COMMISSION REGULATION (EEC) No 2027/77

of 12 September 1977

laying down the detailed rules of application for the additional measures applicable to holders of long-term storage contracts for table wine for the 1976/77 wine-growing year

THE COMMISSION 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 1679/77 (2), and in particular Article 6c (4) thereof,

Having regard to Council Regulation (EEC) No 878/77 of 26 April 1977 on the exchange rates to be applied in agriculture (3), as last amended by Regulation (EEC) No 1708/77 (4), and in particular Article 5 thereof,

Whereas the measures to support the wine market which were employed during this wine-growing year have not in all cases given the desired results; whereas, in particular, the average weighted price for table wine of type A I has remained lower than the activating price for the whole wine-growing year and the price for type R I is at present lower than the activating price; whereas the first condition under Article 6c (1) of Regulation (EEC) No 816/70 in order to take additional measures applicable to holders of long-term storage contracts is therefore satisfied; whereas the second condition, namely that the weighted average price should remain lower than the activating price for three consecutive weeks, should from the point of view of lodgement be verified shortly before the first expiry dates of the long-term storage contracts; whereas the market situation is such that this condition is satisfied;

Whereas these measures should provide, firstly, for the complete removal from the market by distillation of a certain quantity of wine and, secondly, for the delaying for several months of the marketing of the remaining quantity held by holders of long-term storage contracts, in anticipation of a recovery of the market; whereas, however, this latter measure might not achieve the desired objective; whereas the possibility of adopting any further measures which may be necessary should therefore be provided for;

Whereas table wines of types R III, A II and A III are produced in limited quantities and have a traditional market on which they are normally sold at prices above the activating price; whereas this is confirmed by their present price level; whereas it no longer seems necessary, therefore, to provide for the distillation of these wines;

Whereas the distillation provided for by this measure should take place in accordance with the provisions of Council Regulation (EEC) No 1931/76 of 20 July 1976 laying down general rules governing the distillation of wines provided for in Articles 6b, 6c, 24a and 24b of Regulation (EEC) No 816/70 (5), as amended by Regulation (EEC) No 1675/77 (6); whereas, pursuant to Articles 1 (1) and 4 of that Regulation, time limits should be fixed for the submission of applications for approval of distillation contracts, for approval by the intervention agencies and for the distillation operations; whereas, pursuant to Article 2, aid shall be paid, the amount thereof shall be fixed so as to enable the products obtained to be disposed of;

Whereas the additional information which should appear in the distillation contract should also be specified;

Whereas the arrangements for paying the aid referred to in Article 3 of Regulation (EEC) No 1931/76 provide that the aid is to be paid to the producer in two instalments; whereas payment of the second instalment should be made within a limited period to enable the producer to receive the full amount of the aid quickly; whereas it should therefore be provided that such payment is to be made at the latest within 30 days after distillation;

Whereas the technical conditions for the approval of the distillers must be laid down; whereas provision should also be made for the case in which approval is in principle to be withdrawn from the distiller if he defaults for reasons other than *force majeure* or unforeseeable circumstances;

(1) OJ No L 99, 5. 5. 1970, p. 1.
(2) OJ No L 187, 27. 7. 1977, p. 15.
(3) OJ No L 106, 29. 4. 1977, p. 27.
(4) OJ No L 189, 29. 7. 1977, p. 7.
(5) OJ No L 211, 5. 8. 1976, p. 5.
(6) OJ No L 187, 27. 7. 1977, p. 3.

Whereas the intervention agencies referred to in Article 6 of Regulation (EEC) No 1931/76 and the Commission should be informed of the progress of distillation operations and should in particular be aware of the quantities of wine distilled and the quantities of alcohol obtained ;

Whereas, in order to achieve the objective envisaged, the storage contracts should be concluded in accordance with Commission Regulation (EEC) No 2015/76 of 13 August 1976 on storage contracts for table wine, grape must and concentrated grape must [1] ;

Whereas, in order to be able to take account of market developments, it should be possible to cancel contracts ;

Whereas, in accordance with Article 2 (2) (d) of Regulation (EEC) No 878/77, the representative rates fixed by that Regulation are to be applied from 16 December 1977 for wine ; whereas, however, other dates may be provided for distillation measures ;

Whereas the application of the measures provided for in this Regulation extends beyond 15 December 1977 ; whereas it is necessary, in order to avoid any discrimination between the operators concerned, to provide for the application of a single representative rate for all payments relating to the distillation operations referred to in this Regulation ; whereas, since all the table wine affected by these measures was produced during the 1976/77 wine-growing year, the representative rates applicable for that year for wine should be retained and the application of the new representative rates provided for by Regulation (EEC) No 878/77 for the measures referred to in Article 6c of Regulation (EEC) No 816/70 should therefore be postponed until the expiry of the period of application of this Regulation ;

Whereas the measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Wine,

HAS ADOPTED THIS REGULATION :

Article 1

This Regulation lays down the detailed rules of application for the additional measures applicable to holders of long-term storage contracts for table wine for the 1976/77 wine-growing year referred to in Article 6c of Regulation (EEC) No 816/70.

[1] OJ No L 221, 14. 8. 1976, p. 20.

Article 2

1. The period of three consecutive weeks referred to in Article 6c (1) of Regulation (EEC) No 816/70 shall fall between 1 August and 30 November 1977.

2. If the Decision referred to in Article 6c (4) of Regulation (EEC) No 816/70 is adopted, the holders of long-term storage contracts for the types of wine in respect of which the Decision is adopted and for wines which are in close economic relationship with them may :

(a) in respect of a quantity of wine not exceeding a percentage to be fixed of the quantity under contract, carry out distillation in accordance with Articles 3 to 8 ;

(b) in respect of the quantity which is not distilled under (a), conclude a storage contract for a period to be fixed in accordance with Article 9.

However, the holders of long-term storage contracts for table wines of types A II, A III and R III may only take advantage of the measure referred to under (b).

3. Other additional measures applicable to holders of the storage contracts referred to in paragraph 2 (b) in respect of a given type of wine or a wine in close economic relationship herewith may be taken in accordance with the procedure laid down in Article 7 of Regulation No 24 if the Community weighted average price for that type of table wine has remained lower than the activating price during the period between the date of adoption of the Decision referred to in Article 6c (4) of Regulation (EEC) No 816/70 and 15 January 1978.

4. For the purposes of this Regulation, there shall be considered to be in close economic relationship with table wine of type :

— A I, white table wines with an actual alcoholic strength of not less than 12° and not more than 14°, not belonging to type A II or type A III,

— R I, red table wines with an actual alcoholic strength of not less than 12° and not more than 12·5°, not belonging to type R III,

— R II, red table wines with an actual alcoholic strength of more than 12·5° and not more than 14·5°, not belonging to type R III.

Article 3

1. The distillation referred to in Article 2 (2) (a) shall be carried out in accordance with the provisions of Regulation (EEC) No 1931/76 and of this Regulation.

2. The wines which may be distilled are those which have been the subject of the long-term storage contract or other wines of the same type which have been produced by the holder of the storage contract. In the latter case the actual alcoholic strength of the wine may not be less than 10° and the total quantity of alcohol contained in the wine may not be greater than that contained in the quantity of wine under contract which may be distilled.

Article 4

1. Applications for approval of the contracts referred to in Article 1 of Regulation (EEC) No 1931/76 shall be made within 30 days of the date of expiry of the long-term contracts.

2. The intervention agency referred to in Article 6 of Regulation (EEC) No 1931/76 shall inform the parties to the contract at the latest 15 days after receiving the application for approval of a distillation contract of the result of the approval procedure.

3. Distillation shall be carried out between 1 October 1977 and 30 June 1978.

Article 5

1. The contracts referred to in Article 1 of Regulation (EEC) No 1931/76 shall state :

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

(b) the name and address of the producer,

(c) the place where the wine is stored,

(d) the name of the distiller or the distillery,

(e) the address of the distillery.

2. 'Distiller' shall mean the person on whose behalf the distillation is carried out.

Article 6

1. The price referred to in the second indent of Article 6c (2) of Regulation (EEC) No 816/70 shall be :

— 1·82 units of account per degree and per hectolitre for table wines of types R I and R II and for those wines in close economic relationship therewith,

— 1·71 units of account per degree and per hectolitre for table wines of type A I and for those wines in close economic relationship therewith.

2. The amount of the aid provided for in Article 2 of Regulation (EEC) No 1931/76 shall be :

(a) for the wines referred to in the first indent of paragraph 1 hereof :

— 1·40 units of account per degree and per hectolitre if the wine has been processed into a product referred to in the first indent of Article 2 (3) of that Regulation,

— 1·29 units of account per degree and per hectolitre if the wine has been processed into a product referred to in the second indent of the said Article 2 (3) ;

(b) for the wines referred to in the second indent of paragraph 1 hereof :

— 1·29 units of account per degree and per hectolitre if the wine has been processed into a product referred to in the first indent of the said Article 2 (3),

— 1·18 units of account per degree and per hectolitre if the wine has been processed into a product referred to in the second indent of the said Article 2 (3).

3. The payments to be made under Article 3 (1) and (3) of Regulation (EEC) No 1931/76 shall be made at the latest 30 days after the necessary conditions have been satisfied.

4. Where Article 3 (5) of Regulation (EEC) No 1931/76 applies, payment of the minimum buying-in price shall be made at the latest 30 days after the total quantity of wine appearing in the contract has entered the distillery.

5. Where Article 3 (6) of Regulation (EEC) No 1931/76 applies, payment of the minimum buying-in price shall be made at the latest 30 days after the total quantity of wine appearing in the contract has been distilled. When the relevant intervention agency of a Member State has not decided to make general use of the facility provided for in Article 3 (6), the distiller may make use of this facility only after having obtained the agreement of producer.

6. The conversion into national currency of the amounts referred to in paragraphs 1 and 2 hereof shall be made using the representative rate for wine for the 1976/77 wine-growing year.

Article 7

1. Distillers, in order to be approved within the meaning of Article 5 of Regulation (EEC) No 1931/76, must be capable of processing wine into a product with an alcoholic strength of 86° or more or into a product with an alcoholic strength of 85° or less.

2. Approval shall be withdrawn if the distiller, except in unforeseeable circumstances or in the case of *force majeure*, does not pay the buying-in price to the producer or does not respect his obligations under Community provisions.

Article 8

1. Member States shall notify the Commission by 31 January 1978 at the latest of the quantities of wine appearing in the distillation contracts approved.

2. Distillers shall forward to the intervention agency, by the 10th day of each month at the latest, a list of the quantities of wine distilled during the previous month stating the quantities expressed as pure alcohol of the products which they have obtained, distinguishing between those referred to the first indent of Article 2 (3) of Regulation (EEC) No 1931/76 and those referred to in the second indent thereof.

3. Member States shall inform the Commission by telex by the 20th day of each month at the latest in respect of the previous month of the quantities of wine distilled and the quantities expressed as pure alcohol of the products which they have obtained, distinguishing between them in accordance with paragraph 2.

4. Member States shall notify by 30 July 1978 at the latest cases of distillers who have not met their obligations and the measures taken as a result thereof.

Article 9

1. The contracts referred to in Article 2 (2) (b) shall be concluded within 30 days of the date of expiry of the long-term contracts.

If the holder of a long-term storage contract decides to take advantage of Article 2 (2) (b) in respect of all the wine subject to a long-term storage contract, the intervention agency may extend the old contract for the new period by altering the relevant wording.

2. In respect of storage contract referred to in Article 2 (2) (b) the amount of the aid shall be that laid down for long-term storage contracts for the 1976/77 wine-growing year.

3. The storage contracts referred to in Article 2 (2) (b) shall be cancelled at the request of the producers concerned.

In this case the storage aid for the period during which the wine was subject to any such contract shall be retained.

Article 10

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

It shall apply with effect from 16 September 1977.

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

Done at Brussels, 12 September 1977.

For the Commission

Finn GUNDELACH

Vice-President