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## EUROPEAN PARLIAMENT

# Working Documents

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13 September 1976

DOCUMENT 285/76

## Report

drawn up on behalf of the Committee on Agriculture

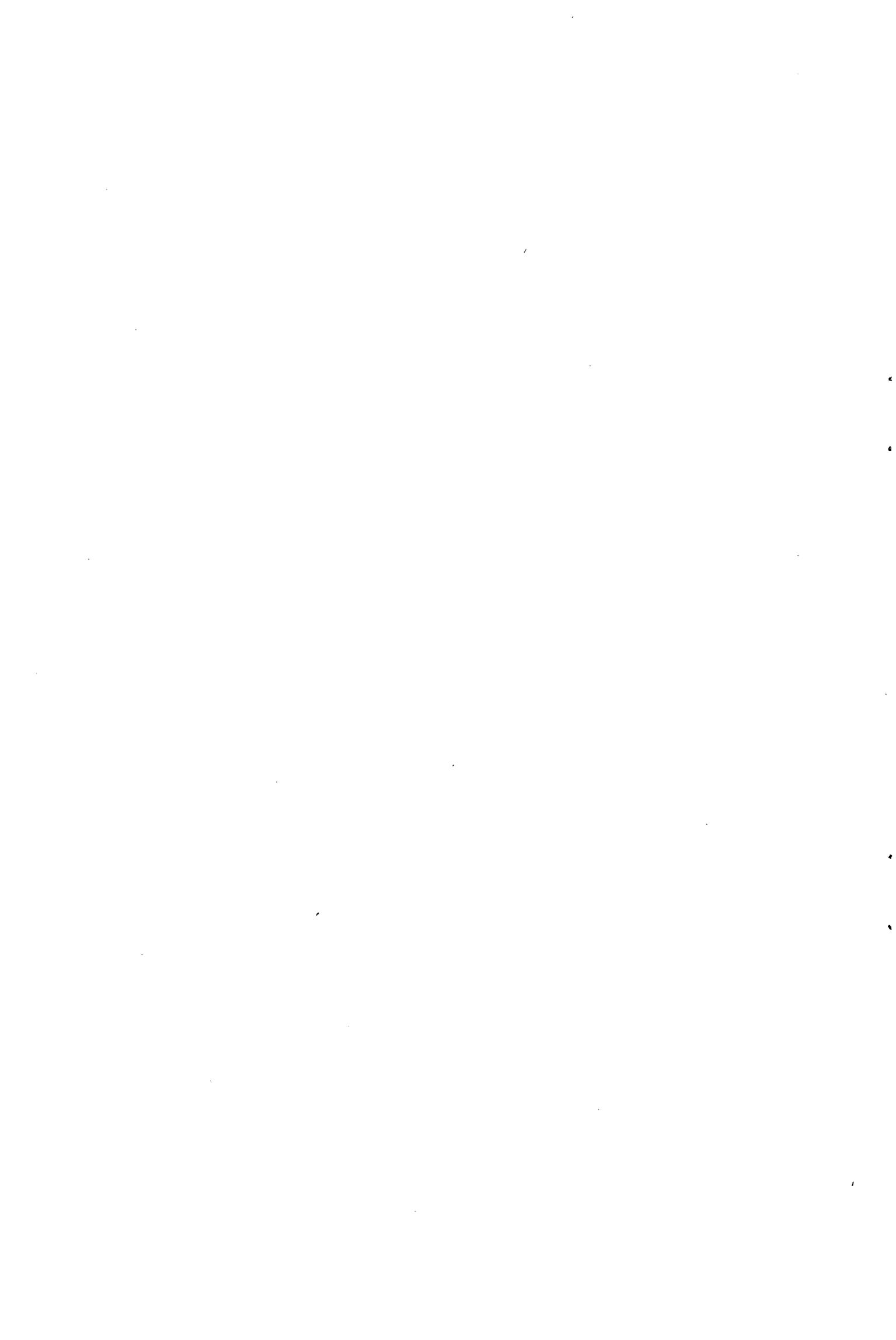
on the proposals from the Commission of the European Communities to the Council for:

- a regulation amending Council Regulation (EEC) No. 1163/76 on the granting of a conversion premium in the wine sector (Doc. 250/76)
- a regulation amending Regulation (EEC) No. 827/68 on the common organization of the market in certain products listed in Annex II to the Treaty (Doc. 238/76)
- a regulation amending Regulation (EEC) No. 817/70 laying down special provisions relating to quality wines produced in specified regions (Doc. 234/76)
- a regulation amending Regulation (EEC) No. 2893/74 on sparkling wines produced in the Community and defined in item 12 of Annex II to Regulation (EEC) No. 816/70, and Regulation (EEC) No. 817/70 laying down special provisions relating to quality wines produced in specified regions (Doc. 235/76)

Rapporteur: Mr L. DELLA BRIOTTA

PE 45.486/fin.

EP 1976-77: 285



By letters of 9, 13 (two) and 30 July 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 proposal from the Commission of the European Communities to the Council for:

- a Council regulation amending Council Regulation (EEC) No. 1163/76 on the granting of a conversion premium in the wine sector;
- a Council regulation amending Regulation (EEC) No. 827/68 on the common organization of the market in certain products listed in Annex II to the Treaty;
- a Council regulation amending Regulation (EEC) No. 817/70 laying down special provisions relating to quality wines produced in specified regions;
- a Council regulation amending Regulation (EEC) No. 2893/74 on sparkling wines produced in the Community and defined in item 12 of Annex II to Regulation (EEC) No. 816/70, and Regulation (EEC) No. 817/70 laying down special provisions relating to quality wines produced in specified regions.

The President of the European Parliament referred these proposals to the Committee on Agriculture as the committee responsible.

On 15 July 1976, the Committee on Agriculture appointed Mr Della Briotta rapporteur.

It considered the proposals at its meeting of 2 and 3 September 1976 and unanimously adopted the motion for a resolution and the explanatory statement. It also requested that they be submitted to the plenary sitting without debate.

Present: Mr Houdet, chairman; Mr Laban and Mr Liogier, vice-chairmen; Mr Della Briotta, rapporteur; Mr Baas, Mr Bourdellès, Mr Cifarelli, Mr De Keersmaeker (deputizing for Mr Lücken), Mr Delmotte (deputizing for Mr Hughes), Mrs Dunwoody, Mr Frehsee, Mr Gibbons, Mr Haase, Mr Hansen, Mr Herbert (deputizing for Mr Hunault), Mr Kofoed, Mr de Koning, Mr Ligios, Mr Martens, Mr McDonald, Mr Ney and Mr Suck.

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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 for

- a Council regulation amending Regulation (EEC) No. 1163/76 on the granting of a conversion premium in the wine sector
- a Council regulation amending Regulation (EEC) No. 827/68 on the common organization of the market in certain products listed in Annex II to the Treaty
- a Council regulation amending Regulation (EEC) No. 817/70 laying down special provision relating to quality wines produced in specified regions
- a Council regulation amending Regulation (EEC) No. 2893/74 on sparkling wines produced in the Community and defined in item 12 of Annex II to Regulation (EEC) No. 816/70 and Regulation (EEC) No. 817/70 laying down special provisions relating to quality wines produced in specified regions

The European Parliament,

- having regard to the proposals from the Commission of the European Communities to the Council<sup>1</sup>,
- having been consulted by the Council pursuant to Article 43 of the EEC Treaty (Docs. 250/76, 238/76, 234/76 and 235/76),
- having regard to the report by the Committee on Agriculture (Doc. 285/76),

Approves the Commission's proposals.

<sup>1</sup> OJ No. C 181, 5.8.1976, p. 9; OJ No. C 166, 21.7.1976, pp. 3 and 4; and OJ No. C 161, 14.7.1976, p. 7.

EXPLANATORY STATEMENT

1. As regards the proposal (Doc. 250/76) to defer the time-limit for applications for premiums for the grubbing up of vineyards for the first of the three wine years for which this premium has been introduced, it should be pointed out that, in the report adopted by the European Parliament on the Commission's initial proposal on the premium (see the report by Mr Della Briotta - Doc. 540/75), attention was drawn to the practical problems which would inevitably arise in implementing the regulation and, in particular, the difficulty of establishing a list of vine varieties which, even if authorized or recommended, could be grubbed in order to qualify for the premium on the grounds that they caused surplus production (see point 9 of the explanatory statement in the abovementioned report). Subsequent developments have justified this view, as is shown by the proposed regulation now under consideration.
2. The delay in adopting the implementing provisions substantiates the reservations expressed by the European Parliament as to the efficiency and impact of the proposed conversion measure. The uncertainty as regards its practical implementation, its modest size (1,500 u.a. for the first wine year), and the exacting obligation not to plant or replant vines for several years, suggest that very few wine producers will derive any benefit from the premium in the first wine year.
3. The implementing regulation (Reg. No. 2034/76, OJ No. L 226, 18 August 1976) was finally issued on 17 August 1976. This still leaves serious doubts as to the effectiveness of these measures, however.
4. The proposed regulation on the inclusion of argol in the Annex to Regulation No. 827/68 (Doc. 238/76) does not require any particular comment. This product was excluded from the basic wine Regulation, and must therefore be included in the so-called 'remnant Regulation' on the common organization of the market in agricultural products for which no specific organization is provided.
5. The previous rules (amendment to Art. 10 of Regulation No. 817/70, Doc. 234/76) on the yield per hectare for quality wines psr have always been a serious problem in the wine-producing Member States, owing to the tendency of many wine-producers to increase their yield to the detriment of quality. This trend was encouraged by the vagueness of the relevant Community rules which allowed States and wine-producers too much scope, by the difficulty of effectively checking abuses and the ease with which the existing rules could be circumvented.

6. A few examples from the two largest producer countries, France and Italy, will illustrate the extent of the problem and the need to find effective solutions.

A report recently published in France<sup>1</sup> cites the case of vineyards in Burgundy which, during the last few years, produced 80 hl per hectare compared with an optimum yield of approximately 40 hl; vineyards in the Champagne area harvested between 15 and 20,000 kg of grapes compared with a stipulated maximum of 10,000 kg; since 1973 the average yield of vineyards in the Beaujolais region has been 110 hl, or twice the optimum yield. The procedure followed in the event of an excess yield is illustrated by the example of one hectare of vines in the Beaujolais region which, in the interests of unimpaired quality, ought to yield 50 hl. The use of various techniques, however, produces a yield of approximately 100 hl. Logically, and under Community rules, the entire production should be degraded and sold not as quality wine psr but as wine for direct consumption. However, the Institut des appellations d'origine may, following pressure from the wine-producers, increase the maximum authorized yield to 60 hl; furthermore, the producer concerned can ask for his land to be reclassified, giving him the right, after tasting by experts, to describe 70 out of the 100 hl as 'Beaujolais'; the remaining 30 hl can be sold as wine for direct consumption.

Other systems sometimes used by less scrupulous producers to dispose of surplus yields and earn a sizeable profit include the selling of quantities exceeding the authorized yield to a foreign operator, who will resell it as quality wine, while the quantity corresponding to the fixed yield, even if it is of low quality, could be sold in the country of origin as quality wine psr. Another method is to sell the entire harvest, even if it is of inferior quality, to a trader who will then increase its alcoholic strength - perhaps with imported wine - and improve its quality before reselling it all as quality wine psr.

7. In Italy one of the main problems as regards yields is that limits on production are fixed automatically on the basis of registered land without taking account of the number of vines, the condition of vineyards, uncultivated plots, plots not under vines, land used for local roads etc. This often distorts all the basic data.

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<sup>1</sup>See 'Le Monde' Dossiers et documents - 'Le vin en France' - No. 32, June 1976

The forms for declaring the yield refer only to registered land. Production is generally below - sometimes well below - the yield estimated on the basis of the registered land area. There is also the problem of consumption by the producer and private wine production. The wine-grower generally keeps a part of the production for himself and sells the remainder, but usually hands over the certificate to the producer. This entitles the latter not only to the grapes which he has bought, but also to the original quantity specified in the certificate. The producer can then buy grapes elsewhere, even from non-quality vineyards.

8. These examples show the advantages of the Commission's proposal that the yield per hectare may exceed the maximum yield by 20%, subject to the observance of clearly defined conditions. If the yield is still over the limit, no part of the harvest may be used for the production of quality wines psr. These new regulations are much clearer and more detailed than the preceding ones, and will help to take the control of this sector out of the hands of unscrupulous producers.

9. There remains, however, the serious problems of checks, which is vital in this sector. There might well be a case for including rules on checks in this proposal. They should be carried out at the winery during the harvest, and producers should be given greater responsibility by setting up bodies to ensure correct classification, to protect honest producers and consumers and ensure the quality of the product. Groups of this nature already exist, such as the producers of Asti Spumante and Chianti Classico in Italy, and should be set up elsewhere.

Furthermore, we should examine the possibility of including in the Community rules a regulation on the yield for table wines, which are responsible for the present surplus crisis in the sector.

10. As regards the final proposal (Doc. 235/76) on sparkling wines, and the postponement of the entry into force of the ban on marketing those wines which do not comply with Community rules as laid down in Regulation No. 2893/74, the situation in this sector is fairly serious, as is shown by the existence of large quantities of these wines produced before 1 September 1975. The measure now proposed by the Commission was requested by the trade, and will make it possible to dispose of the present stocks of sparkling wines. These wines may not, however, be described as 'quality sparkling wines'. The proposal has therefore been approved unreservedly by the Committee on Agriculture.

CONCLUSIONS

None of the various problems briefly outlined in the Commission's proposals - reconversion of vineyards, yield per hectare, elimination of surpluses - can be solved by the measures which are now proposed without further adjustments and more incisive action in the near future.

Pending the submission of further proposals by the Commission, the Committee on Agriculture approves the present proposals as a small step in the right direction.

