

COMMISSION OF THE EUROPEAN COMMUNITIES

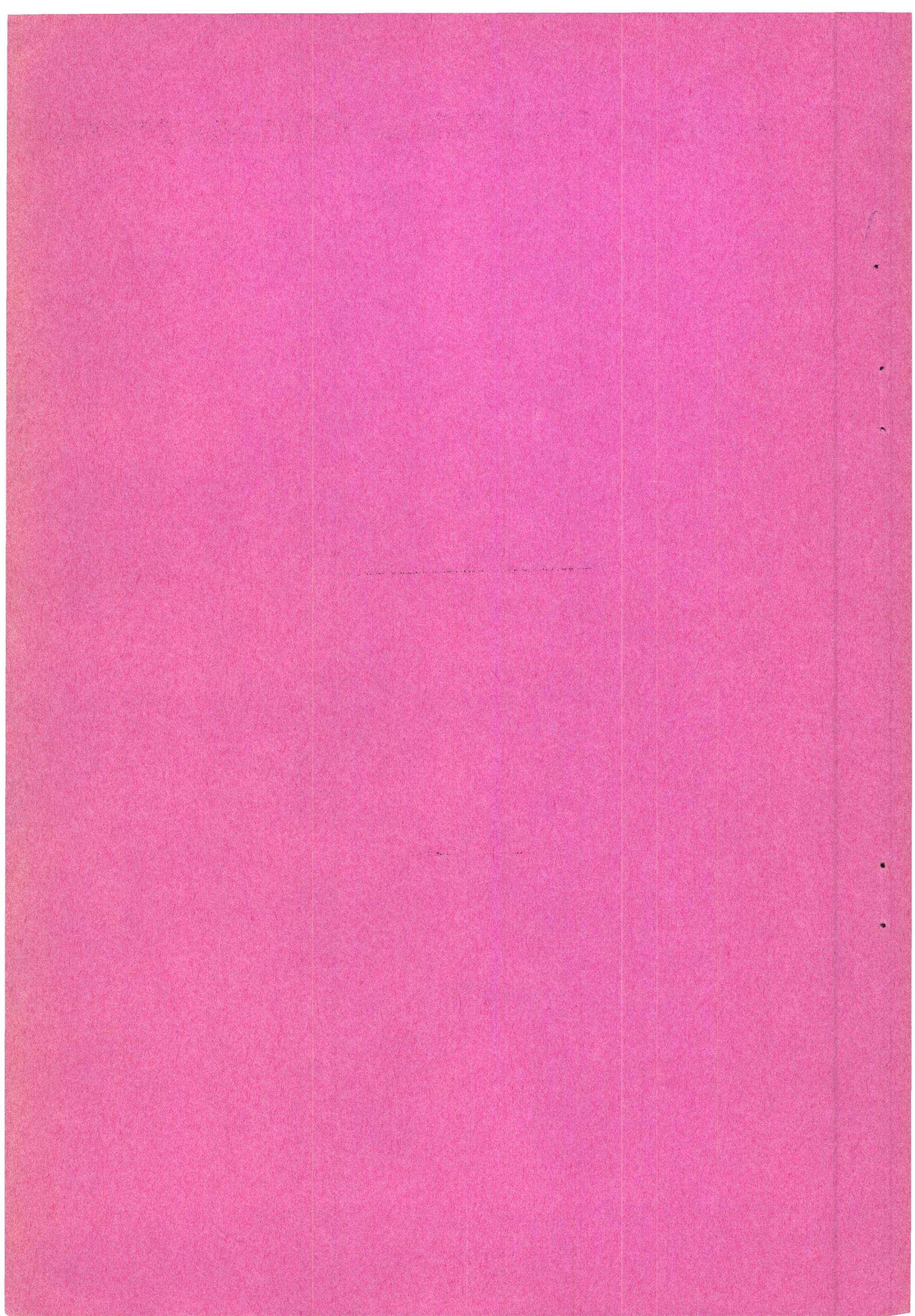
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Brussels, 4 November 1974

Proposal for a
REGULATION (EEC) OF THE COUNCIL

amending Regulation (EEC) No 816/70 laying down additional provisions for the common organization of the market in wine, Regulation (EEC) No 817/70 laying down special provisions relating to quality wines produced in specified regions, Regulation (EEC) No 865/68 on the common organization of the market in products processed from fruit and vegetables and Regulation (EEC) No 950/68 on the Common Customs Tariff

(submitted to the Council by the Commission)



EXPLANATORY MEMORANDUM

Since the adoption in 1970 of the basic Regulation on wine, various proposals have been put forward for amending different points in the light of the experience progressively acquired ⁽¹⁾. Some of the proposed provisions were adopted by the Council, with the result that the basic Regulation has been the subject of ten successive amending Regulations ⁽²⁾; other provisions are still being discussed in the Council; in the case of yet further provisions, it was agreed to incorporate the substance in a new proposal which would group together the amendments which it seems desirable to make to the common organization of the market at its present stage of development. Furthermore, it has been noted several times, particularly during the 1973/74 wine-growing year, that the intervention system does not always enable the Council and Commission to act with sufficient flexibility and rapidity in dealing with extremely varied market situations. The Commission had already informed the Council that it would propose the requisite adjustments.

(1) See in particular OJ No 75, 26 July 1971, p. 69 and
OJ No 106, 23 October 1971, p. 50.

(2) Regulation No 1253/70 (OJ No L 143, 1 July 1970)
Regulation No 2612/70 (OJ No L 281, 27 December 1970)
Regulation No 1627/71 (OJ No L 170, 29 July 1971)
Regulation No 2312/71 (OJ No 244, 30 October 1971)
Regulation No 2504/71 (OJ No L 261, 26 November 1971)
Regulation No 2722/71 (OJ No L 282, 23 December 1971)
Regulation No 1651/72 (OJ No L 174, 1 August 1972)
Regulation No 2680/72 (OJ No L 289, 27 December 1972)
Regulation No 2592/73 (OJ No L 269, 26 September 1973)
Regulation No 1532/74 (OJ No L 166, 21 June 1974)

The object of this proposal for amending Regulations (EEC) Nos 816/70 (basic Regulation) and 817/70 (quality wines produced in specified regions) is to group together all those adjustments and amendments.

A. Adjustment to the price and intervention system

1. As announced in item 64 of the Memorandum on the Improvement of the Common Agricultural Policy ⁽³⁾, it is proposed to establish a system for the distillation of wine at the beginning of the wine-growing year in order to stabilize the market if circumstances so require. To that end the Council is fixing a withdrawal price for distillation at between 50 and 60 % of the guide price for whichever type of wine has the lowest such price (Art. 2).

The circumstances in which wine may thus be offered for distillation relate to the quantities in storage, the level of prices and the harvest forecast (Art. 7).

2. A decision may be taken at the beginning of a wine-growing year to make available a new type of special long-term contract which will enable storage to take place as a preventive measure if market conditions are difficult during the first months of such year. Aid may be granted in similar circumstances for the disposal of grape must intended for the preparation of grape juice and concentrated grape must (Art. 5).
3. By fixing special higher withdrawal prices for distillation at the beginning of the wine-growing year, to be applicable in respect of the total quantity of wine for which a producer has concluded long-term contracts, it is intended to encourage indirectly the conclusion of long-term contracts (Arts. 2 and 7).
4. Adjustments are made to certain other points, such as the maximum level of the activating price (Art. 3), the Community weighted average price, to be fixed weekly (Art. 4) and the maximum level of the price of wine delivered for distillation in accordance with provisions already in existence (Art. 8).

B. Tightening of requirements for the distillation of by-products of wine-making

A new direction will be given to the arrangements for the distillation of by-products in order to penalize extremely high yields per hectare, particularly in cases of abundant harvests.

The normal percentage of alcohol for products delivered for distillation, which applies at present in respect of 10 % of the harvest, will be maintained. However, in the case of very high yields exceeding a maximum to be set, an additional percentage may be fixed (Art. 22).

(3) Doc. R 2327 of 8 November 1973

C. Provisions relating to imported products

1. Firstly, the system of reference prices should be adapted to certain new market conditions so that the market in table wines may be better protected. To that end special reference prices may be fixed for imported bottled wine, grape must and concentrated grape must (Art. 9).
2. Secondly, it now seems possible to delete the provision under which the countervailing charge need not be levied on certain wines. Experience has in fact shown that the offer prices for the wines in question have risen since 1970 to such an extent that there is no longer any difficulty in abiding by the reference price (Art. 9).
+)
3. The legal instruments at the disposal of the Community authorities must be sufficiently flexible to deal with the special cases which arise frequently in relations with third countries. These cases often involve wines which have long been known in international trade but whose technical characteristics do not comply with some particular point of the general legislation relating to imports. It is proposed that in the case of certain wines marketed under a geographical indication derogations may be granted on the basis of lists to be drawn up (Arts. 14, 24 and 25).
4. Finally, provision is made for the establishment of a legal basis on which, within the framework of reciprocal undertakings, the Commission could protect and control certain quality wines imported into and marketed in the Community (Art. 26).

+) Paragraph 2a

In order to remove certain ambiguities which have appeared in the application of the import system of third country wines into certain Member States, it is desirable to specify the customs duties to be applied to the franco-frontier offer price of the products in question.

The provision envisaged for this purpose, however, does not impinge upon the system applicable for wines imported from Greece.

D. Aid for improving wine-growing structures

1. The Commission has already had occasion to point out that wine-growing potential (area and yield) seems to be increasing more rapidly than consumption. For this reason Community and national aids should be granted only for replanting and, more generally, for action intended solely to improve the quality of the vineyard (Art. 15).
2. For the same reason it is proposed to make provision at this stage for a planting system enabling the Council to take measures to limit the expansion of wine-growing potential and production (Art. 17).

E. Measures to improve the quality of production

1. The principle that products derived from wine varieties not included in the classification of wine varieties or from provisionally authorized varieties are to be gradually but completely eliminated from the market is reaffirmed and will be put into practice after a suitable period of grace the expiry date of which is, however, already fixed now (Arts. 16, 18 and 24).
2. The subdivision of wine-growing zone A into two zones A I and A II, makes it possible to limit the authorization at certain wine-making processes to a smaller area (Arts. 19, 21 and 32).
3. It is desirable that certain technical provisions be improved, notably the methods of analysis, control measures and measures to combat fraud (Arts. 29 and 30).
4. Experience has shown that certain amendments could well be made to Regulation (EEC) No 817/70 on quality wines produced in specified regions. Those proposed relate in particular to an increase in the minimum natural alcoholic strength required for the various zones (Art. 34) and to the circumstances and manner in which such wines may be enriched (Art. 35) or sweetened (Arts. 36 and 37).

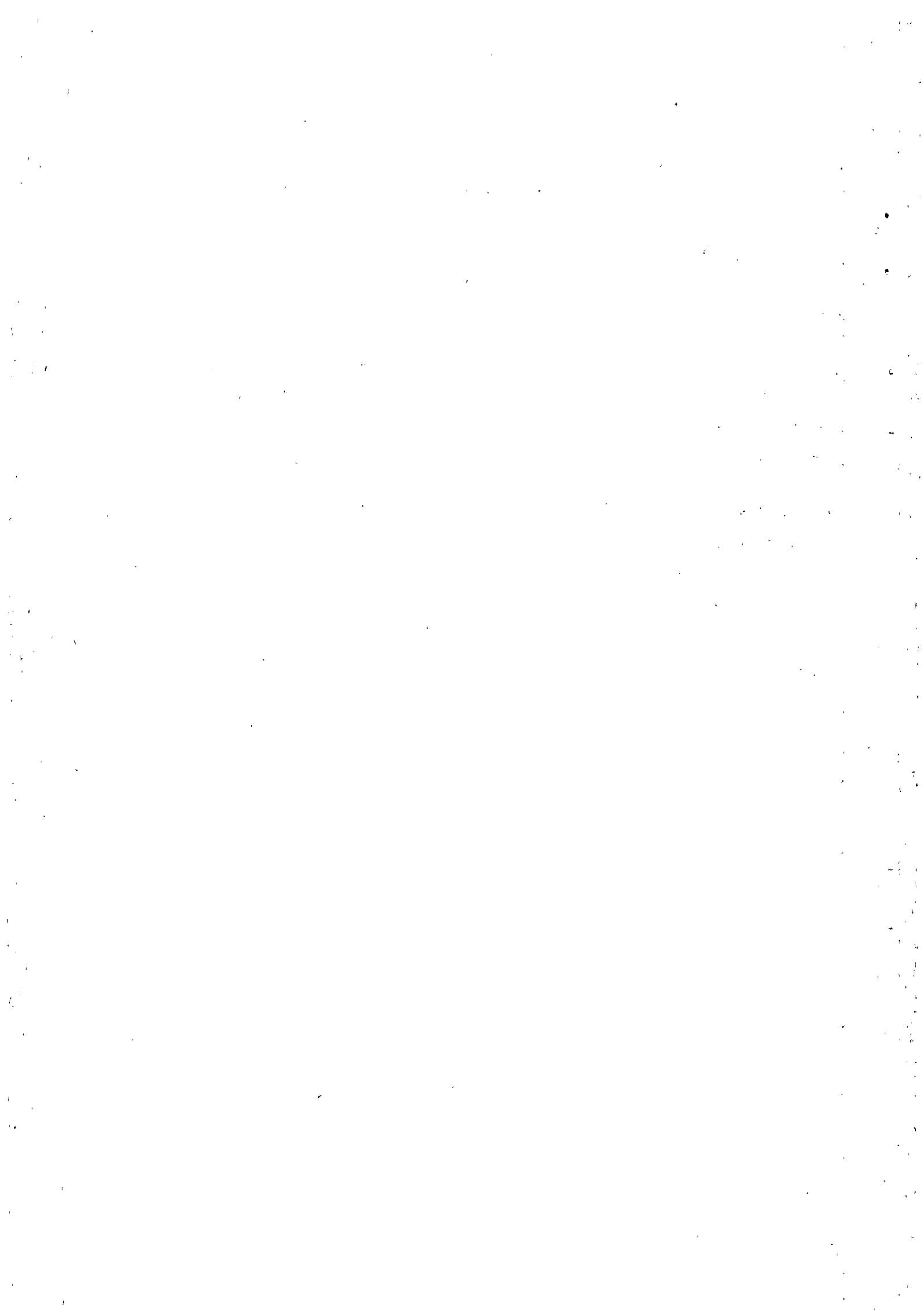
F. Further measures

In view of the Resolution adopted by the Council on 16 July 1974 in connection with relations with the Mediterranean countries, a provision has been included under which special distillation might be permitted if at a time when the market was disturbed imports from certain third countries exceeded their normal volume (Art. 28).

Because of the extremely technical nature of the questions involved, this explanatory memorandum does not mention all the minor amendments, which have often been proposed in order to clarify the text from a legal point of view and to make it more readily comprehensible. It should however be noted that this proposal

- transfers grape juice containing more than 30 % of added sugar and the relevant provisions relating to trade to the Regulation on wine (Arts. 1, 10, 11 and 12), as proposed during earlier discussions on that Regulation;
- as a result of that transfer, alters the scope of the Regulation on processed fruit and vegetables and the Common Customs Tariff (Arts 33 and 41).
- alters the definitions of certain products covered by the Regulation (Art.31).

Finally, it would seem extremely useful, after the discussion of this proposal has been completed, to prepare a consolidated version of the basic Regulation on wine to be put at the disposal of Community users.



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on the Common Customs Tariff

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;

Whereas certain provisions of Council Regulation (EEC) No 816/70¹ of 28 April 1970 laying down additional provisions for the common organization of the market in wine, as last amended by Regulation (EEC) No 1532/74², should be amended in the light of experience gained in applying that Regulation;

Whereas the organization of the market in wine does not cover grape juice or unfermented grape must with an added sugar content exceeding 30 % by weight, which up to now have been governed by Council Regulation (EEC) No 865/68³ of 28 June 1968 on the common organization of the market in products processed from fruit and vegetables, as last amended by Regulation (EEC) No 2429/72⁴; whereas without prejudice to the applicability thereto of Article 94 of the Act of Accession it has been found desirable to bring the products in question within the scope of Regulation (EEC) No 816/70 and, in particular, to transfer to that Regulation the provisions of Regulation (EEC) No 865/68 concerning the charging of the levy and the granting of the refund on the sugar added to such products;

¹ OJ No L 99, 5 May 1970, p. 1

² OJ No L 166, 21 June 1974, p. 1

³ OJ No L 153, 1 July 1968, p. 8

⁴ OJ No L 264, 23 November 1972, p. 1

Whereas Article 7 of Regulation (EEC) No 816/70 provides for the possibility of adopting measures for distillation; whereas experience has shown that, if they are to be effective, it must also be possible to adopt such measures at the start of the wine-growing year; whereas provision should therefore be made for this possibility by providing for a withdrawal price for the purpose of distillation to be fixed at the same time as the guide prices;

Whereas comparison between the market price and the activating price is the determining factor for setting in motion or for terminating certain intervention measures which are intended to help prevent the market price from diverging too far from the guide price; whereas a disparity between the guide price and the activating price sufficiently large to ensure the proper functioning of these measures should be provided for;

Whereas Article 4 of Regulation (EEC) No 816/70 provides for the Commission to fix each week an average producer price for each type of wine and for each representative market; whereas in certain cases this average price may set in motion the intervention mechanisms; whereas experience has shown that, for the purpose of setting these mechanisms in motion, it is necessary to take into account the quantities marketed on the various representative markets; whereas to this end it is necessary to fix a Community weighted average price for each type of wine;

Whereas the private storage aid system provides in particular for the conclusion of short- and long-term storage contracts; whereas experience has shown that short-term contracts cannot alone solve the problems experienced at the start of the marketing year; whereas it is not possible to bring forward the start of the period during which long-term contracts may be concluded, since the forward estimates can not be made in time; whereas, therefore, provision must be made for the possibility of deciding at the start of the marketing year, if an exceptionally abundant harvest is forecast and subject to certain other conditions, to permit the conclusion, from 1 September, of special long-term contracts; whereas, moreover, the possibility should exist that, in similar circumstances, a decision may be taken to grant aids for the disposal of must intended for the manufacture of grape juice and concentrated must in order to relieve the wine market at a decisive juncture in the formation of producer prices; whereas this makes it necessary to extend to grape must the Community provisions concerning trade with third countries and in particular to fix a reference price for it;

Whereas the price of wine delivered for distillation as part of the distillation operations at present provided for should not be such as to encourage the production of wine intended solely for distillation; whereas restrictions are at present placed on the fixing of reference prices for wine; whereas experience has shown that it would be desirable for such price to be fixed also in respect of wines in containers holding 2 litres or less..

Whereas, in order to ensure that the reference price is adhered to, it is necessary to specify that the countervailing charge must be fixed by reference to the customs duties actually levied; whereas experience has shown that it is possible to do away with the possibility of exempting certain quality wines from the countervailing charge without affecting their importation into the Community;

Whereas, in order to preserve a balance between the development of wine-growing structures and the ability to dispose of the wine, aids should be granted only to encourage replanting for the purpose of improving the quality of the wine and not to encourage new planting; whereas Community criteria relating to the improvement of the quality of wine by replanting should be laid down in order to ensure that the national aids in question fit in with Community policy regarding the wine market and the development of agricultural structures;

Whereas, in order to avoid hardship, it is necessary to permit the cultivation of unclassified varieties for a transitional period; whereas, moreover, in order to ensure that table wines are of sufficiently high quality, the definition of table wine and of the products used in its manufacture should be adjusted, together with the provisions concerning the permitted uses of the product of unclassified or provisionally authorized vine varieties;

Whereas, in order to avoid imbalance on the market in wine, provision should be made for the possible introduction of a Community planting system, and the measures this might involve should be specified;

Whereas, in a large part of wine-growing zone A, the addition of sucrose in aqueous solution is either prohibited or authorized only during a transitional period and practised very occasionally; whereas, in order to limit the possibility of altering in this way the natural alcoholic strength of table wines and quality wines p.s.r. to those cases in which it is strictly necessary, zone A should be split into two parts, one where the addition of sucrose in aqueous solution is permitted and one where this operation is absolutely prohibited for climatic reasons and because the vine varieties produce grapes which ripen more quickly;

Whereas Community rules on the sweetening of wines originating in the Community have already been adopted; whereas a legal basis should be laid down to enable the sweetening of imported wines also to be regulated at Community level;

Whereas Article 24 of Regulation (EEC) No 816/70 provides for the obligatory distillation of marc and lees; whereas, however, there have been certain practical difficulties in applying those provisions; whereas it seems reasonable to provide for the obligation to distil to be discharged not only by processing the products in question into potable spirits but also by processing them into vinegar; whereas the fixing of a single definitive percentage before the start of the wine-growing year does not appear to be the best solution; whereas a basic percentage should be fixed before the start of the wine-growing year to ensure that the desired quality is upheld but provision should also be made for an additional percentage to be fixed subsequently depending on the size and actual quality of the harvest;

Whereas it should be specified that the coupage of a wine suitable for yielding a table wine with a table wine may yield a table wine only if that process takes place in the zone where the wine suitable for yielding a table wine was produced; whereas the prohibition of the coupage of wine originating in one third country with wine originating in another third country applies to the whole of the Community including the free zones;

Whereas practically the only difference between aerated sparkling wines and aerated semi-sparkling wines is their carbon dioxide pressure in closed containers; whereas these two categories of wine should therefore be grouped together as "aerated wines"; whereas it has therefore been necessary to alter the text of the provisions relating to the said products;

Whereas, in order to prevent fraud in the manufacture of wine, the alcoholic fermentation of grape juice and concentrated grape juice, whether imported or not, and if imported fresh grapes, grape must, concentrated grape must, grape must in fermentation and grape must with fermentation arrested by the addition of alcohol should be prohibited;

Whereas the Community market must not be deprived of certain wines originating in third countries, particularly those with a total alcoholic strength exceeding 15 ° which do not correspond to the definition of liqueur wine, irrespective of whether their alcoholic strength is natural or is obtained by the addition of alcohol; whereas a legal basis should therefore be laid down to enable provisions authorizing the importation of such wines to be adopted; whereas experience has shown the need to define must with fermentation arrested by the addition of alcohol and to alter the relevant provisions accordingly;

Whereas, bearing in mind the interests of consumers and the desirability of obtaining equivalent treatment for quality wines p.s.r. in third countries, provision should be made, where reciprocal arrangements can be established, for the possibility that wines of superior quality designated by a geographical indication imported from third countries and marketed in the Community may, in certain circumstances, be controlled and protected as provided in respect of quality wines p.s.r.;

Whereas, if the market experiences or is threatened with serious disturbances at a time when an abnormal quantity of wine is being imported from third countries whose wines receive preferential treatment on importation into the Community, measures should be taken to maintain the income of producers; whereas to this end it may be necessary to decide that special distillation of wine be carried out;

Whereas it has been found desirable, in order to facilitate intra-Community trade and to supplement accordingly the common import arrangements, to provide for the establishment not only of the methods of analysis required for the implementation of Annexes I and II to Regulation (EEC) No 816/70 but also of all those required for the determination of the composition of the products specified in Article 1;

Whereas fraud and deception must be punished effectively and speedily; whereas the growth in intra-Community trade makes the work of the special departments of Member States more difficult; whereas the foundations of a better system for the suppression of fraud at Community level should be laid by making provision for these departments to cooperate with one another directly; whereas such direct cooperation must enable the departments in question to inform the corresponding departments of a Member State of any infringement, discovered or suspected, in order that the latter may take the appropriate steps without delay;

Whereas Council Regulation (EEC) No 817/70 ⁽¹⁾ of 28 April 1970 laying down special provisions relating to quality wines produced in specified regions, as last amended by Regulation (EEC) No 2680/72 ⁽²⁾, should be amended in the light of experience gained on the market in quality wines produced in specified regions;

Whereas the natural alcoholic strength of grapes at the time of harvest is a factor in assessing their degree of ripeness; whereas it appears necessary to fix the minimum natural alcoholic strength of quality wines p.s.r. in the various wine-growing regions at a level such as to ensure, even in poor years, that the grapes used in their manufacture had reached a satisfactory degree of ripeness; whereas such an adjustment also calls for the minimum total alcoholic strength of quality wines p.s.r. to be changed;

(1) OJ No L 99, 5 May 1970, p. 20

(2) OJ No L 289, 27 December 1972, p. 1

Whereas it may prove necessary, in order to preserve the quality of quality wines p.s.r., to permit the increase in alcoholic strength provided for in exceptional circumstances in Article 18(2) of Regulation (EEC) No 816/70 in respect only of table wines and not of quality wines p.s.r.; whereas table wines should therefore be dissociated from quality wines p.s.r. as regards the possibility of authorizing such exceptional increase in alcoholic strength in any given wine-growing area; whereas for the same reason it is desirable to limit the addition of sucrose in aqueous solution;

Whereas, in order to preserve as far as possible the specific character bestowed by its origin on each quality wine p.s.r. and to simplify the work of the inspection agencies, such wine may be sweetened only within the specified region in question, by means of products originating in the same region and in accordance with rules to be laid down within certain limits by the Member States;

Whereas, in order to ensure uniform application of the provisions relating to quality wines p.s.r., provision should be made for the possibility of establishing methods of analysis to deal with specific cases;

Whereas, in order to make Article 12(3) of Regulation (EEC) No 817/70 as clear as possible, the phrase, "without prejudice to the provisions of Article 30(2) and (3) of Regulation (EEC) No 816/70" should be deleted; whereas, however, in order to enable the Member States to comply gradually with the principle laid down in that provision, they should be permitted in certain exceptional cases to depart from that principle during a transitional period of five years;

Whereas this opportunity should be taken to correct mistakes occurring in Article 33(1) of Regulation (EEC) No 816/70 and in Article 9(1) and the German text of Article 11(1) of Regulation (EEC) No 817/70;

Whereas, if aid is to be granted in respect of Community grape must intended for the preparation of grape juice, trade in all vine products must be made subject to Community rules; whereas for this purpose a precise distinction must be made between grape must and grape juice; whereas such distinction must be shown in the Common Customs Tariff, which will need to be altered accordingly;

HAS ADOPTED THIS REGULATION :

Article 1

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

1. The text of paragraph 2 is replaced by the following :

"It shall apply in respect of the following products :

CCT heading No	Description of goods
(a) 20.07 A I A II B I B II B III a) 1 B III b) 1	Grape must and grape juice whether or not containing added sugar, but unfermented and not containing spirit
(b) 22.04 22.05	Grape must, in fermentation or with fermentation arrested otherwise than by the addition of alcohol Wine of fresh grapes; grape must ¹ with fermentation arrested by the addition of alcohol
(c) 08.04 A II 22.10	Fresh grapes other than table grapes Wine vinegar
(d) 22.07 A 23.05 A 23.06 A I	Piquette Wine lees Grape marc

2. Paragraph 4(b) is amended as follows:

In the first indent, the phrase "and diluted vious wine" is deleted.

The second indent is replaced by the following :

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

Article 2

The following Article is inserted in Regulation (EEC) No 816/70:

"Article 2a

1. A price shall be fixed annually, before 1 August, for the withdrawal of wine from the market for the purpose of distillation (hereinafter called the "withdrawal price") and shall apply to new wine still in fermentation, to wine suitable for yielding table wine and to table wine.
2. The withdrawal price shall be valid from 15 September to 15 November of the year in which it is fixed. It shall be expressed in units of account per degree per hectolitre.
3. The level at which the withdrawal price is fixed shall be between 50 and 60 % of the guide price valid for the period in question for whichever type of wine has the lowest such price and shall:
 - take account of the desirability of stabilizing the market with effect from the start of the wine-growing year if the harvest has been abundant, while at the same time ensuring a minimum return to the producer; and
 - be such that the balance of the market in ethyl alcohol is not adversely affected and that the production of wine of inadequate quality is not encouraged.
4. There may be fixed, on the same basis, one or more special withdrawal prices at a level higher than the withdrawal price but which may not exceed 70 % of the guide price for the corresponding type of table wine.
5. The prices provided for in this Article shall be fixed in accordance with the procedure laid down in Article 43(2) of the Treaty."

Article 3

The following subparagraph is added to Article 3(2) of Regulation
(EEC) No 816/70:

"It may not, however, exceed 95 % of the corresponding guide price."

Article 4

The text of Article 4 of Regulation (EEC) No 816/70 is replaced by the following :

"Article 4

1. For each type of wine for which a guide price is fixed, the Commission shall, on the basis of all the data available to it, fix each week:
 - an average producer price (hereinafter called the "average price") for each representative market for the type of wine in question, and
 - a Community weighted average price, being for each type of wine the average of the weighted average prices for the quantities marketed on each representative market.
2. Member States shall supply the Commission with all relevant information for fixing the prices provided for in paragraph 1, and in particular the producer prices recorded on the representative markets for each type of wine and the quantities to which they relate.
3. Detailed rules for the application of this Article and in particular relating to the list of representative markets and to the methods for recording prices, shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24."

Article 5

The text of Article 5 of Regulation (EEC) No 816/70 is replaced by the following:

"Article 5

1. There is hereby instituted a system of aid for the private storage of table wine and the disposal of grape must.
2. The granting of private storage aid shall be 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, concluded between 16 December and 15 February of the following year, hereinafter called "long-term contracts";
 - contracts valid for a period of nine months, concluded between 1 September and 15 December, hereinafter called "special long-term contracts".
3. Short-term contracts may be entered into in respect of any given type of table wine if during the wine-growing year the Community weighted average price for that type of wine remains for two consecutive weeks less than the activating price. They may no longer be entered into when for two consecutive weeks the weighted average price for that type of wine remains equal to or higher than the activating price.

If the state of the market so requires, a decision may be taken to permit the conclusion of short-term contracts in respect of table wines of a type other than that referred to in the preceding subparagraph, where such table wines stand in close economic relationship with the latter type. Short-term contracts may no longer be entered into in respect of these wines when they may no longer be entered into in respect of the type of table wine with which they stand in close economic relationship.

Article 5 page 2

4. Independently of the provisions of paragraph 3, short-term contracts may be entered into in respect of a given wine-growing zone or part of a wine-growing zone if in such zone or part of zone, in particular owing to an exceptionally abundant harvest, an imbalance appears at the beginning of the wine-growing year between the quantities available and the quantities that can be sold.
5. Long-term contracts may be entered into in respect of certain types of table wine to be specified if the forward estimates for a wine-growing year show that the quantity of such wines available at the beginning of that year exceeds total foreseeable requirements for that year by more than four months' consumption.
6. Where, during the period from 1 September to 15 December, the following conditions are fulfilled
 - the Community weighted average prices for any three types of wine together representing more than half of Community production remain, for two consecutive weeks, at a level below 90 % of their respective activating prices;
 - the quantity of table wine of all types under storage contracts exceeds 10 million hl at the time of the last statement of such contracts before the end of the two-week period referred to in the preceding indent;
 - as a result of forecasts of an exceptionally abundant harvest a clear imbalance between supply and demand is foreseeable;then a decision may be taken:
 - (a) to permit the conclusion of special long-term contracts in respect of certain types of table wine to be specified and/or
 - (b) to grant aid for the disposal of Community-produced grape must intended for the preparation of grape juice, concentrated grape juice and concentrated must.

Article 5, page 3

7. The amount of the aid provided for in paragraph 6(b) must be such as will improve the position of grape must in relation to competing products, particularly as regards to the processes specified in Article 19.
8. Where and for such time as long-term contracts may be entered into under paragraph 5 or under paragraph 6(a), no aid may be granted under paragraph 3 or 4.
9. Decisions as to the possibility of entering into storage contracts as provided for in the second subparagraph of paragraph 3 and in paragraphs 4, 5 and 6(a) and as to the granting of the aids provided for in paragraph 6(b) shall be taken 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 development of 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 and that special long-term contracts may no longer be entered into even before 15 December;
- (b) for adopting other detailed rules for the application of this Article.

The Commission shall decide whether storage contracts may or may no longer be entered into in the case provided for in the first subparagraph of paragraph 3 and whether they may no longer be entered into in the case provided for in the second subparagraph of paragraph 3.

Article 6

Article 6 of Regulation (EEC) No 816/70 is amended as follows:

1. The text of paragraph 2 is replaced by the following:

"2. The conclusion of storage contracts shall be subject to conditions relating in particular to the quality of the wine in question.

It may be provided that storage contracts are to contain a provision for the termination of aid payments and of the producer's corresponding obligations in respect of all or part of the quantities stored if for two consecutive weeks the Community weighted average price for the type of wine in question remains equal to or higher than the guide price for that type of table wine.

2. The text of the second subparagraph of paragraph 3 is replaced by the following:

"However, for long-term contracts and special long-term contracts, the amount thus determined may be increased by not more than 20 % to take account of the risks inherent in such contracts."

Article 7

The following Article is inserted in Regulation (EEC) No 816/70:

"Article 6b

1. Where, during the period from 15 September to 15 November, the following conditions are fulfilled:
 - the Community weighted average prices for any three types of wine together representing more than half of Community production remain for two consecutive weeks at a level below 80 % of their respective activating prices;
 - the quantity of table wine of all types under storage contracts exceeds 10 million hl at the time of the last statement of such contracts before the end of the two-week period referred to in the preceding indent;
 - as a result of forecasts of an exceptionally abundant harvest a clear imbalance between supply and demand is foreseeable;then a decision may be taken to commence distillation of the products specified in Article 2a(1).
2. The price of the products delivered for distillation shall not be less than :
 - the withdrawal price;
 - the special withdrawal price for a quantity of wine produced by the producer equal to the quantity in respect of which he has concluded a long-term contract which expires during the period specified in paragraph 1.
3. The Council, acting in accordance with the voting procedure laid down in Article 43(2) of the Treaty on a proposal from the Commission, shall adopt provisions concerning the distillation of the products in question, relating in particular to
 - the conditions under which distillation may be carried out;
 - disposal of the distilled products.
4. The decision provided for in paragraph 1 and 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 8

The text of Article 7 of Regulation (EEC) No 816/70 is replaced by the following :

"Article 7

1. Where the application of the intervention measures provided for in the preceding Articles is unlikely to be effective in restoring price levels, the Council, acting in accordance with the voting procedure laid down in Article 43(2) of the Treaty on a proposal from the Commission, shall adopt measures for the distillation of table wine.
2. Such measures shall state under what conditions distillation may be carried out. These conditions, which may be varied according to the wine-growing zone:
 - (a) shall be such as to ensure that the balance of the market in ethyl alcohol is not adversely affected;
 - (b) shall not be such as to encourage production of wine of inadequate quality.
3. The measures shall relate in particular to
 - the fixing of the price of wine delivered for distillation, which may not exceed 70 % of the guide price valid for the same period for the type of wine in question;
 - disposal of the distilled products.
4. 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 9

Article 9 of Regulation (EEC) No 816/70 is amended as follows:

1. In paragraph 1

(a) the text of the first subparagraph is replaced by the following:

"There shall be fixed annually before 16 December a reference price for the following products presented in bulk:

- red wine,
- white wine."

(b) the text of the third subparagraph is replaced by the following:

"Reference prices shall also be fixed in respect of grape must, concentrated grape must, grape must with fermentation arrested by the addition of alcohol, fortified wine and liqueur wine and wine in containers holding 2 litres or less.

Special reference prices may be fixed in respect of the products referred to in the first and third subparagraphs if they have special characteristics or are intended for special uses."

(c) the fifth subparagraph is deleted.

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

"In respect of each product for which a reference price is fixed, a free-at-frontier offer price for all imports shall be determined on the basis of all available information."

3. In paragraph 3

(a) the text of the first subparagraph is replaced by the following:

"Where the free-at-frontier offer price for a product for which a reference price is fixed plus the customs duties actually charged is lower than the reference price for that product shall be levied on imports of that product a countervailing charge equal to the difference between the reference price and the free-at-frontier offer price plus the customs duties actually charged."

Article 9, page 2

(b) the third subparagraph is deleted.

4. The text of paragraph 4 is replaced by the following:

"If it is impossible to determine a free-at-frontier offer price for a product for which a reference price has been fixed, the countervailing charge for the product in question shall be fixed by applying to the charge on a product which stands in close economic relationship with the product in question a coefficient established by reference to the ratio existing on the Community market between the average prices of the products concerned."

Article 10

The following Article is inserted in Regulation (EEC) No 816/70:

"Article 9a

1. In addition to the customs duties and countervailing charge referred to in Article 9(3), a levy on added sugar content shall be charged on imports of the products specified in Article 1 (2) (a) under Common Customs Tariff subheadings Nos 20.07 A II b) 1 and B III b 1 aa, such levy to be as specified in the following paragraphs.
2. The levy per 100 kilogrammes net weight of imported product shall be equal to the difference between:
 - (a) the average of the threshold prices for one kilogramme of white sugar fixed for each of the three months of the quarter for which the said difference is to be determined, and
 - (b) the average cif price for one kilogramme of white sugar as used for the purpose of fixing the levies on white sugar, such average being calculated for a period comprising the first fifteen days of the month immediately preceding the quarter for which the difference is to be determined and the two months immediately preceding that month, that difference being multiplied by the figure shown in column 1 of Annex V for the product in question.If the amount specified in (b) is higher than that specified in (a), no levy shall be charged.
3. The difference as specified in paragraph 2 shall be determined by the Commission for each quarter of the calendar year.
4. If the threshold price referred to in paragraph 2(a) is altered during a quarter, the Council, acting in accordance with the voting procedure laid down in Article 43(2) of the Treaty on a proposal from the Commission, shall decide whether the difference should be adjusted and, if so, shall prescribe the measures to be taken to that end.
5. If on the 15th of the month preceding the quarter for which the difference as specified in paragraph 2 is to be determined, an item necessary for the calculation of that difference is not known, the Commission shall calculate the difference using in place of the missing item the figure taken into consideration in calculating the difference for the current quarter.

Article 10, page 2

A corrected difference shall be determined by the Commission and shall be operative from the sixteenth day at the latest following the day on which the missing item becomes known.

If, however, the item in question does not become known until after the beginning of the last month of the quarter in question, the difference shall not be corrected.

6. If the added sugar content per 100 kilogrammes net weight of imported product, as determined in accordance with paragraph 8, is less by two kilogrammes or more than that content as expressed by the figure shown in column 1 of Annex V for the product in question, then if the importer so requests, the levy shall be calculated per 100 kilogrammes net weight of imported product by multiplying the difference as specified in paragraph 2 by a figure representing the added sugar content as defined in paragraph 8.
7. If the added sugar content per 100 kilogrammes net weight of imported product, as determined in accordance with paragraph 8, is less by three kilogrammes or more than that content as expressed by the figure shown in column 1 of Annex V for the product in question, then the levy shall be calculated as provided in paragraph 6.
8. The figure to be regarded as representing the added sugar content shall be the figure obtained by refractometry as described in Annex III to Council Regulation (EEC) No 865/68 of 28 June 1968 on the common organization of the market in products processed from fruit and vegetables,⁽¹⁾ as last amended by Regulation (EEC) No 2429/72,⁽²⁾ multiplied by the factor 0.95 in the case of the grape juices specified in Annex V to this Regulation - minus the figure shown in column 2 of that Annex for the product in question.
9. Such detailed rules as may be required for the application of paragraphs 1 to 8 shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24.

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(1) OJ No L 153, 1 July 1968, p. 8

(2) OJ No L 264, 23 November 1972, p. 1

Article 10, page 3

10. The Council, acting in accordance with the voting procedure laid down in Article 43(2) of the Treaty on a proposal from the Commission, may amend Annex V."

Article 11

The following Article is inserted in Regulation (EEC) No 816/70 :

"Article 10a

1. A refund shall be granted in respect of exports to third countries of sugars falling within heading No 17.01 and of glucose and glucose syrup falling within heading No 17.02, whether or not in the form of products falling within subheading No 17.02 B I, incorporated in the products falling within subheadings Nos 20.07 A II b) 1 and B III b 1 aa).
The refund shall be granted on application by the party concerned.
2. The refund to be granted per 100 kilogrammes net weight of exported product shall be equal:
 - in the case of raw sugar and white sugar, to the refund fixed per kilogramme of sucrose in accordance with Article 17 of Regulation No 1009/67/EEC and the provisions adopted in implementation thereof for the products specified in Article 1 (1) (d) of that Regulation, multiplied by a figure expressing the quantity of sucrose utilized per 100 kilogrammes net weight of finished product;
 - in the case of glucose and glucose syrup, to the respective refunds fixed for those products in accordance with Article 16 of Regulation No 120/67/EEC and the provisions adopted in implementation thereof, multiplied by a figure expressing the quantity of glucose or glucose syrup utilized per 100 kilogrammes net weight of finished product.The figures expressing the quantities of sucrose, glucose or glucose syrup shall be determined on the basis of the information supplied under Article 4 of Regulation (EEC) No 865/68.
3. The Council, acting in accordance with the voting procedure laid down in Article 43(2) of the Treaty on a proposal from the Commission, shall adopt general rules on the granting of refunds.
4. Such detailed rules as may be required for the application of this Article shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24."

Article 12

1. The following Article is inserted in Regulation (EEC) No 816/70 :

"Article 10 b

1. The levy referred to in Article 9 a (1) and the refund referred to in Article 10 a shall be those applicable on the day of importation or exportation.
2. To qualify for the refund referred to in Article 10 a the products listed in the same Article must be accompanied by a declaration from the party concerned indicating the amounts of sucrose, glucose and glucose syrup incorporated therein.
3. Where the provisions of Article 9 a (6) and (7) apply, the products listed in paragraph 1 of the same Article must be accompanied by a declaration from the importer indicating the added sugar content established by the method described in Article 9 a (8); however, where this condition is not fulfilled Article 9 a (6) shall not apply.
4. The accuracy of the declaration referred to in the preceding paragraphs shall be subject to the control by the competent authorities of the Member State concerned.
5. Detailed rules for the application of this Article shall be adopted as necessary in accordance with the procedure laid down in Article 7 of Regulation No 24."

Article 13

The following Annex is inserted in Regulation (EEC) No 816/70 :

ANNEX V

Standard added sugar and natural sugar contents of grape juice and concentrated grape juice :

CCT Heading N°	Description	Standard sugar contents	
		Added sugar (1)	Natural sugar (2)
22.07	<p>Fruit juices (including grape must) and vegetable juices, whether or not containing added sugar, but unfermented and not containing spirit :</p> <p>A. Of a specific gravity exceeding 1.33 at 15°C :</p> <p> II. Grape juice</p> <p> b) Of a value not exceeding 22 UA per 100 kg net weight:</p> <p> 1. With an added sugar content exceeding 30 % by weight</p> <p>B. Of a specific gravity of 1.33 or less at 15°C :</p> <p> III. Grape, apple and pear juice; mixtures of apple and pear juice :</p> <p> b) Of a value of 18 UA or less per 100 kg net weight :</p> <p> 1. Grape juice :</p> <p> aa) With an added sugar content exceeding 30 % by weight</p>	<p>49</p> <p>49</p>	<p>15</p> <p>15</p>

Article 14

Article 13(1) of Regulation (EEC) No 816/70 is replaced by the following:

"1. Importation of the products listed in Article 1(2) to which alcohol has been added, with the exception of those products originating in the Community to which alcohol may be added under Article 25(1) and (2) and the fortified wines referred to in the second subparagraph of Article 28(1) shall be prohibited."

Article 15

Article 15 Regulation (EEC) No 816/70 is replaced by the following:

"Article 15

1. All national aids for new vine planting and for replanting shall be prohibited subject to paragraph 2.

2. (a) Member States may, pursuant to Council Directive No 72/159/EEC¹ of 17 April 1972 on the modernization of farms, grant aids for replanting with a view to improving the quality of the wines.

Provisions aimed at defining the criterion of improvement in quality may be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24.

(b) For large-scale replanting to be carried out as part of an overall operation within the framework of a plan for improving the structures of the vineyard concerned, in particular for the purpose of land consolidation, the aids referred to in (a) may exceed those provided for in the first subparagraph of Article 8(2) and the first subparagraph of Article 14(2) of Council Directive No 72/159/EEC. However, the percentage of the interest rate subsidy may not exceed by more than 1 % the maximum percentage which may be granted under Article 8(2) of Directive No 72/159/EEC.

3. As long as the provisions of Part 2 of Regulation No 17/64/EEC continue to apply pursuant to Article 6(4) of Council Regulation (EEC) No 729/70² of 21 April 1970 on the financing of the common agricultural policy, the operations referred to in paragraph 2(b) may receive assistance from the ~~EAGGF~~ under Regulation No 17/64/EEC, provided that no financial contribution is granted under Article 19 of Directive No 72/159/EEC."

¹ OJ No L 96, 23 April 1972, p. 1

² OJ No L 94, 28 April 1970, p. 13

Article 16

The following paragraph is added to Article 16 of Regulation (EEC) No 816/70:

- "3. Notwithstanding paragraph 1, the cultivation of vine varieties not included in the classification shall be permitted
- for ten years after such varieties have been removed from the classification, or
 - until 31 August 1983 at the latest in the case of vines already growing on 31 December 1970."

Article 17

The following paragraph is added to Article 17(5) of Regulation (EEC) No 816/70 :

" These provisions may include in particular :

- (a) the introduction of a planting system whereby, inter alia, each area newly planted or replanted must be offset by the grubbing-up of a corresponding area;
- (b) the limitation or prohibition of new planting, replanting or both during a period to be determined, either
 - throughout the Community, or
 - in those production areas or parts thereof where it has proved particularly difficult to market the wine;
- (c) provisions stipulating that only certain varieties of wine to be determined may be replanted or newly planted."

Article 18

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

"Article 17a

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 preparation of :

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

However, until 31 August 1983, grapes from vine varieties provisionally authorized shall also be regarded as suitable for yielding the above product with the exception of quality wine p.s.r."

Article 19

In Article 18(1) and (2) of Regulation (EEC) No 816/70, the words "wine-growing zone A" are replaced by the words "wine-growing zones A".

Article 20

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

1. The text of the second subparagraph of paragraph 3 is replaced by the following:

"However, until 30 June 1979, sucrose may be added in aqueous solution in certain wine-growing regions of zone A I, provided that the volume of the product to which the solution is added is not thereby increased by more than 15 %."

2. In the first subparagraph of paragraph 6 the words "in wine-growing zone A" are replaced by the words "in wine-growing zones A".

Article 201

1. The following paragraph is added to Article 21 of Regulation (EEC) No 816/70 :

"Without prejudice to the first subparagraph of Article 28 (2), the sweetening of imported wines shall be subject to conditions to be determined."

2. Paragraph 2 of Article 21 of Regulation (EEC) No 816/70 becomes paragraph 3.

Article 22

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

"Article 24

1. The overpressing of grapes, whether or not crushed, and the pressing of wine lees, shall be prohibited, as also the refermentation of grape marc for purposes other than distillation.
2. Except by way of derogation decided by the Council, acting in accordance with the voting procedure laid down in Article 43 (2) of the Treaty on a proposal from the Commission, any natural or legal person who turns into wine fresh grapes, grape must, grape must in fermentation or new wine still in fermentation shall be required to distil the wine lees and grape marc which result from the process or, failing that, a corresponding quantity of wine.
3. The quantities of alcohol contained in products delivered for distillation pursuant to paragraph 2 shall not exceed 15 % of the volume of alcohol contained naturally in the products used for the production of the wine. Assessment of that volume shall be made on the basis of a standard natural minimum alcoholic strength laid down for each wine-growing year in each wine-growing zone.
4. The obligation to distil referred to in paragraph 2 may under certain conditions be discharged by suing the lees, marcs or, where appropriate, the wines in question either for the production of potable spirits, or
- for the production of potable spirits, or
- for vinegar-making.
5. Subject to the provision that the total quantity of alcohol may not exceed the maximum percentage stipulated in paragraph 3,
 - (a) a basic percentage shall be fixed annually before 1 August for the following wine-growing year;
 - (b) one or more additional percentages may be fixed before 1 January for the current wine-growing year.

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Article 22 page 2

6. An additional percentage may be fixed only if the forward estimates for the current wine-growing year show that the quantity of table wine available at the beginning of the year exceeds total foreseeable requirements for that year by more than four months' consumption. In fixing such percentage, account shall be taken of
- the quality of the harvest,
 - the need to avoid disturbing the market in ethyl alcohol or potable spirits.

A decision may be taken to apply the additional percentages only in respect of producers with a yield per hectare which exceeds a certain amount which may not be the same in all cases.

7. The Council, acting in accordance with the voting procedure laid down in Article 43(2) of the Treaty on a proposal from the Commission, shall adopt provisions concerning the distillation of the products in question, relating in particular to
- the price to be paid, according to their alcohol content, for marcs, lees and, where appropriate, wines delivered for distillation, such price not to exceed a level corresponding to that of the withdrawal price as provided for in Article 2a;
 - that part of the expenditure incurred by the intervention agencies to be borne by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund;
 - detailed rules for the application of paragraph 4;
 - disposal of the distilled products.

Acting in accordance with the same procedure, the Council may exempt certain production regions from the obligation laid down in paragraph 2.

8. Detailed rules for the application of this Article, relating in particular to the standard natural alcoholic strength referred to in paragraph 3, the percentages provided for in paragraph 5 and the yields per hectare to be determined for the purpose of paragraph 6, shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24."

Article 23

Article 26 of Regulation No 816/70 is amended as follows :

1. The text of paragraph 2 is replaced by the following:

"2. The coupage of a wine suitable for yielding a table wine with:

(a) a table wine, may yield a table wine only if that process takes place in the wine-growing zone where the wine suitable for yielding a table wine was produced;

(b) another wine suitable for yielding a table wine, may yield a table wine only if

- the latter wine was produced in the same wine-growing zone,
and

- the process takes place in the same wine-growing zone".

2. The coupage of a wine originating in a third country with a Community wine and the coupage on Community territory of wines originating in third countries shall be prohibited except by way of derogation to be decided by the Council, acting in accordance with the voting procedure laid down in Article 43(2) of the Treaty on a proposal from the Commission."

Article 24

Article 27 of Regulation (EEC) No 816/70 is amended as follows:

1. The text of paragraph 2 is replaced by the following:

"2. Of the products falling within Common Customs Tariff heading No 22.05, only liqueur wines, sparkling wines, aerated wines, semi-sparkling wines, quality wines p.s.r., the wines specified in Article 23(1) and table wines may be offered or disposed of for direct human consumption within the Community."

2. The second subparagraph of paragraph 3(a) is replaced by the following:

"However, in years when the climatic conditions have been unfavourable, it may be decided that products from wine-growing zones A and B which do not possess the minimum natural alcoholic strength laid down for the wine-growing zone in question may be used in the Community for the production of sparkling wines or aerated wines, provided that

- such sparkling wines have an actual alcoholic strength of not less than 8.5°,

- such aerated wines have an actual alcoholic strength of not less than 9°.

Where such decision is taken, the provisions of Article 18 shall apply, with the exception of those relating to minimum natural alcoholic strength."

3. In paragraph 3, the following subparagraphs are added after subparagraph (b):

"(c) From 1 September 1983, wines coming in whole or in part from provisionally authorized vine varieties may not be put on the market within the Community. They may be used only for consumption in the families of individual wine-growers and may not be delivered to a co-operative. Wines coming in whole or in part from vine varieties previously but no longer recommended or authorized may be used only for consumption in the families of wine-growers or for distilling or vinegar-making."

4. The text of the first subparagraph of paragraph 4 is replaced by the following:

"Grape juice and concentrated grape juice originating in the Community may not be subjected to alcoholic fermentation turned into wine or added to wine. These products shall be subject to control with respect to their use."

Article 25

Article 28 of Regulation (EEC) No 816/70 is amended as follows:

1. The text of paragraph 1 is replaced by the following:

"1. Imported wines, except for liqueur wines and sparkling wines, may be released for direct human consumption only on condition that

- they have an actual alcoholic strength of not less than 8.5° and a total alcoholic strength not exceeding 15°,
- they have a total acidity content expressed as tartaric acid of not less than 4.5 g/l, or 60 milliequivalents per litre,
- they satisfy the additional requirements imposed or to be imposed by the Council, acting in accordance with the voting procedure laid down in Article 43(2) of the Treaty on a proposal from the Commission.

However, in accordance with this procedure, certain imported wines not satisfying certain of the requirements laid down in the preceding subparagraph may, if they are designated by a geographical indication nevertheless be delivered for direct human consumption."

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

"The following imported products may not be subjected to alcoholic fermentation, turned into wine or added to wine: fresh grapes, grape must, grape must in fermentation, concentrated grape must, grape must with fermentation arrested by the addition of alcohol, grape juice, concentrated grape juice."

3. The text of paragraph 3 is replaced by the following:

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

Article 26

The following Article is inserted in Regulation (EEC) No 816/70:

"Article 28b

1. For the purpose of marketing within the Community, imported wines of superior quality designated by a geographical indication shall, where reciprocal arrangements can be established, be controlled and protected as provided in Article 13 of Regulation (EEC) No 817/70 in respect of quality wines p.s.r.

2. The provisions of this article are implemented by agreements with the interested third countries. The Commission is authorised to open negotiations to this effect.

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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 27

1. Paragraph 2 of Article 31 of Regulation (EEC) No. 816/70 is deleted. Paragraph 3 of that Article becomes paragraph 2.
2. In Article 33(1), the reference to "Article 1(2)(a)" is replaced by a reference to "Article 1(2)(b)".
3. Articles 37 and 40 are deleted.

Article 28

The following Article is inserted in Regulation (EEC) No 816/70:

"Article 33a

1. If the Community wine market experiences or is threatened with serious disturbances which may endanger the objectives set out in Article 39 of the Treaty and if in this situation the volume of imports from certain third countries is appreciably greater than usual, then without prejudice to the application of Article 14 special distillation may be carried out by the producers' associations only. Such distillation must have as its aim the attainment of an income equal to that which would have been obtained in the absence of the said imports.
2. The Council, acting in accordance with the voting procedure laid down in Article 43(2) of the Treaty on a proposal from the Commission, shall decide whether the special distillation is to be carried out and shall adopt general rules for the application of this Article.
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."

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Article 29

The text of Article 39 of Regulation (EEC) No 816/70 is replaced by the following:

"Article 39

1. The detailed provisions required for the application of Annexes I, II and IIa, and in particular provisions as to the wine-growing areas referred to in item 10 of Annex II, shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24.
2. The same procedure shall be used in order to lay down methods of analysis for determining the composition of the products specified in Article 1 for the purpose of applying this Regulation and in particular to ensure the control of oenological practices."

Article 30

The text of Article 39a of Regulation (EEC) No 816/70 is replaced by the following:

1. Member States shall take all appropriate measure to ensure compliance with this Regulation and with Regulation (EEC) No 817/70. They shall to that end make arrangements for direct co-operation between their respective competent departments.
2. Without prejudice to the provisions of Regulation (EEC) No 283/72 ⁽¹⁾ concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the common agricultural policy and the organization of an information system in this field, the departments referred to in paragraph 1 shall directly inform the corresponding departments of other Member States affected of any infringement, discovered or suspected, of this Regulation or of Regulation (EEC) No 817/70.
3. Every Member State shall inform the Commission of the names and addresses of
 - the departments referred to in paragraph 1,
 - the laboratories responsible for carrying out official wine analyses.The Commission shall forward that information to the other Member States.
4. The Council, acting in accordance with the voting procedure laid down in Article 43(2) of the Treaty on a proposal from the Commission, shall adopt measures to ensure uniform application of the provisions of this Regulation, particularly as regards controls.
5. Detailed rules for the application of paragraphs 2, 3 and 4 shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24."

(1) OJ No L 36, 10 February 1972, p. 1

Article 31

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

1. In items 4 and 9, the words "is derived exclusively from vine varieties referred to in Article 16" are replaced by the words "is ~~derived~~ exclusively from vine varieties referred to in Article 17a". In item 11 the words "derived from certain of the vine varieties referred to in Article 16" are replaced by the words "derived exclusively from vine varieties referred to in Article 17a".

2. In item 2, the words "and which does not correspond to the definition in item 5" are added.

In item 4, the following fifth indent is added, " - does not correspond to the definition in item 6".

3. The text of item 5 is replaced by the following:

"5 Grape juice: unfermented by fermentable grape must which has undergone the appropriate treatment, in particular stabilization and clarification or filtration, rendering it fit for consumption as it is and having an actual alcoholic strength not exceeding 1°".

4. The text of item 6 is replaced by the following:

"6 Concentrated grape juice: uncaramelized grape juice obtained by partial or total dehydration of grape juice carried out by any authorized method other than direct heat or a fire in such a way that its density at 20°C is not less than 1.240".

5. The text of item 10 is replaced by the following:

"10 Table wine: wine, other than quality wine p.s.r., which

- is derived exclusively from vine varieties referred to in Article 17a;
- is produced in the Community;
- has, following application, if any, of the processes specified in Article 19, an actual alcoholic strength of not less than 8.5° and a total alcoholic strength of not more than 15°;
- has, furthermore, a total acidity content expressed as tartaric acid of not less than 4.5 g/l, or 60 milliequivalents per litre.

However, in the case of wines from certain wine-growing areas to be determined which have been produced without any enrichment and no longer contain any residual sugar, the upper limit for the total alcoholic strength may be raised to 17°."

Article 31 page 2

6. Item 13, "aerated sparkling wine", and 15, "aerated semi-sparkling wine", are replaced by the following:

"13. Aerated wine : the product which

- is obtained, subject to the provisions of Article 27(3), from table wine;
- is produced in the Community;
- contains carbon dioxide, all or part of which may have been added; and
- has an overpressure of not less than 3 atmosphere when kept at a temperature of 20°C in closed containers."

Article 32

Annex III to Regulation (EEC) No 816/70 is replaced by the following:

"A N N E X III

WINE-GROWING ZONES

1. Wine-growing zone A I shall comprise:

- in Luxembourg: the entire wine-growing region;
- in Germany: the vineyards of Land Nordrhein-Westfalen, Land Hessen (except those of the Hessische Bergstrasse region) and of Land Rheinland-Pfalz (excluding those of the Regierungsbezirk Rheinhessen-Pfalz);
- in the United Kingdom: the entire wine-growing region;
- in Belgium: the entire wine-growing region;
- in the Netherlands: the entire wine-growing region.

Wine-growing zone A II shall comprise:

- in Germany: the vineyards of Land Bayern, of the Regierungsbezirke Rheinhessen-Pfalz, Nordwürttemberg and Südwürttemberg and of the Hessische Bergstrasse region.

2. Wine-growing zone B shall comprise:

- in Germany: the vineyards of the Regierungsbezirke Nordbaden and Südbaden;
- in France: the vineyards of Alsace, Lorraine, Champagne, Jura, Savoy and the Loire Valley.

3. Wine-growing zone C I shall comprise:

- in France: the vineyards of the Centre-West and the Centre, including the northern part of Ardèche, and the South-West, except those coming under wine-growing zone B.

Wine-growing zone C II shall comprise:

- in France: all southern vineyards, except those coming under wine-growing zone C III;
- in Italy: all vineyards except those coming under wine-growing zone C III.

Wine-growing zone C III shall comprise:

- in France: Corsica, certain vineyards of the Eastern Pyrenees and of the Var;
- in Italy: certain vineyards situated south of Rome and in the islands."

Article 33

Regulation (EEC) No 865/68 is amended as follows :

1. In Article 1, Common Customs Tariff heading No ex 20.07, relating to grape juice (including grape must) not containing spirit, with an added sugar content exceeding 30 % weight, is deleted.
2. In Annex I, subheadings Nos 20.07 A I b) 1 and 20.07 B I b) 1 aa) are deleted.
3. In Annex II, heading No 20.07 is replaced by the words "ex 20.07 (excluding grape must and grape juice)."

CCT Heading No	Description	(1)	(2)
20.07	<p>Fruit juices (including grape must) and vegetable juices, whether or not containing added sugar, but unfermented and not containing spirit :</p> <p>A. Of a specific gravity exceeding 1.33 at 15°C :</p> <p> III. (the former II)</p> <p> IV. (the former III)</p> <p>B. Of a specific gravity of 1.33 or less at 15°C :</p> <p> III. Grape, apple and pear juice; mixtures of apple and pear juice :</p> <p> b) Of a value of 18 UA or less per 100 kg net weight :</p> <p> 2)</p> <p> 3) (unchanged)</p> <p> 4)</p> <p> IV. (the former II)</p>		

Article 34

The text of Article 6(2) of Regulation (EEC) No 817/70 is replaced by the following:

"2. Subject to any derogation granted in accordance with the procedure laid down in Article 7 of Regulation No 24, the alcoholic strength provided for in paragraph 1 may not be less than the following:

7 ° in zone A I

8 ° in zone A II

8,5 ° in zone B

9 ° in zone C I

9,5° in zone C II

10 ° in zone C III

The zones referred to above are those defined as provided in Article 18(3) of Regulation (EEC 816/70."

Article 35

Article 7 of Regulation (EEC) No 817/70 is amended as follows:

1. The text of the second and third subparagraphs of paragraph 2 is replaced by the following:

"This increase may not exceed the limits laid down in Article 18(1) of Regulation (EEC) No 816/70. In years when climatic conditions have been exceptionally unfavourable, the increase in alcoholic strength provided for in the first subparagraph may, in accordance with the procedure laid down in Article 7 of Regulation No 24, attain the limits laid down in Article 18(2) of Regulation (EEC) No 816/70. Such authorization shall be independent of any similar authorization for table wines as provided for in that Article.

The increase provided for in this paragraph may be effected only according to the methods and conditions mentioned in Article 19 of Regulation (EEC) No 816/70, excluding the second subparagraph of paragraph 3 and paragraph 6 thereof.

However, until 30 June 1979 sucrose may be added in aqueous solution in wine-growing zone A I, provided that the volume of the product to which the solution is added is not thereby increased by more than 10 %."

2. The text of paragraph 3 is replaced by the following:

"No wine with a total alcoholic strength of less than 10° may be considered a quality wine p.s.r.

However, Member States may decide that in wine-growing zones other than C II and C III the total alcoholic strength for a quality wine p.s.r. is to be not less than 9°, provided that such wine has undergone none of the processes specified in Article 19(1) of Regulation (EEC) No 816/70."

Article 36

The text of Article 8(2) of Regulation (EEC) No 817/70 is replaced by the following:

"2. A quality wine p.s.r. may be sweetened only

- subject to the authorization of the producer Member State concerned; such authorization may lay down stricter conditions than those contained in the second subparagraph,
- within the specified region in which it was produced, and
- by means of grape must, the natural alcoholic strength of which has not been increased, or concentrated grape must originating in the same specified region as the wine in question.

The authorization to sweeten a quality wine p.s.r. must specify:

- a maximum amount, not exceeding 2°, by which the total alcoholic strength may be increased,
- if grape must is used, that the sweetening may not increase the volume of the wine in question by more than 10 %."

Article 37

In the first paragraph of Article 9 of Regulation (EEC) No 817/70, the words "in Articles 7 and 8" are replaced by the words "in Articles 7 and 8(1)".

Article 38

Article 11 of Regulation (EEC) No 817/70 is amended as follows:

1. In the first subparagraph of paragraph 1 in the German text the expression "vorzunehmen" is replaced by the expression "zu unterwerfen".
2. The text of paragraph 3 is replaced by the following:
 - "3. Where this Regulation requires for its operation the use of methods of analysis other than those referred to in Article 39 of Regulation (EEC) No 816/70, such methods shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24".

Article 39

The text of Article 12(3) of Regulation (EEC) No 817/70 is replaced by the following :

"3. The name of a specified region may be used to describe a wine only if it is a quality wine p.s.r.

However, the Council, acting in accordance with the voting procedure laid down in Article 43(2) of the Treaty on a proposal from the Commission, may authorize, for a transitional period which expires on 31 August 1980, the use subject to conditions to be determined of the names of certain specified regions to describe table wines for which such names were traditionally used on 1 June 1970."

Article 40

Article 17 of Regulation (EEC) No 817/70 is repealed.

Article 41

In Annex IV to Regulation (EEC) No 816/70 the table relating to the tariff heading 20.07 is replaced by the additional notes and the following table :

Chapter 20

PREPARATIONS OF VEGETABLES, FRUIT OR OTHER PARTS OF PLANTS

Notes

(unchanged)

The following note is added to the Additional Notes

4. For the purposes of heading No 20.07:

- A. Grape must (subheading Nos 20.07 B II) shall be taken to mean the liquid product obtained naturally or by physical processes from fresh grapes and having an actual alcoholic strength not exceeding 1°;
- B. Concentrated grape must (subheadings Nos 20.07 A I, 20.07 B I) shall be taken to mean uncaramelized grape must obtained by partial dehydration of grape must and of a density at 20°C of not less than 1.240;
- C. Grape juice (subheadings Nos 20.07 A II, 20.07 B III a) 1, 20.07 B III b) 1 shall be taken to mean unfermented but fermentable grape must which has undergone the appropriate treatment, in particular clarification or filtration, rendering it fit for consumption as it is and having an actual alcoholic strength not exceeding 1°;

Heading number	Description	Rate of duty	
		Autonomous % or Levy (L)	Conventional %
1	2	3	4
20.07	Fruit juices (including grape must) and vegetable juices, whether or not containing added sugar, but unfermented and not containing spirit: A. Of a specific gravity exceeding 1.33 at 15°C: I. Concentrated grape must	50 (a)	-

(a) In certain conditions a countervailing tax is provided for in respect of certain products in addition to the customs duty.

./.

Heading number	Description	Rate of duty	
		Autonomous % or Levy	Conventi %
1	2	3	4
20.07	II. Grape juice:		
	a) Of a value exceeding 22 UA per 100 kg net weight	50	-
	b) Of a value not exceeding 22 UA per 100 kg net weight :		
	1. with an added sugar content exceeding 30 % by weight	50 (+L)	-
	2. other	50	
	III. (former II)		
	IV. (former III)		
	B. Of a specific gravity of 1.33 or less at 15°C :		
	I. Concentrated grape must	28(a)	28
	II. Grape must	28(a)	28
	III. Grape, apple and pear juice; mixtures of apple and pear juice:		
	a) Of a value exceeding 18 UA per 100 kg net weight :		
	1. Grape juice		
	aa) With an added sugar content exceeding 30 % by weight	28	28
	bb) Other	28	(b)
	2. Apple and pear juice :		
	aa) Containing added sugar	25	24 + ads
	bb) Other	25	25
	3. Mixtures of apple and pear juice	25	-
	b) Of a value of 18 UA or less per 100 kg net weight :		
	1. Grape juice:		
	aa) With an added sugar content exceeding 30 % by weight	28 +(L)	28 + ads

(a) In certain conditions a countervailing tax is provided for in respect of certain products in addition to the customs duty.

(b) See Annex.

./.

Heading number	Description	Rate of Duty	
		Autonomous % or Levy	Conventional %
1	2	3	4
20.07	bb) Other	28	(a)
	2. Apple juice :		
	aa) With an added sugar content exceeding 30 % by weight	25 + (L)	24 + ads
	bb) With an added sugar content of 30 % or less by weight	25	24 + ads
	cc) Not containing added sugar	25	25
	3. Pear juice :		
	aa) With an added sugar content exceeding 30 % by weight	25 + (L)	24 + ads
	bb) With an added sugar content of 30 % or less by weight	25	24 + ads
	cc) Not containing added sugar	25	25
	4. Mixtures of apple and pear juice :		
	aa) With an added sugar content exceeding 30 % by weight	25 + (L)	-
	bb) Other	25	-
	IV. (former II)		

(a) In certain conditions a countervailing tax is provided for in respect of certain products in addition to the customs duty.

Article 42

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

This Regulation shall apply from the beginning of the wine-growing year 1975/76, with the exception of Articles 1, 10 to 13, 33 and 41 which shall apply from 1 January 1975.

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

Done at Brussels,

For the Council
The President

FINANCIAL NOTE

1. This proposal for a Regulation amends several provisions, relating in particular to intervention measures, of the basic Regulation No 816/70 concerning wine. The trend in expenditure since 1970 shows that, of the large variations noted, the main factor was the size of the harvest since the intervention measures remained practically unchanged during that period.

Even though provision has been made for a new withdrawal mechanism - distillation at the beginning of the wine-growing year - the operation of the Regulation, as now amended, is of such a nature to check increases in EAGGF expenditure in this sector, for the following reasons :

- distillation at the beginning of the wine-growing year, as provided for in Articles 2 and 7 of this proposal, would be carried out at withdrawal price levels (60 % of guide prices), which would involve only limited expenditure, which would in all cases be less than that incurred until now where distillation has been carried out at the end of the wine-growing year at price levels approximating to or even equal to the activating price,
- this type of distillation would be less expensive for the EAGGF and, by being carried out speedily and judiciously, could strengthen the market during its most susceptible phase, and reduce the burden of short-term storage aids which when applied automatically have only a very limited impact on the stabilisation of the market,
- furthermore, to enable the new arrangements to have true economic significance, the purchase price of any wine delivered for "exceptional" distillation (Article 8) would be limited to 70 % of the guide price and assistance from the EAGGF would be reduced proportionately.

.../...

- in the event of an exceptionally abundant harvest very high yields could be penalized and supply reduced by fixing a supplementary rate for the deliveries of by-products of wine-making (Article 21).

At present Community aid for such measures is nil and the proposed measures could usefully complete the wine distillation measures provided for within the framework of this draft regulation.

2. The theoretical calculation example, which follows, shows that the totality of these proposed provisions, and in particular the distillation withdrawal price levels, will result in a noticeable reduction in expenditure in the event of an exceptionally abundant harvest. On the other hand, in cases where the harvest levels would not require massive distillation the economies will be more modest. Thus, in conclusion, from the financial point of view, the proposed modifications will notably have the effect of reducing great increases in expenditure in the event of an exceptionally abundant harvest.
3. It is true, as stressed before, that the trend in intervention expenditure depends primarily on the state of equilibrium of the market. Leaving aside the inevitable variations in production from one year to the next, there is reason to fear that the current growth in production potential will not be counter-balanced in due time by an equivalent growth in demand. For this reason this proposal includes a number of measures restricting production, both quantitatively and qualitatively.

They are in particular, the introduction of a plantation system (Article 16); the limitation of aids to replantation (Article 14), the progressive grubbing-up of wine varieties not included in the classification (Articles 15 and 17) and measures promoting a general improvement in the quality of the products.

.../...

4. In conclusion, therefore, this draft regulation will lead to a reduction of intervention expenditure notably in the event of an exceptionally abundant harvest. As far as the use of Budget appropriations for 1974 and 1975 are concerned, the effect will be rather modest and difficult to quantify. On the one hand there are the time lags for the adoption of the draft regulation, and, on the other hand, for 1975 one must take into consideration the quantities of wine carried over from the preceding wine-growing year.

Wine sector (Chapter 69 of the Budget of the European Communities)

Expenditure :		Appropriations (Budget 1974, draft 1975)				
1970	1971	1972	1973	1974	1975	
16 m u.a.	28.2 m u.a.	55.4 m u.a.	8.7 m u.a.	70.1 m u.a.	93.2 m u.a.	

As far as the multi-annual estimates are concerned (1976 : 65 m u.a., 1977 50 m u.a.), it is to be noted that the most up-to-date information about the growth of production potential indicate the need to increase the amounts retained for 1976 and 1977. However, in the event of the adoption of the proposed measures (especially the distillation withdrawal price levels) there could be certain resulting economies for the years in question. Thus, a modification of the amounts retained for 1976 and 1977 does not seem advisable at the moment taking account of these two elements as well as the degree of uncertainty surrounding these estimates.

.../...

Theoretical example of various measures which may be taken in respect of the wine market

Working hypothesis

An exceptionally abundant harvest leaving the market with a quantity of 16 million hectolitres in excess of internal and external requirements (10 %) after stocks have been replenished.

Wine prices fixed for the 1974/75 wine-growing year and aids at present in force.

A. Measures possible under the present rules

	Unit cost in m u.a. per 1 m hl	Million hl (hypothetical)	Total cost m u.a.
1. Short-term storage contracts	0,6	30	18
2. Long-term storage contracts	2,2	8	18
3. Distillation at the activating price	6 to 7	8	48 to 56
4. Aid for restorage	0,95	4	4
			<hr/>
			88 to 96

B. Measures possible under the proposed rules

0. Distillation at the start of the wine-growing year	2 to 3	6	12 to 18
1. Short-term storage	0,6	15	9
2. Long-term storage	2,2	10	22
3. Distillation at 70 % of the guide price	3 to 4	3	9 to 12
4. Aid for restorage	0,85	5	5
			<hr/>
			57 to 66

An analogous calculation for a quantity of 8 m hl above total requirements shows that :

- the expenditure would be between 44 - 48 m u.a. for measures possible under the present rules,
- the expenditure would be between 29 - 36 m u.a. for the measures possible under the proposed modifications.