REGULATION (EEC) No 1794/74 OF THE COUNCIL

of 10 July 1974

laying down general rules governing the distillation of table wines during the period from 15 July 1974 to 30 September 1974

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 [1] of 28 April 1970 laying down additional provisions for the common organization of the market in wine, as last amended by Regulation (EEC) No 1532/74 [2], and in particular Article 7 (1) thereof;

Having regard to Council Regulation No 129 [3] on the value of the unit of account and the exchange rates to be applied for the purposes of the common agricultural policy, as last amended by Regulation (EEC) No 2543/73 [4], and in particular Article 3 thereof;

Having regard to the proposal from the Commission;

Whereas Article 7 of Regulation (EEC) No 816/70 provides that measures may be adopted for the distillation of table wines if the granting of aid to private storage alone is unlikely to be effective in restoring price levels;

Whereas aids to private storage of table wines have been granted since the end of 1973 for wines of types R I, R II, R III, A I and A II; whereas the prices for some of these wines are below the activating price;

Whereas the possibility of concluding nine-month storage contracts for these types of wine during the period from 16 December 1973 to 15 February 1974 has not brought about any substantial restoration of price levels;

Whereas the abundant harvest of 1973/74 has yielded supplies considerably in excess of the normal requirements of this wine marketing year;

Whereas the conditions for the commencement of a distillation operation are fulfilled;

Whereas it is necessary to lay down the conditions under which this operation should take place; whereas the price for wines to be distilled should not act as an encouragement to the production of wines primarily for the purpose of distillation, but should nevertheless be sufficiently attractive for the operation to be effective;

Whereas, in order to limit the scope of the measure, its duration should be restricted; whereas means must also be found of bringing distillation operations to an end if prices for the table wines referred to above should rise above the activating price;

Whereas the prices for wines to be distilled will not permit the products thereby obtained to be marketed on normal terms; whereas aid should therefore be paid and its amount determined, taking account of normal costs, at a level which will make it possible to market the products of distillation;

Whereas Council Regulation (EEC) No 2958/73 [5] of 31 October 1973 on the exchange rate applied in agriculture for the Italian lira, as last amended by Regulation (EEC) No 1685/74 [6], laid down a new representative rate for the Italian lira, which in respect of wine is to enter into effect on a date still to be determined; whereas it must be ensured that if this date falls after the beginning of the distillation period the entire operation is carried out in Italy under the same financial conditions; whereas the Monetary Committee will be consulted on this question and whereas, in view of the urgency of the matter, the measures envisaged should be adopted under the conditions laid down in Article 3 (2) of Regulation No 129;

Whereas in each Member State concerned there must be a body responsible for applying the provisions in question,

HAS ADOPTED THIS REGULATION:

Article 1

The distillation of table wines shall be permitted subject to the conditions laid down by this Regulation.

Article 2

1. Producers who wish to have all or part of their harvest of table wine distilled shall conclude delivery contracts, where appropriate through the intervention agency, with the distillers of their choice.

2. Under such contracts:

(a) the distiller shall purchase the quantity of table wine stated in the contract;

[1] OJ No L 99, 5. 5. 1970, p. 1.
[2] OJ No L 166, 21. 6. 1974, p. 1.
[3] OJ No 106, 30. 10. 1962, p. 2553/62.
[4] OJ No L 263, 19. 9. 1973, p. 1.
[5] OJ No L 303, 1. 11. 1973, p. 1.
[6] OJ No L 176, 30. 6. 1974, p. 1.

(b) the distiller shall distill such wine and shall pay for it a price which shall not be less than the price referred to in Article 3.

3. The contracts shall specify :

(a) the quantity, colour and actual alcoholic strength of the table wines to be distilled ;

(b) the name and address of the producer ;

(c) the place at which the wine is stored ;

(d) the name of the distiller or the registered business or company name of the distillery ;

(e) the address of the distillery.

Article 3

1. The minimum purchase price for table wines to be distilled is hereby fixed at 1·32 units of account per degree and per hectolitre.

2. The price referred to shall apply in respect of unaltered product, ex-producer's premises.

Article 4

1. Distillation may not take place before 15 July 1974 or after 30 September 1974.

2. However, it may be decided to bring forward the closing date for distillation, particularly if the average prices for all the types of table wine on all markets should for two consecutive weeks remain at a level above the activating price.

Article 5

Products of the distillation of table wines may have an alcoholic strength :

— of 86 ° or more,

— of 85 ° or less,

with a tolerance of 0·4 ° above or below.

Article 6

1. For each hectolitre of wine distilled aid shall be paid by the intervention agency.

2. The amount of the aid is hereby fixed at :

— 0·48 unit of account per degree and per hectolitre if the wine was processed into a product referred to in Article 5, first indent,

— 0·40 unit of account per degree and per hectolitre if the wine was processed into a product referred to in Article 5, second indent.

3. The aid may be paid only upon production of a contract as referred to in Article 2 and upon proof being given that distillation took place within the period during which such operation was authorized pursuant to Article 4.

Article 7

If in respect of wine a date falling after the beginning of the period referred to in Article 4 is fixed for the entry into effect of the representative rate for the Italian lira referred to in Article 1 (2) (d) of Regulation (EEC) No 2958/73, this rate shall apply to the minimum purchase price referred to in Article 3 and the amounts of the aid referred to in Article 6 with effect from 15 July 1974.

Article 8

1. Member States shall designate an intervention agency to be responsible for applying the provisions of this Regulation.

2. The competent intervention agency shall be the agency of the State on whose territory distillation takes place.

Article 9

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, 10 July 1974.

For the Council

The President

J. SAUVAGNARGUES