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COMMISSION OF THE EUROPEAN COMMUNITIES

COM(79) 653 final

Brussels, 7th January 1980

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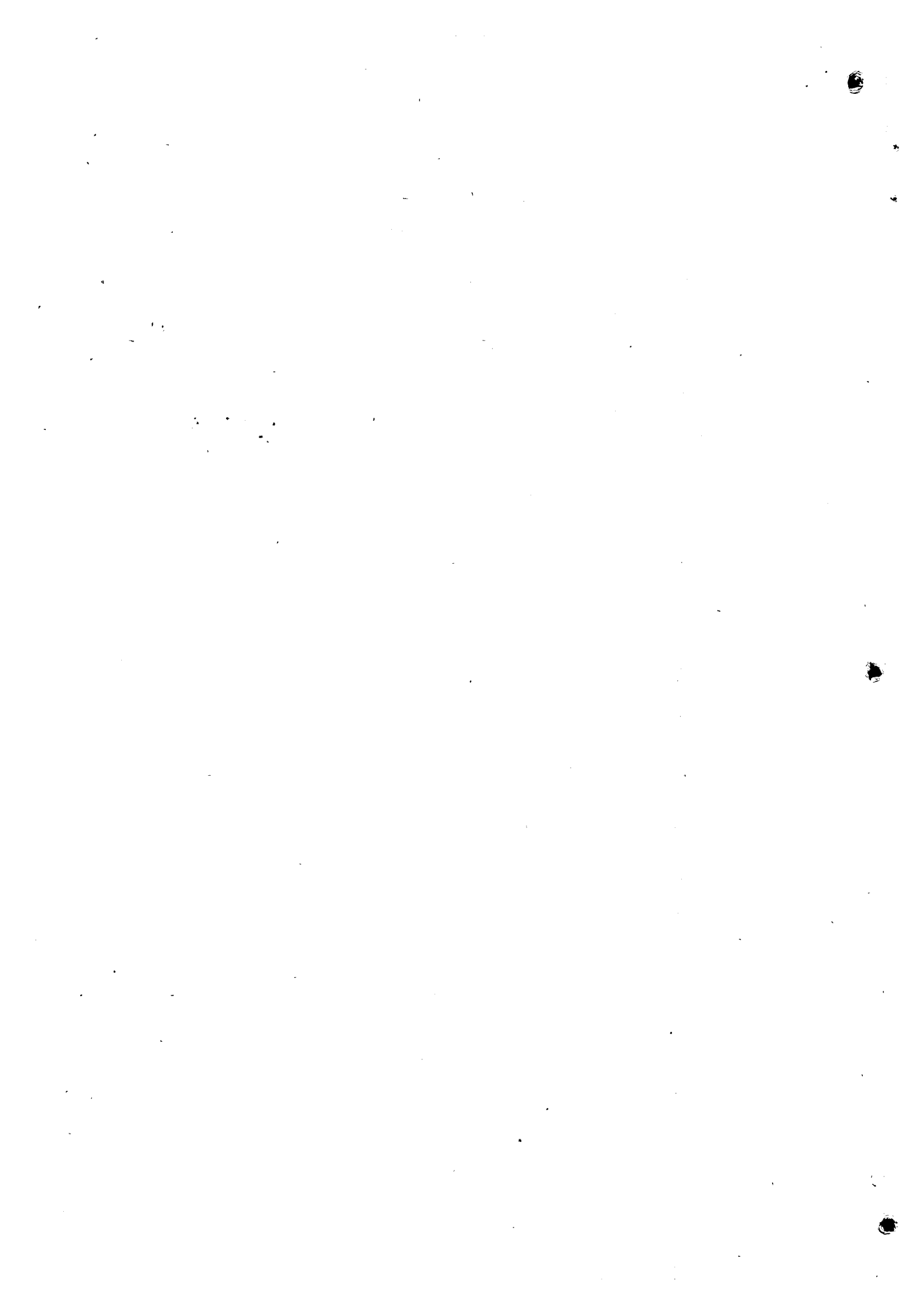
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PROPOSAL FOR A COUNCIL REGULATION (EEC)  
AMENDING REGULATION (EEC) No 337/79 ON THE  
COMMON ORGANISATION OF THE MARKET IN WINE

(presented by the Commission to the Council)



## EXPLANATORY MEMORANDUM

On the occasion of the 1976 reform of the basic wine regulations, the Council decided to introduce supplementary intervention measures for those with long-term (9 months) private storage contracts for table wine. Article 12 of Regulation (EEC) No 337/79 on the common organization of the market in wine<sup>1</sup> lays down that these measures, intended to guarantee that rates remain above the activating price, may take the form of an extension of storage for the wines in question, a distillation measure at activating price or a combination of the two. These measures were to apply for four wine-growing years, the last being 1979/80 which is still running.

In autumn 1977, supplementary measures were introduced for red and white table wines of types A I, R I and R II. After a small harvest was confirmed, only 550 000 hl out of 8 500 000 hl of the wines in question subject to long-term storage contracts were delivered for distillation and 2 million hl were carried forward under four-month storage contracts.

In autumn 1978, additional measures were introduced only for white table wines of types A I, A II and A III. The circumstances were the same, with a small harvest, and only 370 000 hl were distilled and 260 000 hl carried forward for four months out of a total of some 1 300 000 hl of the wines in question.

Additional measures of that type were decided upon in October 1979 in respect of table wines of types A I and R I<sup>2</sup> and R II<sup>3</sup>. The large quantities in long-term storage (9 300 000 hl) and the pressure from a harvest in substantial surplus will certainly mean very much more widespread recourse to distillation than in the two previous years. However, the speedy implementation of an intervention measure of that type at the beginning of the year means that there is some hope that the market will recover.

<sup>1</sup> OJ No L 54, 5.3.1979, p. 1.

<sup>2</sup> R. 2186/79 and R. 2187/79, OJ No L 252, 6.10.1979, pages 10 and 14.

<sup>3</sup> R. 2281/79, OJ No L 262, 18.10.1979, p. 22.

The Commission feels that the additional intervention measures reserved for those with long-term private storage contracts represent an appropriate management tool, selective in nature, simple to apply and whose scope is easy to control. This is why the Commission proposes, until the measures intended to adapt wine-growing potential to market requirements on a lasting basis take their full effect, that the validity of these provisions should be extended to cover three more years, that is to say, up to 1982/83.

Proposal for a  
COUNCIL REGULATION (EEC)

amending Regulation (EEC) No 337/79 on the common organization of the  
market in wine

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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<sup>1</sup>,

Having regard to the Opinion of the European Parliament,

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

Whereas Article 12 of Council Regulation (EEC) No 337/79<sup>2</sup>, as last  
amended by Regulation (EEC) No 2397/79<sup>3</sup>, laid down until the 1979/80  
marketing year additional intervention measures reserved for holders  
of long-term private storage contracts; whereas the operation of  
these measures has shown that it is a device making for sound management,  
flexible in its application and whose scope is easy to control; whereas  
the operation of structural measures to adapt wine-growing potential to  
market requirements on a lasting basis will require several more years  
to yield results; whereas it has proved necessary for this reason  
to take, for a transitional period, certain measures to strengthen  
the system of market support for table wines; whereas it therefore  
appears advisable to extend for three wine-growing years the above  
mentioned additional measures, which serve the same purpose and have  
proved to be effective;

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<sup>1</sup> OJ No C

<sup>2</sup> OJ No L 54, 5.3.1979, p.1

<sup>3</sup> OJ No L 275, 1.11.1979, p.4

HAS ADOPTED THIS REGULATION:

Article 1

Article 12(5) of Regulation (EEC) No 337/79 is amended to read as follows:

"5. The provisions of this Article shall apply to the 1978/79, 1979/80, 1980/81, 1981/82 and 1982/83 wine years."

Article 2

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

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

Done at Brussels,

For the Council  
The President

FINANCIAL STATEMENT

DATE : 6.11.79

1. BUDGET LINE CONCERNED : Article 691 Appropriations CURRENCY: 1980 : 170.2 M MEUA

2. ACTION : Draft Council Regulation amending Reg. 337/79 on the common organization of the market in wine.

3. LEGAL BASIS : Articles 42 and 43 of the Treaty

4. OBJECTIVES : Extension of the period of application of the additional intervention measures reserved for holders of long-term private storage contracts.

5. FINANCIAL CONSEQUENCE	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR (79)	FOLLOWING FINANCIAL YEAR (80)
5.0 EXPENDITURE			
- CHARGED TO THE EC BUDGET (EXPENDITURE INTERVENTIONS)		-	token entry <sup>1</sup>
- CHARGED TO NATIONAL ADMINISTR.			
- CHARGED TO OTHER NATIONAL GROUPS			
5.1 RECEIPTS			
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)			
- NATIONAL			

	YEAR ...1981.....	YEAR ...1982.....	YEAR ...1983.....
5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE	6 to 75 m	6 to 75 m	6 to 75 m
5.1.1 PLURIANNUAL PATTERN OF RECEIPTS	EUA	EUA	EUA

5.2 METHOD OF CALCULATION

a) based on 1980 budget forecast (large harvest)

- storage additional to long-term contract 2m hl x 0.33 ECU/hl x 4 months = 2.64 m ECU
- distillation additional to long-term contract 4.5 m hl x 17.2 ECU/hl = 77.4 m ECU

80 m ECU = 75 m EUA

b) based on low 1978 harvest

- additional storage 260 000 hl x 0.33 ECU/hl x 4 months = 343 000 ECU
- additional distillation 370 000 hl x 17.2 ECU/hl = 6 364 000 ECU = 6 m EUA

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ? YES/NO

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ? YES/NO

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ? YES/NO

6.3 ~~NECESSARY~~ TO BE WRITTEN INTO FUTURE BUDGETS ? YES/NO

Appropriations

- COMMENTS :
- 1979/80 is covered by the existing regulations and the necessary appropriations are entered in the 1980 budget.
  - Expenditure depends on the size of the harvest: for a small harvest (e.g. 1978) expenditure is some 6 m EUA but for a large harvest (e.g. 1979) expenditure may be forecast at 75 m EUA.

