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COMMISSION OF THE EUROPEAN COMMUNITIES

COM(76) 343 final

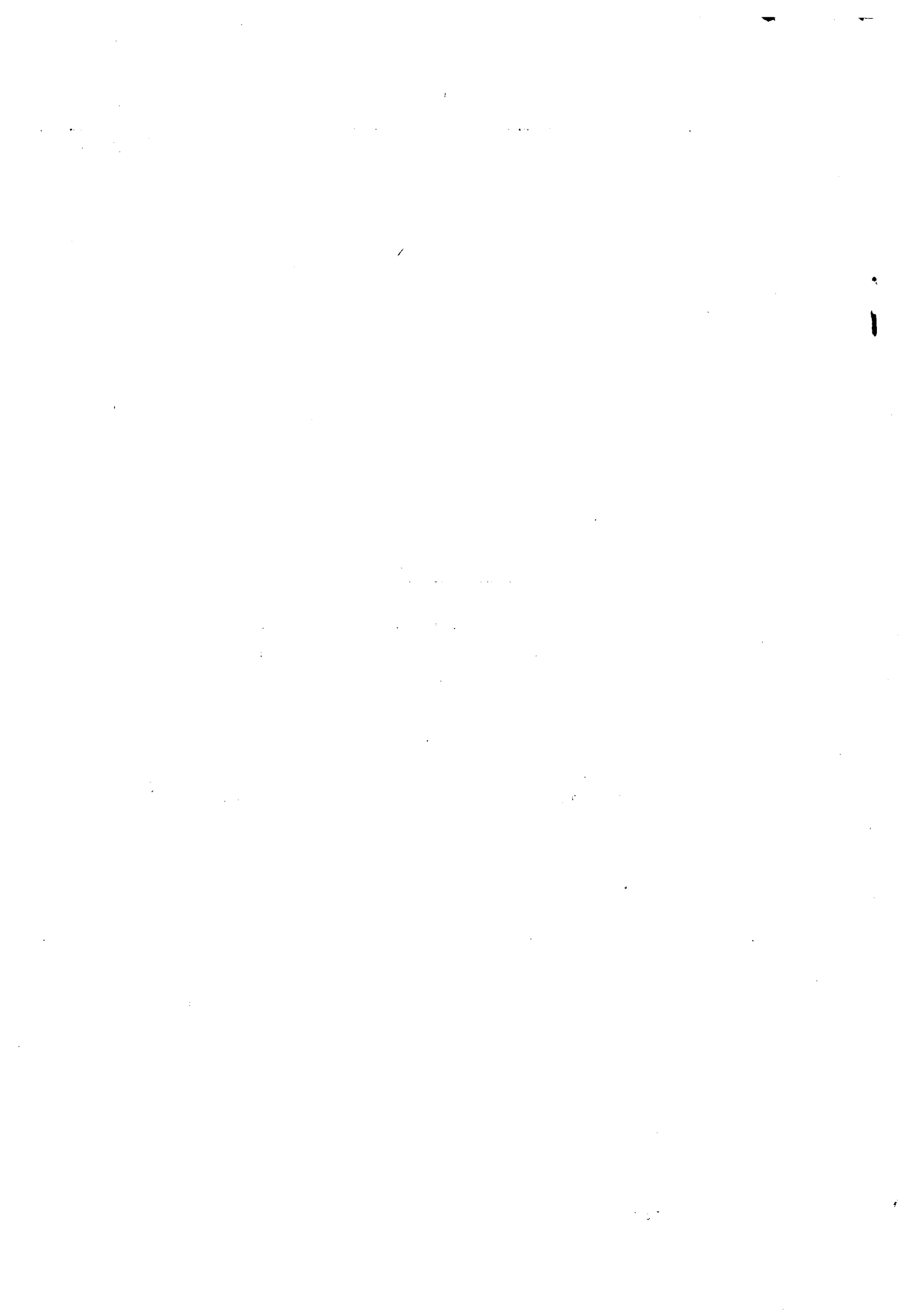
Brussels, 2 July 1976

Proposal for a
COUNCIL REGULATION (EEC)

laying down general rules in respect of the
distillation of wines provided for in Articles
6b, 6c, 24a and 24b of Regulation (EEC) No 816/70

(submitted to the Council by the Commission)

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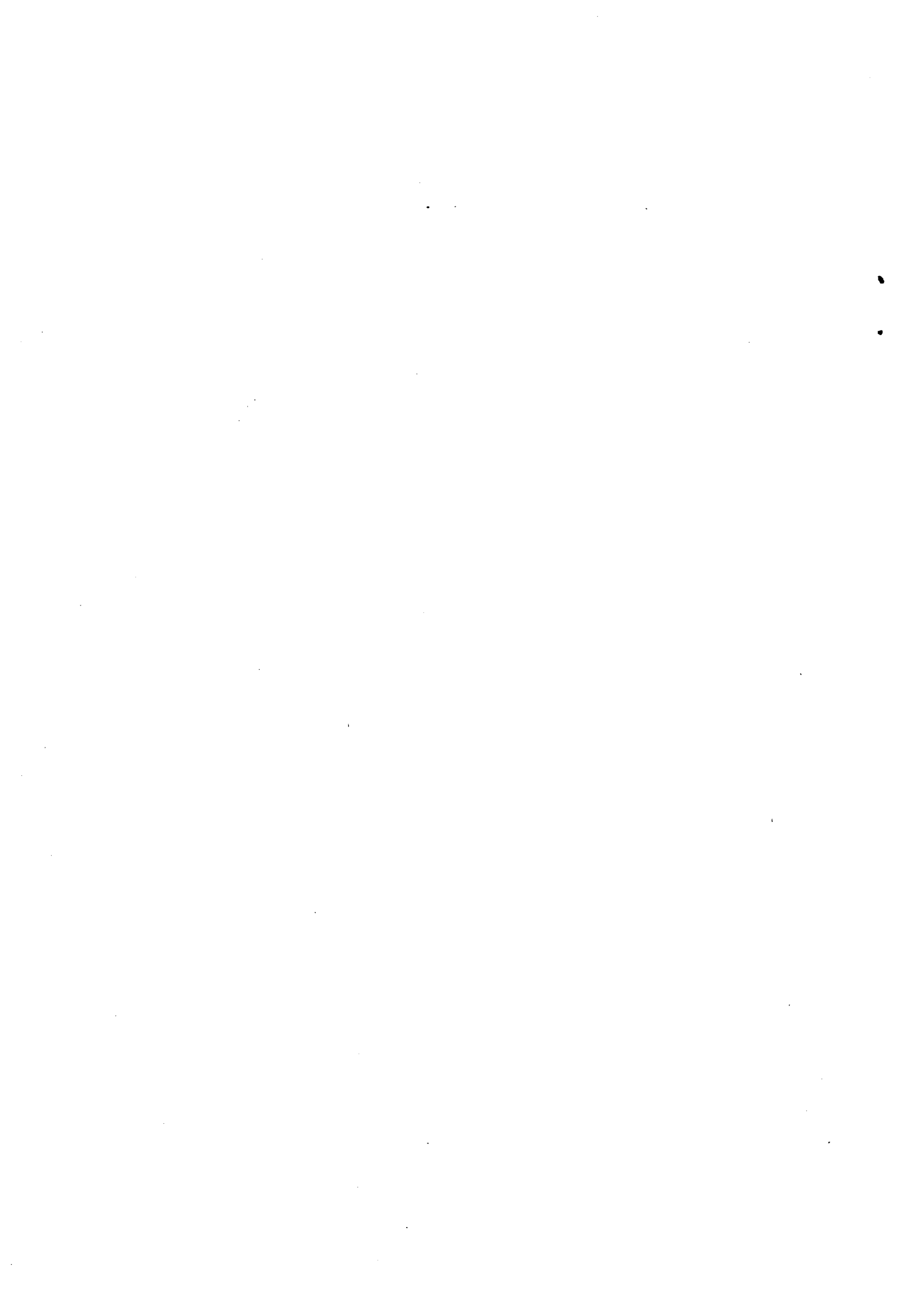


EXPLANATORY MEMORANDUM

Amendments to Regulation (EEC) N° 816/70 introduced various distillation measures. Therefore, additional provisions on the subject must be laid down.

The general rules regarding the distillation of table wines provided for in Articles 6b, 6 c, 24a and 24 b of Regulation (EEC) N° 816/70 must provide that distillation may take place only if a distillation contract has been concluded between producers and distillers.

It is further necessary to provide for a method of payment of the purchase price to the producer and for aid to cover the difference between the purchase price of wines on the one hand and the price of alcohol on the Community market on the other.



Draft proposal for
COUNCIL REGULATION (EEC) No 176

laying down general rules in respect of the
distillation of wines under Articles 6b, 6c,
24a and 24b of Regulation (EEC) No 816/70

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 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) No 1167/76 (2), and in particular Articles 6b (3), 6c (3), 24a (5) and 24b (3) thereof,

Having regard to the proposal from the Commission,

Whereas the conditions should be laid down governing distillation operations under Articles 6b, 6c, 24a and 24b of the said Regulation;

Whereas the natural alcoholic strength of certain wines may be increased by the addition of sucrose; whereas the same price would be paid on distillation for the natural alcohol content as for the alcohol obtained from the added sucrose; whereas in order to avoid this anomaly these wines should be excluded from distillation under the said Articles 6b, 6c, 24a and 24b;

Whereas the various prices for wines for distillation laid down in the said Articles normally render it impossible to market the products of distillation at market prices; whereas an amount of aid must therefore be paid which will enable the products obtained to be marketed;

Whereas the minimum price guaranteed to the producer should be paid to him within a time limit which will ensure that he obtains a profit comparable to that which he would have obtained under a commercial sale;

(1) OJ No L 99, 5.5.1970, p. 1
(2) OJ No L 135, 24.5.1976, p. 42

Whereas the producer should be in a position, if the market situation improves, to give up the optional distillation operations under the said Articles 6b and 6c;

Whereas producers should be able to conclude contracts with distillers subject to approval by the intervention agency, in order to facilitate the control of the sequence of operations and of the observance of the obligations on both parties; whereas this system would have the added advantage of making it easier to follow the quantitative effects of distillation on the market;

Whereas it should be remembered that the distillation of wines under the said Articles 6b, 6c, 24a and 24b are interventions within the meaning of Article 3(1) of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy (3), as last amended by Regulation (EEC) No 2788/72 (4),

HAS ADOPTED THIS REGULATION:

Article 1

1. Producers undertaking the distillation of wine under Articles 6b, 6c, 24a and 24b of Regulation (EEC) No 816/70 shall conclude contracts for the delivery of wine with distillers of their choice before a date to be fixed.

These contracts shall not be valid unless approved by the intervention agency before a date to be fixed.

2. These contracts shall cover:

- (a) the purchase by the distiller of the quantity of wine entered in the contract;
- (b) the obligation on the distiller to process the wine into a product of a strength of 86 degrees or more, or in so far as it is so decided, into a product of a strength of 85 degrees or less and to pay for it at least the price referred to in Article 6b (2), 6c (2) 24a (3) or 24b (2) of the said Regulation, as appropriate, such price being applicable to unpacked goods ex producer's premises.

3. The distillation under the said Articles 6b, 6c, 24a and 24b shall not take place in the case of wines the natural alcoholic strength of which has been increased by the addition of sucrose.

Article 2

1. For each hectolitre of wine distilled the intervention agency shall pay an aid.
2. The amount of the aid, which may be extended to include potable spirits, shall be fixed on the basis of the minimum purchase price referred to in Article 1(2)(b), the standard processing costs and the price of products obtained by distillation on the Community market.
3. Where it is decided to grant an aid for products of a strength of 85 degrees or less the amount of aid shall vary depending on whether the products of distillation have an alcoholic strength of
 - 86 degrees or more, or
 - 85 degrees or less.

(3) OJ No L 94, 28.4.1970, p. 13

(4) OJ No L 295, 30.12.1972, p. 1

Article 3

1. Within 15 days of approval of the contract the intervention agency shall pay the producer an amount equal to 30% of the minimum purchase price referred to in Article 1(2)(b) as an advance on the aid provided for in Article 2.
2. When the total quantity of wine in the contract is delivered to the distillery, the distiller shall pay the producer at least the difference between the minimum purchase price referred to in Article 1(2)(b) and the aid provided for in Article 2.
3. When proof is supplied that the total quantity of wine in the contract, with the exception of the amount (if any) covered by a partial cancellation under Article 4, has been distilled the intervention agency shall pay the producer the difference between the aid provided for in Article 2 and the amount referred to in paragraph 1.
4. Member States may provide that the amount referred to in paragraph 1 shall be paid by the distiller. In such case the intervention agency shall reimburse this amount to the distiller when the proof referred to in paragraph 3 is supplied.
5. Where distillation take place in a Member State other than the Member State where the producer is located, the minimum purchase price referred to in Article 1(2)(b) shall be paid by the distiller.

Article 4

1. In connection with the distillation operations provided for in Articles 6b and 6c of Regulation (EEC) No 816/70, it may be decided that the contracts provided for in Article 1 should be totally or partially cancelled on application by the producer in respect of the quantity of wine that has not yet been delivered to the distillery if the weighted average price of table wine of type A 1 is over 90% of the relevant activating price.
2. Where a decision as referred to in paragraph 1 is taken, interested producers shall submit their applications to the intervention agency.
3. The intervention agency shall approve the applications submitted after ensuring that the amount referred to in Article 3(1) has been reimbursed.

Article 5

Distillation operations shall take place during periods to be fixed.

Article 6

1. Member States shall appoint an intervention agency to oversee the implementation of this Regulation.
2. The intervention agency responsible shall in every case be that located on the territory where distillation takes place.

Article 7

This Regulation shall enter into force on the day of 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

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