

European Communities

EUROPEAN PARLIAMENT

4416, 42

Working Documents

1976 - 1977

6 December 1976

DOCUMENT 443/76

Report

drawn up on behalf of the Committee on Agriculture

on the proposals from the Commission of the European Communities to the Council (Doc. 410/76) for

- I. a regulation amending Regulation (EEC) No. 1162/76 on measures designed to adjust wine-growing potential to market requirements
- II. a regulation amending Regulation (EEC) No. 1163/76 on the granting of a conversion premium in the wine sector

Rapporteur: Mr A. LIOGIER

PE 46.695/fin.



By letter of 4 November 1976 the President of the Council of the European Communities requested the European Parliament, pursuant to Article 43 of the EEC Treaty, to deliver an opinion on the proposals from the Commission of the European Communities for

a Council regulation amending Regulation (EEC) No. 1162/76 on measures designed to adjust wine-growing potential to market requirements;

a Council regulation amending Regulation (EEC) No. 1163/76 on the granting of a conversion premium in the wine sector.

On 15 November 1976 the President of the European Parliament referred these proposals to the Committee on Agriculture as the committee responsible and to the Committee on Budgets for its opinion.

The Committee on Agriculture appointed Mr Liogier rapporteur.

It considered these proposals at its meeting of 22 and 23 November 1976 and adopted the motion for a resolution by 14 votes to 1.

Present: Mr Houdet, chairman, Mr Ligios, vice-chairman; Mr Liogier, vice-chairman and rapporteur; Mr Brégégère, Mr Cifarelli, Mrs Dunwoody, Mr Frehsee, Mr Haase, Mr Hansen, Mr Hughes, Mr Kofoed, Mr Martens, Mr Ney, Mr Pucci and Mr Scott-Hopkins.

The opinion of the Committee on Budgets is attached to this report.

C O N T E N T S

	<u>Page</u>
A. MOTION FOR A RESOLUTION	5
B. EXPLANATORY STATEMENT	7
Opinion of the Committee on Budgets	11

A

The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

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

- a Regulation amending Regulation (EEC) No. 1162/76 on measures designed to adjust wine-growing potential to market requirements;
- a Regulation amending Regulation (EEC) No. 1163/76 on the granting of a conversion premium in the wine sector

The European Parliament

- having regard to the proposals from the Commission of the European Communities to the Council¹,
 - having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Doc. 410/76),
 - having regard to the report of the Committee on Agriculture and the opinion of the Committee on Budgets (Doc. 443/76),
1. Approves the Commission's proposals;
 2. Deplores the fact that no provision has been made in the proposal for a regulation amending Regulation (EEC) No. 1163/76 for consultation of Parliament;
 3. Therefore invites the Commission, pursuant to Article 149, second paragraph of the EEC Treaty, to approve the following amendment:

¹ OJ No. C 273, 18.11.1976, p.5

Proposal for a regulation of the
Council amending Regulation (EEC) No. 1163/76
of 17 May 1976 on the granting of a conversion
premium in the wine sector.

Preamble, recitals and
Article 1 (1) and (2) unchanged

Article 1

3. Article 4 (5) of the said
Regulation is hereby amended
to read as follows:

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

- the amount of the premium
- the dates set out in

Article 3 (1).'

Article 1

3. Article 4 (5) of the said
Regulation is hereby amended
to read as follows:

'5. The Council, acting by
a qualified majority on a
proposal from the Commission
and after consulting Parliament,
may decide to alter:

- the amount of the premium
 - the dates set out in
- Article 3 (1).'

Article 2 - unchanged

EXPLANATORY STATEMENT

1. These two proposals for Council regulations seek to amend Regulation (EEC) No. 1162/76¹ on measures designed to adjust wine-growing potential to market requirements and Regulation (EEC) No. 1163/76² on the granting of a conversion premium in the wine sector.

Consideration of the proposal for a regulation amending Regulation (EEC)
No. 1162/76

2. Regulation (EEC) No. 1162/76 lays down the appropriate measures for new planting and replanting of vineyards in order to prevent the formation of structural surpluses, mainly by putting a brake on production in order to re-establish the balance of the market in both the short and the long term.

3. To this end, Article 2 (1) prohibits all new planting of vine varieties classified as wine grape varieties during the period from 1 December 1976 to 13 November 1978; this is a measure which affects the increase in the production of table wines.

4. However, the Council felt it necessary to exempt the following from the prohibition referred to in paragraph 1:

- (a) New planting intended for the production of quality wines psr in Member States whose production of quality wines psr was less than 50% of the total wine production during the 1972/73, 1973/74 and 1974/75 wine-growing years;
- (b) New planting carried out under development plans which meet the conditions laid down in Council Directive 72/159/EEC of 17 April 1972 on the modernization of farms³;
- (c) New planting carried out in Member States which produce less than 5,000 hl of wine annually using grapes harvested on their territory.

5. This proposal seeks to add an extra case of exemption to this list, namely 'those new plantings which are effected under official re-parcelling measures', in order to avoid jeopardizing Member States re-parcelling measures aimed, in particular, at making wine-growing more profitable.

¹ OJ L 135, 24.5.1976, p.32

² OJ L 135, 24.5.1976, p.34

³ OJ L 96, 23.4.1972, p.1

6. This provision particularly concerns the Federal Republic of Germany which has launched a re-parcelling programme. The areas affected amount to less than 100 hectares, yielding, on the basis of a yield of 100 hectolitres per hectare, an annual production of 10,000 hectolitres of wine at most.

7. It should be noted that re-parcelling measures adopted by the Federal Republic of Germany are not only intended to improve agricultural structures as such but also to lead ultimately to the production of higher quality wines.

8. Consequently, with this in kind, your committee feels it would be wise to exempt new plantings effected under official re-parcelling measures from the prohibition on new plantings, for the period from 1 December 1976 to 13 November 1978, of vine varieties classified as wine grape varieties for the administrative unit concerned.

9. In this connection, your committee would remind you that the disparity between production and consumption of wines, in the light of new consumer tastes, can only be reduced within the framework of an improvement in the quality of the wines offered and the Commission must, therefore, always attempt to promote schemes designed to improve the quality of Community vineyards.

Consideration of the proposal for a regulation amending Regulation (EEC)
No. 1163/76

10. Regulation (EEC) No. 1163/76 provides for the granting of a conversion premium for vineyards planted with wine grape, table grape or vine stock varieties and whose production is particularly difficult to dispose of. The structural nature of its provisions are intended to reduce the disparity between the production and consumption of wine.

11. Article 2 (2) states:

' The premium may not be granted for areas planted with wine grape or table grape varieties totalling less than 25 ares on any one holding'.

12. This paragraph thus excludes most vines grown under glass in Belgium and the Netherlands. Thus, the Commission indicates that 70 hectares in Belgium and 15 hectares in the Netherlands qualify for the conversion premium. On the basis of an average yield of 200 hectolitres per hectare, this means that some 17,000 hectolitres will be affected by the present proposal for a regulation.

13. Indeed, Article 1 (1) of this amendment proposal extends eligibility for the conversion premium to vines grown under glass on areas between 1.5 and 25 ares, provided that the conversion is accompanied by demolition of the relevant greenhouses.

14. The Commission's aim in putting forward this condition that greenhouses must be demolished is to prevent the continued cultivation of non-profitable varieties once the vine has been grubbed up. Your committee considers that such a measure is indeed necessary, since among the objectives assigned to the common agricultural policy by Article 39 of the Treaty establishing the European Economic Community are those of increasing agricultural productivity - by, in particular, ensuring the optimum utilisation of the factors of production - and ensuring a fair standard of living for the agricultural community.

Thus, your committee would remind you of the position taken up by the Committee on Agriculture on a proposal from the Commission of the European Communities to the Council (Doc. 89/75), relating to a regulation laying down measures for the rationalization of horticultural production under glass¹. The Committee pointed out, in particular, that encouraging the demolition of greenhouses was a structural measure which was not devoid of social implications, since the aid was to be granted to small and barely profitable concerns.

15. Furthermore, Article 1 (2) of the present proposal for a regulation, which lays down that 'where the area to be converted for which the premium is requested is planted with several varieties of vine, some of which do not qualify for the premium, the premium shall be granted for the entire area provided that the varieties referred to in Article 1 (1) (of Regulation (EEC) No. 1163/76) cover more than 70% of the relevant area' it is particularly to the advantage of those producers who are willing to grub up vines of the wine grape or table grape varieties, since this enables them to receive what amounts to an extra premium equal to the difference between what they will actually receive for the area planted with several varieties of vine, some of which do not qualify for a premium, and what they would have received if only the area to be actually converted had been taken into consideration.

Your committee can only approve this measure.

16. Finally, Article 1 (3), with the aim of enabling, where necessary, the period for lodging applications for the premium to be extended, provides, as a replacement for Article 4 (5) of Regulation (EEC) No. 1163/76, that 'the Council, acting by a qualified majority on a proposal from the Commission, may decide to alter (either) the amount of the premium (or) the dates set out in Article 3 (1) (of Regulation EEC No. 1163/76)'. It

¹Doc. 129/75

should be remembered that 'applications for premiums shall be lodged with the departments appointed by the Member States,

- by 1 December 1976 for the 1976/77 wine year,¹
- by 1 April 1977 for the 1977/78 wine year,
- by 1 April 1978 for the 1978/79 wine year.'

17. Your committee while approving the spirit of Article 1 (3) of the present proposal for a regulation, since it allows a certain flexibility to be introduced in both the fixing of the amount of premium and of the deadline for lodging applications and thus makes it possible to adapt the provisions of Regulation (EEC) No. 1163/76 to the market situation, deplors the fact that the Commission has not provided for consultation with Parliament on the question. Consequently, your committee requests the European Parliament to invite the Commission to approve the corresponding amendment pursuant to Article 149, second paragraph, of the EEC Treaty.

18. The cost of implementing this proposed regulation based on Article 6 of Regulation (EEC) No. 729/20² of 20 April 1970, amounts, for the Member States concerned, to 157,500 u.a., of which 50% , i.e. 78,750 u.a. is to be paid by the EAGGF on the basis of 42,750 u.a. for the 1978 wine year and 36,000 u.a. for the 1979 wine year. This sum represents 0.1% of appropriations earmarked for common actions in the wine sector, so it is not necessary to change the budget estimates.

¹ Regulation (EEC) No. 2428/76 of the Council of 4.10.1976 amending Regulation (EEC) No. 1163/76; OJ L 276, 7.10.1976, page 4.

² OJ L 94, 28.4.1970, page 13.

OPINION OF THE COMMITTEE ON BUDGETS

Letter from the chairman of the committee to Mr Roger HOUDET, chairman of the Committee on Agriculture

Brussels, 25 November 1976

Dear Mr Houdet,

At its meeting of 23/25 November 1976¹ the Committee on Budgets considered the proposal for a regulation (EEC) amending Regulation (EEC) No. 1163/76 on the granting of a conversion premium in the wine sector (Doc. 410/76).

As regards the form, the committee considers it regrettable that Member States should ask for amendments to the regulation only a few months after its entry into force. Since the amendment proposed has to be read in conjunction with the basic text, there is a risk that it will be difficult to understand and to implement.

As to the budgetary implications, the Committee on Budgets, which has given a favourable opinion on the basic regulation, has no objections to an additional expenditure for financial years 1978 and 1979 which is negligible in comparison with the appropriation for the corresponding item.

The committee therefore approves this proposal.

Yours sincerely,

Erwin LANGE

¹Present: Mr Artzinger, acting chairman; Mr Albertini, Lord Bessborough, Mr Brugger, Mr Clerfaÿt, Mr Früh, Mr Gerlach, Mr Haase, Mr Lautenschlager, Mr Mursch, Mr Suck and Mr Yeats.

