COMMISSION OF THE EUROPEAN COMMUNITIES

COM(76) 603 final.

Brussels, 19 November 1976.
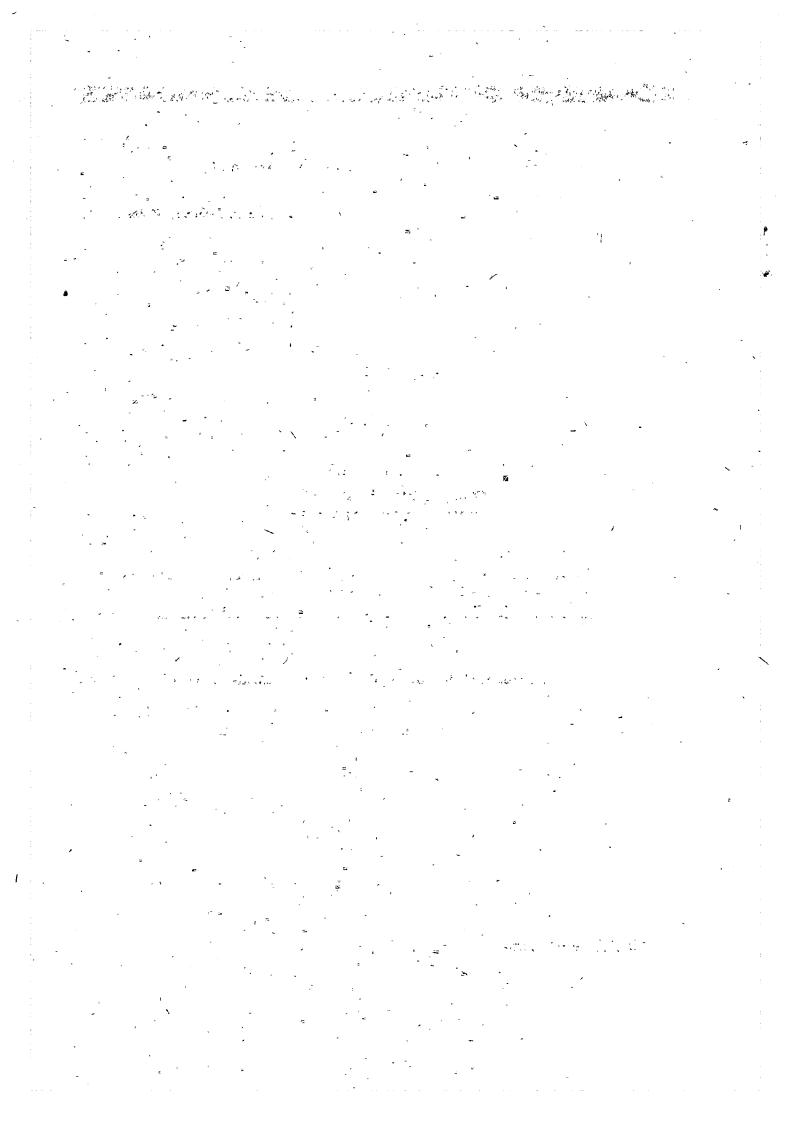
Proposal for a

COUNCIL REGULATION (EEC)

fixing the activating prices for table wines for the
period from 16 December 1976 to 15 December 1977

(submitted to the Council by the Commission)

COM(76) 603 final.

EXPLANATORY MEMORANDUM
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1. Article 3 (1) of Regulation (EEC) N° 816/70 laying down additional provisions for the common organization of the market in wine provides that a threshold price activating the intervention system for each type of wine for which a guide price is fixed (thereafter called the "activating price") shall be fixed annually before 16 December.

   It is laid down in particular that the activating price shall be fixed in the light of the following factors :

   (a) the state of the market and in particular the extent of price fluctuations ;

   (b) the need to ensure price stability on the markets without causing structural surpluses to build up in the Community ;

   (c) the quality of the harvest ; ·

   (d) the information contained in the forward estimates provided for in Article 3 of Regulation N° 24 on the progressive establishment of a common organization of the market in wine.

2. (a) Observation of the Community markets shows that the weighted average prices showed an upward trend at the beginning of the 1975/76 wine year. Prices for table wines of types R I and R II are far above the corresponding activating prices, while the average prices for other types of table wine are still below these levels.

   (b) The need to guarantee price stability on the markets without causing structural surpluses to build up in the Community leads to a difficult choice between efforts to provide an equitable income for producers without this acting as an inducement to expand production.

   Because of the recent general price increase a slight increase in the activating prices was considered justified in order to guarantee an adequate income for the producer, without causing any risk of structural surpluses. Too great an increase, particularly in view of the amounts available at present, could be a burden for the future.

   (c) The quality of the harvest in general may be considered average, but in certain regions of the Community it is good.

   (d) The latest information in the forward estimates shows a drop in available wine stocks compared with the previous wine year.

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CONCLUSIONS

An increase in the activating price for each type of table wine appears justified, especially as the guide prices for all wines for the period between 16 December 1976 and 15 December 1977 have been increased by 6.5 % (Council Regulation N° 833/76 of 6 April 1976 – OJ N° L 100 of 14 April 1976, page 12).

In this connection account, must however be taken of the fact that the guide price represents the aim to be achieved while the activating price is more closely linked to the short-term development of the market, especially the quantities available.

Under existing market conditions, increasing the activating price by the same percentage as the guide price appears justified.

In view of the above, the activating price should be set at a level corresponding to the ratio between guide price and activating price last year, i.e. 93 % of the guide price.

COUNCIL REGULATION (EEC)

fixing the activating prices for table wines for the
period from 16 December 1976 to 15 December 1977

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) N° 816/70 of 28 April 1970 laying down
additional provisions for the common organization of the market in wine [1], as
last amended by Regulation (EEC) N° 1167/76 [2], and in particular Article 3 (1)
thereof ;

Having regard to the proposal from the Commission ;

Whereas for each type of wine for which a guide price is fixed an activating price
must be fixed each year in the light of the factors set out in Article 3 (2) of
Regulation (EEC) N° 816/70 ;

Whereas the quality of the harvest in the 1976/1977 wine year may in general be
considered average ;

Whereas the weighted average prices have tended to rise somewhat since the begin-
ning of the 1975/76 wine year ; whereas, however, with the exception of R I and
R II table wines, the weighted average for all the other types are either lower
than or close to the activating price ;

Whereas, having regard to the lower stocks left over from the preceding wine year
and the quantitatively poorer harvest, the forward estimates show that the quantity
available is lower than last year ;

Whereas the above factors must be taken into account when fixing the activating
prices ; whereas the activating prices fixed for the preceding year must therefore
be increased, without this increase being allowed to stimulate output ;

Whereas the guide prices for the period from 16 December 1976 to 15 December 1977
were fixed by Regulation (EEC) N° 833/76 [3] ; whereas, pursuant to Article 3 (3) of
Regulation (EEC) N° 816/70, the activating price is to be fixed at the same stage
and is to be valid during the same period as the guide price ; whereas the types
of table wine to which these prices apply were laid down by Regulation (EEC)
N° 945/70 [4] ,

HAS ADOPTED THIS REGULATION :

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[1] OJ N° L 99, 5 May 1970, p. 1

[2] OJ N° L 135, 24 May 1976, p. 42

[3] OJ N° L 100, 14 April 1976, p. 12

[4] OJ N° L 114, 27 May 1970, p. 1

Article 1

For the period from 16 December 1976 to 15 December 1977, the activating price is fixed at :

Table Wine	Guide price
1. Type R I	1.82 u.a. per degree/hectolitre
2. Type R II	1.82 u.a. per degree/hectolitre
3. Type R III	28.44 u.a. per hectolitre
4. Type A I	1.71 u.a. per degree/hectolitre
5. Type A II	37.89 u.a. per hectolitre
6. Type A III	43.27 u.a. per hectolitre

Article 2

This Regulation shall enter into force on 16 December 1976.

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

Done at Brussels,

For the Council
The President