities quoted in France so that in some weeks the quantities quoted in Italy for red wine of type R I correspond to less than 10 % of the total amount quoted in the Community. In order to obtain a more accurate representation of the market by the "weighted average price" it is proposed for the three principal types of table wine, firstly to use all the quantities quoted and, secondly, to arrive at this figure by using the average prices weighted by Member State (in this case France and Italy) which are then weighted in relation to each other according to the table wine production of each Member State.

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(1) OJ No L 99, 5.5.1970, p. 1, Regulation (EEC) No 816/70

(2) OJ No L 135, 24.5.1976, p. 1, Regulation (EEC) No 1160/70

and OJ No L 326, 25.11.1976, p. 1, Regulation (EEC) No 2829/76

2. Storage aid for grape must (Article 5(a))

Numerous discussions have taken place during recent months on the desirability of permitting storage contracts to be concluded for grape must. Finally, this was not decided upon for this wine year.

In future, to avoid ambiguity it is proposed that the right to conclude such contracts should be linked either with preventive distillation for short-term contracts at the beginning of the wine year or to the right to conclude long-term contracts for wines for contracts of the same type.

3. Preventive distillation (Article 6(b))

It has been found, during the present wine year, that the overall criterion of 10 million hectolitres of table wine under storage contracts has not been met whereas the crisis in the white wine market was such as to call for the introduction of distillation for this type of wine. Finally, preventive distillation could not be begun until 26 December 1976 which is contrary to the spirit of this measure. It is therefore proposed to reduce from 10 to 7 million hectolitres the overall quantities required to be under storage contract and to provide for applying the mechanism separately for red wine and white wine.

4. Report on developments in planting (Article 17)

The discrepancy between the intended development and the actual development of vineyards (1) means that one must use latest figures as shown by the viticultural land register when drawing up this report. The Commission staff are at present preparing a reform of the viticultural land register for 1978 which should in particular provide for a rapid use of its latest figures.

From now on the aim should be to use these figures for the report referred to above.

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(1) See the Commission's Report to the Council on the foreseeable developments in the planting and replanting of vineyards in the Community and on the ratio between production and utilization in the wine sector (Doc. COM(77) 22 final of 15 February 1977, p. 2 and p. 11)

5. Conditions for acidification (Articles 20 and 22)

After discussion on this subject in order to solve certain technical problems which have arisen as regards acidification in wine-growing zones C II and C III, in particular in Italy, it is proposed that in years when there have been unusual weather conditions the acidification of table wines be permitted for a period extending far beyond the limits laid down in Article 22. To meet these technical requirements it is proposed that the acidification of table wines be permitted throughout the year under conditions to be defined.

6. Improvement of the wording of a provision relating to the additional rate of "obligatory distillation" (Article 24a(2))

Reminder.

7. Administrative simplification of the rules for importing certain products (Article 28(1a))

In discussion of the amendment to Regulation (EEC) No 1848/76 laying down general rules for the import of wines, grape juice and grape must (1) the question arose of exempting from the certificate and analysis report certain liqueur wines which already had a certificate of designation of origin. A legal basis was needed in the basic wine regulation to prevent this overlap : a proposal to that effect is made here.

These amendments in practice have no direct financial consequences on the Community budget.

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(1) OJ No L 204, 30.7.1976, p. 5, amended by Regulation (EEC) No 531/77, 14.3.1977, OJ No L 69, 16.3.1977, p. 4



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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,

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

Whereas experience shows that certain amendments should be made to Regulation  
(EEC) No 816/70 of 28 April 1970 laying down additional provisions for the com-  
mon organization of the market in wine (1), as last amended by Regulation (EEC)  
No 528/77 (2) ;

Whereas it appears that the weighted average prices as fixed pursuant to Arti-  
cle 4 of Regulation (EEC) No 816/70 do not accurately reflect the situation  
of wine prices in the Community, thereby upsetting the arrangements for  
putting intervention measures into operation ; whereas, therefore, the  
weighting should no longer be limited to the lowest average prices and the  
volume of production in each of the Member States

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(1) OJ No L 99, 5.5.1970, p. 1

(2) OJ No L 69, 16.3.1977, p. 1

concerned should be taken into account for the table wines produced in the greatest quantity in the Community, namely types R I, R II and A I ;

Whereas under Article 6b preventive distillation may not be introduced until there are at least 10 million hectolitres under storage contracts at the beginning of the wine year ; whereas, to ensure that this measure has the desired effect, the said condition should be relaxed both by making a considerable reduction in the amount of 10 million hectolitres and also by providing for the preventive distillation of red wine alone or white wine alone if a specific level is reached for one or other of these categories of wine ;

Whereas it appears that the present system for the storage of grape must does not enable intervention measures for these products to be put into operation at the proper time ; whereas, moreover, the intervention measures provided for should not be allowed to be diverted from their purpose ; whereas, therefore, provision should be made, where large stocks exist and when storage contracts are opened for table wine, for the intervention measures to be automatically activated initially by short-term contracts, later to be replaced by long-term contracts for grape must or concentrated grape must if preventive distillation has started ;

Whereas each year the Commission is required to submit a report to the Council which, in particular, records the ratio between production and utilization and estimates foreseeable changes in that ratio on the basis of the forecasts ; whereas provision should be made for this report to be based also on the latest figures of the viticultural land register provided for by Regulation 26/64 (EEC) (3), as last amended by Regulation (EEC) No 1456/76 (4) ;

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(3) OJ No 48, 19.3.1964, p. 753/64.

(4) OJ No L 163, 24.5.1976, p. 13



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Whereas, in the event of unusual weather conditions, acidification should be permitted in wine-growing zones C I a and C I b subject to the same conditions and limits as in Zones C II and C III ; whereas, moreover, in years of exceptional climatic conditions it appears necessary to be able to authorize this practice for table wines in zones CII and C III throughout the year but only within the wine-growing zone concerned ;

Whereas, in the interests of clarity, Article 24a of Regulation (EEC) No 816/70 should be amended to specify that the additional rate of obligatory distillation may be varied for all wines and production regions ;

Whereas for certain imported wines two certificates giving the same information are required by Community rules ; whereas this duplication should be prevented by specifying that the certificate and analysis report shall be required as a matter of course in these cases ,

HAS ADOPTED THIS REGULATION :

Article 1

Article 4(1) of Regulation (EEC) No 816/70 is hereby amended to read as follows :

"For each type of wine for which a guide price is fixed, the Commission shall, on the basis of all the facts available to it, fix each week and publish in the "C" series of the Official Journal of the European Communities :

(a) an average producer price (hereinafter call the "average price") for each representative market for the relevant type of table wine ;

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- (b) for table wines of types A II, A III and R III, a weighted average Community price calculated, for each of these types of table wine, by taking the average of the average prices and weighting it by the quantities quoted on the representative markets for the relevant type of table wine (hereinafter called the "weighted average price") ;
- (c) for table wines of types R I, R II and A I :
- a weighted average price for each Member State concerned calculated by taking, for each of these types of table wine, the average of the average prices and weighting it by the quantities quoted on the representative markets for the relevant type of table wine in the Member State concerned ;
  - a weighted average Community price calculated, for each type of table wine, by taking the average of the prices referred to in the first indent and weighting it by the production of each Member State concerned
    - (i) of red and rosé table wine for table wine of types R I and R II,
    - (ii) of white table wine for table wine of type A I,
 (hereinafter called the "weighted average price".)"

## Article 2

Article 5 of Regulation (EEC) No 816/70 is hereby amended to read as follows :

- "1. A system of aid is hereby instituted for private storage of table wine. Aid shall be granted subject to the conclusion with intervention agencies, on terms and conditions to be determined, of one of the following types of storage contract :
- contracts valid for a period of three months (hereinafter called "short-term contracts"),
  - contracts valid for a period of nine months, concluded between 16 December and 15 February of the following year (hereinafter called "long-term contracts").

2. Short-term contracts

- may be entered into when the weighted average price of a type of table wine remains below the activating price for two consecutive weeks ;
- may not be entered into when a weighted average price for this type of wine is above the activating price for two consecutive weeks.

If the state of the market so requires, a decision may be taken to allow short-term contracts to be concluded also in respect of table wines other than those of the type for which they may be concluded in accordance with the first subparagraph, where such table wines are closely related economically to that type of table wine. Such contracts may no longer be entered into in respect of these wines when they are not permissible in respect of the type of table wine to which they are closely related economically.

- 3. Without prejudice to paragraph 2, short-term contracts may be entered into in respect of a given wine-growing zone or part thereof when, especially because of an exceptionally abundant harvest, an imbalance appears at the beginning of the wine year in such zone or part thereof between the quantities available and the quantities that can be sold.
- 4. Long-term contracts may be entered into in respect of certain types of table wine to be specified, if the estimates for a wine year show that the quantity of such wines available at the beginning of that year exceeds foreseeable requirements for that year by more than four months consumption.

For the purpose of calculating the quantity available referred to in the preceding subparagraph, the quantitative effects of the distillation of wines produced from table grapes referred to in Article 24b and of the distillation decided upon beforehand under 24a shall be deducted.

5. During the time when long-term contracts may be entered into in accordance with paragraph 4, the application of paragraph 2 or 3 shall be suspended in respect of the same type of table wine. This suspension shall also apply to wines that are closely related economically to the table wine concerned.
6. Permission to enter into storage contracts as provided for in the second subparagraph of paragraph 2 and in paragraphs 3 and 4 shall be decided upon in accordance with the procedure laid down in Article 7 of Regulation No 24.

The same procedure shall be followed :

- (a) for deciding, if justified by the market situation and in particular by the rate of conclusion of storage contracts, that long-term contracts may no longer be entered into even before 15 February ;
  - (b) for adopting other detailed rules for the application of this Article, and in particular the time limit for the decisions to be taken in accordance with the second subparagraph of paragraph 2.
7. The Commission shall decide whether storage contracts may or may not be entered into under the first subparagraph of paragraph 2 and whether they may no longer be entered into under the second subparagraph of paragraph 2."

### Article 3

The following Article 5a is hereby added to Regulation (EEC) No 816/70 :

#### "Article 5a

1. A system of aid is hereby instituted for the private storage of grape must and concentrated grape must.  
Private storage aid shall be granted subject to the conclusion with the intervention agencies, on terms and conditions to be determined, of one of the following types of storage contract :

- contracts valid for a period of three months (hereinafter called "short-term contracts");
  - contracts valid for a period of nine months (hereinafter called "long-term contracts").
2. Short-term contracts may automatically be entered into between 1 September and 15 December if preventive distillation has been decided upon under Article 6b.
- Long-term contracts may be entered into between 16 December and 28 February of the following year when a decision has been taken to conclude private long-term storage contracts for table wine.
3. Detailed rules on the implementation of this Article shall be adopted in accordance with the procedure provided for in Article 7 of Regulation No 24."

#### Article 4

Article 6b(1) of Regulation (EEC) No 816/70 is hereby amended to read as follows :

- " Where, during the period from 1 September to 15 December, the quantity under storage contract :
- (a) of table wines of all types is at least seven million hectolitres,
  - (b) of red table wine is at least five million hectolitres,
  - (c) of white table wine is at least two million hectolitres,
- preventive distillation may be decided upon :
- for all wines if the condition under (a) is met ;
  - for red wines if the condition under (b) is met ;
  - for white wines if the condition under (c) is met,
- except in the case of
- wines produced from table grapes;

- wines produced from varieties of vines obtained from interspecific crossings (direct producer hybrids) falling into the category of provisionally authorized varieties ;
- wines suitable for producing certain potable spirits obtained from wine with a registered designation of origin.

In years in which the harvest of wine suitable for producing certain potable spirits obtained from wine with a registered designation of origin exceeds by one million hectolitres the volume of wine of the previous year intended for that purpose, it may be decided that the wines in question may be distilled .

However, the price paid for such wines shall be that laid down by in Article 24a(3) for the wine year in question."

#### Article 5

The first subparagraph of Article 17(4) of Regulation (EEC) No 816/70 is hereby amended to read as follows :

- "4. Each year, before 31 December, the Commission shall submit a report to the Council which, in particular, records the ratio between production and utilization and estimates foreseeable changes in that ratio on the basis, in particular, of the forecasts provided for in paragraph 3 and the latest figures of the viticultural land register provided for in Regulation 26/64/EEC."

#### Article 6

Article 20(2) of Regulation (EEC) No 816/70 is hereby amended to read as follows :

- "2. In years when climatic conditions have been exceptional :
- acidification of the products mentioned in paragraph 1 may be authorized in wine-growing zones C I a and C I b in the same circumstances as in zones C II and C III,

- the upper limit of 1.50 g/l, or 20 milliequivalents per litre, referred to in paragraph 1, may be raised to 2.50 g/l, or 34 milliequivalents per litre, in zones C II and C III provided that the natural acidity of the product is not less than 3 g/l expressed in tartaric acid, or 40 milliequivalents per litre,
- in the same circumstances and within the same limits as those referred to in the above indents, acidification of table wines of zones C II and C III may be authorized within their production zone".

#### Article 7

The second subparagraph of Article 22(2) of Regulation (EEC) No 816/70 is hereby amended to read as follows :

"However concentration by cooling and the acidification referred to in the last indent of Article 20(2) may be practised throughout the year. The same applies to acidification in zones C II and C III provided it is carried out within each of the two wine-growing production zones."

#### Article 8

Article 24a of Regulation (EEC) No 816/70 is hereby amended to read as follows :

1. The third subparagraph of paragraph 1 shall read :

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

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

2. The last subparagraph of paragraph 2 shall be deleted.

Article 9

Article 28(1a)(b) of Regulation (EEC) No 816/70 is hereby amended to read as follows :

"(b) for dispensing with the certificate and the analysis report provided for in paragraph 1(a) in the case of certain products referred to in paragraph 1 which are transported in limited quantities and packed in small containers and in the case of certain wines accompanied by a certificate of designation of origin."

Article 10

This Regulation shall enter into force on 1 September 1977.

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

Done at Brussels,

For the Council,  
the President