COUNCIL REGULATION (EEC) No 1862/78

of 25 July 1978

amending for the second time Regulation (EEC) No 1930/76 on the distillation of the by-products of wine-making

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 1861/78 (2), and in particular Article 24 (6) thereof,

Having regard to the proposal from the Commission,

Whereas Council Regulation (EEC) No 1930/76 of 20 July 1976 on the distillation of the by-products of wine-making (3), as amended by Regulation (EEC) No 1676/77 (4), provides that the price to be paid by intervention agencies to the distiller shall be fixed annually by the Council on the basis of certain costs and of technical losses; whereas this price may be differentiated according to whether marc, lees or wine is distilled in order to take into account, where necessary, the differing costs and losses;

Whereas a fixed price is satisfactory in several regions of the Community; whereas however in other regions the relation between quantities of marc and those of wine and lees is such that the average distillation costs differ from those used to calculate the fixed price; whereas this situation makes or risks making it economically impossible in certain of these regions to achieve the objective of the obligation to distil the by-products of wine-making;

Whereas it is therefore essential to provide for the possibility that a fixed price be established at the same time as prices differentiated depending on the origin of the alcohol, while leaving it to the Member States to decide whether to apply the latter in regions where application of the fixed price leads to the difficulties referred to above;

Whereas recourse to this option must not increase the expenditure incurred by the intervention agency and, hence, by the European Agricultural Guidance and Guarantee Fund; whereas it is therefore necessary to correlate the prices differentiated depending on the origin of the alcohol and the fixed price; whereas this correlation must be such that the weighted average of the prices differentiated depending on the origin of the alcohol is not more than the fixed price,

HAS ADOPTED THIS REGULATION:

Article 1

The following subparagraph is hereby added to Article 3 (2) of Regulation (EEC) No 1930/76:

'2. The price of the alcohol from wine deliveries shall be fixed as a single price on the basis of:

— the cost of distillation,

— the cost of transport,

— technical losses.

However, it may be differentiated according to whether marc, lees or wine are distilled, in order to take into account, where necessary, the differing costs and losses.

In the case referred to in the second subparagraph above, differentiated prices shall be set at the same time as the fixed price. Member States may decide to apply differentiated prices where application of the fixed price makes or threatens to make it impossible in some regions of the Community to distil one or more of the by-products of wine-making. The prices fixed for

(1) OJ No L 99, 5. 5. 1970, p. 1.
(2) See page 1 of this Official Journal.
(3) OJ No L 211, 5. 8. 1976, p. 1.
(4) OJ No L 187, 27. 7. 1977, p. 5.

alcohol derived from the various by-products shall be such that their weighted average does not exceed the price of the alcohol from wine deliveries referred to in paragraph 1 above.'

Article 2

This Regulation shall enter into force on 1 September 1978.

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

Done at Brussels, 25 July 1978.

For the Council

The President

J. ERTL