COUNCIL REGULATION (EEC) No 1677/77

of 19 July 1977

amending Regulation (EEC) No 816/70 laying down additional provisions for the common organization of the market in wine

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 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 experience shows that certain amendments should be made to 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 528/77 (4);

Whereas it appears that the present system for the storage of grape must does not enable intervention measures for these products to be put into operation at the proper time; whereas, moreover, the intervention measures provided for should not be allowed to be diverted from their purpose; whereas, therefore, in the case of grape must or concentrated grape must, provision should be made, where very large stocks of these products exist, for the activation of intervention measures consisting, as a first stage, and if preventive distillation has been decided on, of short-term contracts, which could later be replaced by long-term contracts when storage contracts may be entered into for table wines, on the understanding that grape must intended for the production of grape juice may be excluded from this option;

Whereas, under Article 6b, preventive distillation may not be decided on until there are at least 10 million hectolitres under storage contracts at the beginning of the wine year; whereas, to ensure that this measure has the desired effect, this condition should be relaxed by making a considerable reduction in this amount;

Whereas the distillation of wines suitable for producing certain potable spirits from wine with a registered designation of origin may be authorized under certain conditions; whereas, however, a sizeable harvest of such wines may disturb the market in table wines even if such conditions are not met; whereas it is therefore necessary to provide for their distillation in the event of the harvest of such wines exceeding the normal use of the preceding marketing year by one million hectolitres; whereas, moreover, it seems valid, in order to improve Regulation (EEC) No 816/70, to incorporate in a separate Article the provisions on such distillation and those concerning the distillation of wines produced from varieties of vines obtained from inter-specific crossings, since the latter distillation is also optional and the buying-in price of wine is the same for both types of distillation;

Whereas each year the Commission is required to submit a report to the Council which, in particular, records the ratio between production and utilization and estimates foreseeable changes in that ratio on the basis, in particular, of the forecasts; whereas provision should be made for this report to be based also on the latest figures of the viticultural land register provided for by Regulation No 26/64/EEC (5), as last amended by Regulation (EEC) No 1456/76 (6);

Whereas, in the interests of clarity, Article 24a of Regulation (EEC) No 816/70 should be amended to specify that the additional rate of wine deliveries may be varied for all wines and according to production regions;

Whereas, for certain wines imported under Community rules, two certificates giving the same information are required; whereas, in order to simplify administrative procedures, this duplication should be avoided and it should be laid down that all the details requested in the certificate or in the analysis report shall not be required as a matter of course in these cases,

HAS ADOPTED THIS REGULATION:

Article 1

Article 4a (2) of Regulation (EEC) No 816/70 shall be replaced by the following:

'2. With the exception of table wines of types R III, A II and A III, table wines with an actual alcoholic strength equal to or below 9·5° shall be excluded from all intervention measures other than that referred to in Article 6b and Article 6d.'

(1) OJ No C 163, 11. 7. 1977, p. 78.
(2) Opinion delivered on 22 and 23 June 1977 (not yet published in the Official Journal).
(3) OJ No L 99, 5. 5. 1970, p. 1.
(4) OJ No L 69, 16. 3. 1977, p. 1.
(5) OJ No 48, 19. 3. 1964, p. 753/64.
(6) OJ No L 163, 24. 5. 1976, p. 13.

Article 2

Article 5 of Regulation (EEC) No 816/70 shall be replaced by the following:

'*Article 5*

1. A system of aid is hereby instituted for the private storage of table wine.

Aid shall be granted subject to the conclusion with intervention agencies, on terms and conditions to be determined, of one of the following types of storage contract:

— contracts valid for a period of three months, hereinafter called "short-term contracts",

— contracts valid for a period of nine months, concluded between 16 December and 15 February of the following year, hereinafter called "long-term contracts".

2. Short-term contracts may be entered into in respect of a type of table wine only when the weighted average price of that table wine remains below the activating price for two consecutive weeks. They may not be entered into when the weighted average price for this type of wine is above the activating price for two consecutive weeks.

If the state of the market so requires, a decision may be taken to allow short-term contracts to be concluded also in respect of table wines other than those of the type for which they may be concluded in accordance with the first subparagraph, where such table wines are closely related economically to that type of table wine. Such contracts may no longer be entered into in respect of these wines when they are not permissible in respect of the type of table wine to which they are closely related economically.

3. Independently of the provisions of paragraph 2, short-term contracts may be entered into in respect of a given wine-growing zone or part thereof when, especially because of an exceptionally abundant harvest, an imbalance appears at the beginning of the wine year in such zone or part thereof between the quantities available and the quantities that can be sold.

4. Long-term contracts may be entered into in respect of certain types of table wine to be specified, if the estimates for a wine year show that the quantity of such wines available at the beginning of that year exceeds foreseeable requirements for that year by more than four months' consumption.

For the purpose of calculating the quantity available referred to in the first subparagraph, the quantitative effects of the distillation of wines produced from table grapes referred to in Article 24b and of the distillation decided upon beforehand under Article 24a shall be deducted.

5. Where and for such time as long-term contracts may be entered into in accordance with paragraph 4, the application of paragraph 2 or 3 shall be suspended in respect of the same type of table wine. This suspension of application shall also apply to wines that are closely related economically to the table wine concerned.

6. Permission to enter into storage contracts as provided for in the second subparagraph of paragraph 2 and in paragraphs 3 and 4 shall be decided upon in accordance with the procedure laid down in Article 7 of Regulation No 24.

The same procedure shall be followed:

(a) for deciding, if justified by the development of the market situation and in particular by the rate of conclusion of storage contracts, that long-term contracts may no longer be entered into even before 15 February;

(b) for adopting other detailed rules for the application of this Article, and in particular the time limit for the decisions to be taken in accordance with the second subparagraph of paragraph 2.

7. The Commission shall decide whether storage contracts may or may not be entered into in accordance with the first subparagraph of paragraph 2 and whether they may no longer be entered into in accordance with the second subparagraph of paragraph 2.'

Article 3

The following Article shall be added to Regulation (EEC) No 816/70:

'*Article 5a*

1. A system of aid is hereby instituted for the private storage of grape must and concentrated grape must.

Private storage aid shall be granted subject to the conclusion with the intervention agencies, on terms and conditions to be determined, of one of the following types of storage contract:

— contracts valid for a period of three months, hereinafter called "short-term contracts",

— contracts valid for a period of nine months, hereinafter called "long-term contracts".

2. If the market situation so requires, and in particular :

— when preventive distillation is decided on pursuant to Article 6b, the conclusion of short-term contracts may be permitted between 1 September and 15 December following,

— when a decision is taken to allow long-term private storage contracts for table wines to be concluded, the conclusion of long-term contracts may be permitted between 16 December and 28 February following. However, grape must intended for the production of grape juice may be excluded from this option.

3. The decision to permit the conclusion of storage contracts in accordance with paragraph 2 and the detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24.'

Article 4

Article 6b (1) of Regulation (EEC) No 816/70 shall be replaced by the following :

'1. Where, during the period 1 September to 15 December following, the quantity of table wines of all types under storage contracts is equal to or greater than seven million hectolitres, preventive distillation may be decided on for all wines, except :

— wines produced from table grapes,

— wines produced from varieties of vines obtained from interspecific crossings (direct producer hybrids) falling into the category of provisionally authorized varieties,

— wines suitable for producing certain potable spirits obtained from wine with a registered designation of origin.'

Article 5

The following shall be added to Regulation (EEC) No 816/70 :

'Article 6d

1. In years in which the harvest of wine suitable for producing certain potable spirits obtained from wine with a registered designation of origin exceeds the volume of wine used for this purpose in the previous wine year by one million hectolitres, it may be decided that the wines in question may be distilled.

2. In the 1976/77 and 1977/78 wine years, it may, at the request of a Member State, be decided to give the producer the option of distilling wines produced from varieties of vines obtained from interspecific crossings (direct producer hybrids) falling into the category of provisionally authorized varieties.

3. The buying-in price for wine delivered for distillation under paragraphs 1 and 2 shall be that laid down in Article 24a (3) for the wine year concerned. The price paid by the distiller may not be less than the buying-in-price.

4. The Council, acting on a proposal from the Commission in accordance with the voting procedure laid down in Article 43 (2) of the Treaty, shall adopt general rules concerning the distillation referred to in paragraphs 1 and 2, and in particular concerning :

— the conditions under which distillation may be carried out,

— the criteria for determining the amount of aid so as to enable the distilled products to be disposed of.

5. The decision to carry out the distillation referred to in paragraph 1 or that referred to in paragraph 2 and the detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24.'

Article 6

Article 24a of Regulation (EEC) No 816/70 shall be amended as follows :

(a) paragraph 4 shall be deleted ;

(b) paragraph 5 shall become paragraph 4 ;

(c) paragraph 6 shall be replaced by the following :

'5. The decision fixing the additional rate provided for in paragraph 1 and the detailed rules for applying this Article shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24.'

Article 7

The first subparagraph of Article 17 (4) of Regulation (EEC) No 816/70 shall be replaced by the following :

'4. Each year, before 31 December, the Commission shall submit a report to the Council which, in particular, records the ratio between production and utilization and estimates foreseeable changes in that ratio on the basis, in particular, of the forecasts provided for in paragraph 3 and the latest figures of the viticultural land register provided for in Regulation 26/64/EEC.'

Article 8

Article 24a of Regulation (EEC) No 816/70 shall be amended as follows :

1. The third subparagraph of paragraph 1 shall be replaced by the following :

   'A decision may be taken to adjust the additional rate according to area on the basis of one or more of the following criteria :

   — the yield per hectare,
   — the vine variety,
   — the colour or the type of the wine,
   — the alcoholic strength.'

2. The last subparagraph of paragraph 2 shall be deleted.

Article 9

The following shall be added to Article 28 (1a) of Regulation (EEC) No 816/70 :

'(c) to enable the requirements contained in the certificate or the analysis report, referred to in (1) (a) above, to be dispensed with in whole or in part, in the case of certain wines accompanied by a certificate of designation of origin or by a certificate of origin.'

Article 10

This Regulation shall enter into force on 1 September 1977.

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

Done at Brussels, 19 July 1977.

For the Council

The President

A. HUMBLET