COUNCIL REGULATION (EEC) No 1163/76

of 17 May 1976

on the granting of a conversion premium in the wine sector

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,

Having regard to the opinion of the European Parliament (1),

Having regard to the opinion of the Economic and Social Committee (2),

Whereas the disparity between the production and consumption of wine in the Community cannot be attributed merely to cyclical variations; whereas the intervention measures for stabilizing markets, provided for in Council Regulation (EEC) No 816/70 of 28 April 1970 laying down additional provisions for the common organization of the market in wine (3), as last amended by Regulation (EEC) No 1160/76 (4), have proved to be inadequate; whereas it therefore seems advisable to encourage, by the grant of a premium, the conversion of vineyards whose production is particularly difficult to dispose of, and thus to contribute to a reduction in the wine-growing potential;

Whereas the market in wine is being increasingly compromised by low quality wines derived from wine grape and table grape varieties which appear in the classification of vine varieties as 'temporarily authorized' and from certain varieties classified as 'recommended' or 'authorized', and particularly varieties obtained from interspecific crossings; whereas it is therefore appropriate to grant the conversion premium for the grubbing-up of vines belonging to those varieties;

Whereas the application of Council Regulation (EEC) No 1162/76 of 17 May 1976 on measures designed to adjust wine-growing potential to market requirements (5) is such as to limit the possibility of selling material for the vegetative propagation of grape vines; whereas, consequently, the premium should also be granted for the conversion of vineyards planted with vine stock varieties;

Whereas, in order to achieve lasting effects, there should, in particular, be a requirement for the recipient of the premium to undertake not to increase his vine acreage for a given period;

Whereas the amount of the premium must be set at a level which takes account of the cost of the grubbing-up and to some extent of the future loss in income; whereas, for the purpose of encouraging growers to grub up large quantities in the near future, a degressive premium should be laid down; whereas, for the purpose of making the premium attractive where all the vineyards on one holding are grubbed up or in the case of very productive vines, the Member States should also be authorized to grant a premium higher than the amounts provided for in this Regulation;

Whereas, in order to ensure the correct application of the system of premiums, it should be laid down that national aid designed to achieve the same objectives as those which are sought by the said system may be granted only where the applications relating thereto have been submitted before the entry into force of this Regulation;

Whereas all the measures considered are of Community interest and are designed to achieve the objectives laid down in Article 39 (1) (a) of the Treaty; whereas they constitute a common measure within the meaning of Article 6 (1) of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy (6), as last amended by the Treaty of Accession (7),

HAS ADOPTED THIS REGULATION:

Article 1

Subject to the conditions laid down in this Regulation, vine growers in the Community shall, on

(1) OJ No C 53, 8. 3. 1976, p. 24.
(2) OJ No C 15, 22. 1. 1975, p. 3.
(3) OJ No L 99, 5. 5. 1970, p. 1.
(4) See page 1 of this Official Journal.
(5) See page 32 of this Official Journal.
(6) OJ No L 94, 28. 4. 1970, p. 13.
(7) OJ No L 73, 27. 3. 1972, p. 14.

request, be granted a premium if they convert to other uses vineyards planted with wine grape, table grape or vine stock varieties, with the exception of those referred to in the second indent of Article 3 (2) (b).

Article 2

1. The premium shall be granted:

(a) for the conversion of areas planted with wine grape or table grape varieties:

— in the category of provisionally authorized varieties,

— obtained from interspecific crossings (direct-producer hybrids) in the category of authorized varieties,

— or on a list to be adopted and classified according to whether they fall into the category of recommended or authorized varieties;

(b) for the conversion of areas used as mother plantations.

2. The premium may not be granted for areas planted with wine grape or table grape varieties totalling less than 25 ares on any one holding.

3. When the list of vine varieties referred to in the third indent of paragraph 1 (a) above is drawn up and subdivided according to the administrative unit or group of administrative units adopted for the purposes of the viticultural land register, account shall be taken of:

— the quality of the wine obtained from the varieties in question,

— Community measures to adapt wine-growing potential to market requirements,

— market demand,

— where appropriate, the fact that the land in question is not the best suited for vine-growing.

4. The conditions for granting the premium and the list of varieties referred to in the third indent of paragraph 1 (a) above shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24 [1].

Article 3

1. Applications for premiums shall be lodged with the departments appointed by the Member States,

— by 1 September 1976 for the 1976/77 wine year,

— by 1 April 1977 for the 1977/78 wine year,

— by 1 April 1978 for the 1978/79 wine year.

2. The grant of the premium shall be subject to:

(a) the condition that since the entry into force of this Regulation, the only vine-planting the applicant has engaged in on his holding has been offset by the prior grubbing-up of an equivalent area under vines;

(b) a written declaration by the applicant to the effect that:

— by 1 April of the year following that in which the application is lodged, he will grub up or have grubbed up the vines on the areas for which the premium has been requested;

— he will not, before 31 March 1982, plant on the areas referred to in the first indent fruit trees of the varieties referred to in Article 1 of Council Regulation (EEC) No 794/76 of 6 April 1976 laying down new measures for the rationalization of fruit production in the Community [2];

— he will refrain from increasing the total area under vines on his holding by any planting which has not been offset by the prior grubbing-up of equivalent areas under vines, for a period of six years from the start of the wine year following the date on which the grubbing-up referred to in the first indent was carried out;

— annually, when declaring his harvest, he will also declare the area under vines which is, and that which is not yet, productive;

(c) the applicant:

— being entitled, in accordance with national laws, to continue to cultivate the area concerned for the period referred to in the third indent of (b) above;

[1] OJ No 30, 20. 4. 1962, p. 989/62.

[2] OJ No L 93, 8. 4. 1976, p. 3.

— producing, if he does not fulfil the condition referred to in the preceding indent, a written undertaking by the owner of the land that he will guarantee that the obligations referred to in (b) are complied with or that he will comply with them personally.

3. If, after the granting of the premium and in the course of the period referred to in the third indent of paragraph 2 (b) above, all or part of the holding should pass to another party, the recipient of the premium or his assign shall remain responsible for the execution by the successor of the undertaking entered into by the recipient, unless:

— the successor enters into such an undertaking in his own right for the remainder of the period, or

— the owner has given the undertaking provided for in the second indent of paragraph 2 (c) above.

Article 4

1. The amount of the premium shall be fixed for the 1976/77 wine-growing year:

(a) at 1 500 u.a./ha for areas under vines of average productivity which are kept in normal conditions and do not yet show any signs of deterioration due to age;

(b) at 1 000 u.a./ha for areas under vines of low productivity or areas under vines which are less than two years old;

(c) at 2 000 u.a./ha for areas under vines grown as a specialized crop using an upright cultivation method resulting in considerable vegetative growth in a horizontal plane.

2. The amounts referred to in paragraph 1 shall be reduced by:

— 100 u.a./ha for the 1977/78 wine year,

— 200 u.a./ha for the 1978/79 wine year.

3. For the grant of the premium the mixed cultivation areas shall be expressed as specialized cultivation areas by using the customary conversion factor for the wine-growing area concerned.

4. The premium shall be paid in full not more than six months after the applicant has supplied proof that grubbing-up has in fact taken place.

5. The Council, acting by a qualified majority on a proposal from the Commission, may decide to alter the amount of the premium.

6. Detailed rules for implementing this Article shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24.

Article 5

1. Member States may, under conditions to be defined, and where necessary by way of derogation from those laid down in Article 2 (1), grant a premium higher than:

— the amounts referred to in Article 4 (1) and (2), where the entire vineyard of a holding is grubbed up, or

— those referred to in Article 4 (1) (a) and (c) and paragraph 2 where the vines in question are of very high productivity.

2. For the purposes of applying paragraph 1, the areas with a very high productivity shall be expressed as average productivity areas by using an appropriate conversion factor not exceeding 2.

3. Detailed rules for implementing this Article shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24.

Article 6

1. The Member States shall verify that the undertakings referred to in the second and third indents of Article 3 (2) (b) have been respected. They shall carry out this verification from 1 April of the wine year for which the grant of the premium was applied for.

2. The Member States shall inform the Commission of the results of this verification.

3. Detailed rules for implementing this Article shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24.

Article 7

1. All the measures laid down in this Regulation shall constitute a common measure within the meaning of Article 6 (1) of Regulation (EEC) No 729/70.

2. The duration laid down for the measures referred to in paragraph 1 shall be limited to the 1976/77, 1977/78 and 1978/79 wine-growing years.

Article 8

The estimated total cost to the EAGGF of the common measures shall be 78 million units of account.

Article 9

1. With the exception of the extra premium granted pursuant to Article 5, the expenditure incurred by the Member States in respect of the measure provided for in this Regulation shall be eligible for financing by the EAGGF, Guidance Section.

2. The EAGGF, Guidance Section, shall refund to the Member States 50 % of the eligible expenditure. This refund shall not, however, exceed 50 % of the amounts resulting from the application of Article 4 per hectare of vines.

3. Detailed rules for implementing paragraph 2 shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 10

1. Applications for reimbursement shall relate to expenditure incurred in a calendar year by the Member States and shall be submitted to the Commission before 1 July of the following year.

2. The Commission shall take a decision on these applications, on one or more occasions, in accordance with the procedure laid down in Article 7 (1) of Regulation (EEC) No 729/70.

Article 11

1. Without prejudice to Article 8 of Regulation (EEC) No 729/70, the Member States shall take, in accordance with their national laws, regulations and administrative provisions, the necessary measures to recover the amounts paid in cases where the undertakings referred to in Article 3 have not been respected.

They shall inform the Commission of measures taken for these purposes and in particular shall periodically notify it of the state of administrative and judicial procedures relating thereto.

2. The sums recovered shall be paid to the paying authorities or bodies and deducted by them from the expenditure financed by the EAGGF *pro rata* to Community financing.

3. The financial consequences of failing to recover amounts paid out shall be borne by the Community *pro rata* to Community financing.

4. The amounts to be recovered may be increased by interest.

5. Detailed rules for implementing this Article shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 12

The Member States shall communicate to the Commission during the wine years referred to in Article 3 (1) the areas of vine which have been grubbed up and have been granted the premium as part of the national forecast referred to in Article 17 (3) of Regulation (EEC) No 816/70. The Commission shall take account of this information in the report referred to in paragraph 4 of the said Article.

Article 13

This Regulation shall not impede the granting of aid provided for by national regulations designed to achieve similar objectives to those which are sought by this Regulation, provided the applications for such aid were submitted before the date of its entry into force.

Article 14

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, 17 May 1976.

For the Council

The President

J. HAMILIUS