# COMMISSION REGULATION (EEC) No 2540/83

## of 9 September 1983

## laying down detailed rules for the application of the additional measures applicable to holders of long-term storage contracts for table wine for the 1982/83 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 337/79 of 5 February 1979 on the common organization of the market in wine (1), as last amended by Regulation (EEC) No 1595/83 (2), and in particular Articles 12a (5) and 65 thereof,

Having regard to Council Regulation (EEC) No 1223/83 of 20 May 1983 on the exchange rates to be applied in agriculture (3), as last amended by Regulation (EEC) No 1887/83 (4), and in particular Article 2 (2) thereof,

Whereas the measures employed to support the wine market have not altogether yielded the desired results; whereas, in particular, the representative prices for table wines of types A I, A II, A III, R I and R II have remained lower than the respective activating prices since the beginning of the wine-growing year; whereas, therefore, the first condition required under Article 12a (1) of Regulation (EEC) No 337/79 for the adoption of additional measures applicable to holders of long-term storage contracts is satisfied; whereas the second condition, namely that the representative price should remain lower than the activating price for three consecutive weeks, is likely to be fulfilled for table wines of types A I, A II, A III, R I and R II during the reference period;

Whereas these measures should provide for the possibility of removing from the market by distillation a certain quantity of wine and for the possibility of delaying for several months 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 provision for any further measures which may be necessary should therefore be made;

Whereas the distillation provided for by this Regulation should take place in accordance with the provisions of Council Regulation (EEC) No 2179/83 (5); whereas, pursuant to Articles 4, 5 and 26 of that Regulation, time limits should be fixed for the submission of applications for approval of supply contracts and declarations, for approval by the intervention agencies and for the distillation operations; whereas Article 8 of that Regulation specifies that the amount of the aid to be paid is to be fixed using the criteria set out therein;

Whereas additional information which should appear in the supply contract and in the declaration should also be specified;

Whereas Article 9 (1) of Regulation (EEC) No 2179/83 introduced a system of securities with a view to bringing forward the payment of aid while guaranteeing intervention agencies against the risk of undue payment; whereas, therefore, the time limits for advance payment should be specified as well as the time limits and procedures for releasing the security;

Whereas wine delivered for distillation under the arrangements provided for in this Regulation may be processed into wine fortified for distillation; whereas the provisions applicable to distillation operations should therefore be adjusted, pursuant to the rules laid down in Articles 25 and 26 of Regulation (EEC) No 2179/83;

Whereas the intervention agencies 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 storage contracts must be concluded in accordance with Commission Regulation (EEC) No 1059/83 (6);

Whereas during the storage period there is a natural alteration in the volatile acidity of the wine which might exceed the limit provided for in Commission Regulation (EEC) No 3476/82 (7), which was laid down with a storage period of nine months in view; whereas it seems appropriate to accept that, when a storage contract is concluded for four months, and provided

(1) OJ No L 54, 5. 3. 1979, p. 1.
(2) OJ No L 163, 22. 6. 1983, p. 48.
(3) OJ No L 132, 21. 5. 1983, p. 33.
(4) OJ No L 186, 9. 7. 1983, p. 24.
(5) OJ No L 212, 3. 8. 1983, p. 1.
(6) OJ No L 116, 30. 4. 1983, p. 77.
(7) OJ No L 365, 24. 12. 1982, p. 38.

the wine covered by the new contract is the same as the wine covered by the previous contract, the wine should be considered to have fulfilled the required conditions even if the volatile acidity content is higher than that laid down by the said Regulation, provided that the limit laid down for table wine of the type in question has not been exceeded, and that all other administrative and technical conditions are complied with ;

Whereas to allow for market developments, it should be possible to terminate contracts ;

Whereas the application of the measures provided for in this Regulation extends beyond 15 December 1983 ; whereas it is necessary, in order to avoid any discrimination between those 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 the storage contracts referred to in the latter were concluded during the 1982/83 wine-growing year, the last representative rate applicable during the said wine-growing year should be used ;

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 detailed rules for the application of additional measures, as provided for in Article 12a of Regulation (EEC) No 337/79, in respect of holders of long-term storage contracts for table wine for the 1982/83 wine-growing year.

*Article 2*

1. The period of three consecutive weeks referred to in Article 12a (1) of Regulation (EEC) No 337/79 shall fall between 15 July and 30 November 1983.

2. If the decision referred to in Article 12a (5) of Regulation (EEC) No 337/79 is adopted, holders of long-term storage contracts for the types of table wine in respect of which the decision is adopted and for wines in close economic relationship with such wines may :

(a) for quantity of wine subject to contract not exceeding a percentage to be determined of the total quantity of table wine which they have produced during the 1982/83 wine-growing year, undertake distillation under the conditions referred to in Articles 3 to 9 ;

(b) for a quantity of wine subject to contract to be determined and which is not subject to the measure provided for at point (a), conclude a storage contract under the conditions referred to in Article 10, for a period to be determined.

3. The total quantity of table wine to which the percentage referred to in Article 12a (3) of Regulation (EEC) No 337/79 is to apply shall be :

— for producers subject to the obligation referred to in Article 2 (1) of Regulation No 134 (1), the total of the quantities given in their harvest declarations and of the quantities given in the records referred to in Article 14 of Regulation (EEC) No 1153/75 (2) and obtained by themselves after the date of submission of the harvest declaration, from products listed in the said declaration,

— for producers who are not subject to the obligation referred to in the first indent, the quantity given in the records referred to in Article 14 of Regulation (EEC) No 1153/75 and obtained by themselves by vinification of purchased products.

4. 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 therewith may be taken if the representative 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 12a (5) of Regulation (EEC) No 337/79 and 15 January 1984.

*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 2179/83 and of this Regulation.

2. The wines which may be distilled are those which have been the subject of long-term storage.

The actual alcoholic strength by volume of the wine delivered to distillation must be not higher than the actual alcoholic strength by volume of the wine which was placed under long-term storage contract.

*Article 4*

1. The contracts and declarations referred to in Articles 4 (1) and 5 (1), respectively, of Regulation (EEC) No 2179/83 shall be submitted for approval to the competent intervention agency by 15 January 1984 at the latest.

(1) OJ No 111, 6. 11. 1962, p. 2604/62.
(2) OJ No 113, 1. 5. 1975, p. 1.

2. The contracts and declarations referred to in paragraph 1 shall specify at least :

(a) the quantity, colour and actual alcoholic strength by volume of the wine 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 business name of the distillery ;

(e) the address of the distillery.

3. The intervention agency shall notify the producer of the outcome of the approval procedure within 30 days of the date on which the contract or declaration was submitted.

4. Distillation shall be carried out between 20 September 1983 and 30 June 1984.

*Article 5*

1. The minimum purchase price provided for in Article 12a (3) of Regulation (EEC) No 337/79 shall be :

— 2,72 ECU per % vol per hectolitre in the case of table wines of type A I and of wines in close economic relationship with those wines,

— 6,12 ECU per % vol per hectolitre in the case of table wines of type A II,

— 6,99 ECU per % vol per hectolitre in the case of table wines of type A III,

— 2,99 ECU per % vol per hectolitre in the case of table wines of types R I and R II and of wines in close economic relationship with those wines.

The minimum purchase price specified in the first subparagraph shall be paid by the distiller to the producer within three months of the date on which each consignment of wine delivered enters the distillery.

2. The amount of the aid provided for in Article 8 of Regulation (EEC) No 2179/83 shall be :

(a) for the wines specified in the first indent of paragraph 1 :

— 2,19 ECU per % vol per hectolitre of the product of distillation if it corresponds to the definition of neutral alcohol given in the Annex to Regulation (EEC) No 2179/83,

— 2,14 ECU per % vol per hectolitre of the product of distillation if it is a wine spirit with the quality characteristics laid down in the applicable national provisions,

— 2,13 ECU per % vol per hectolitre of the product of distillation if it is a distillate or raw alcohol with an alcoholic strength of at least 52 % vol ;

(b) for the wines specified in the second indent of paragraph 1 :

— 5,64 ECU per % vol per hectolitre of the product of distillation if it corresponds to the definition of neutral alcohol given in the Annex to Regulation (EEC) No 2179/83,

— 5,59 ECU per % vol per hectolitre of the product of distillation if it is a wine spirit with the quality characteristics laid down in the applicable national provisions,

— 5,58 ECU per % vol per hectolitre of the product of distillation if it is a distillate or raw alcohol with an alcoholic strength of at least 52 % vol ;

(c) for the wines specified in the third indent of paragraph 1 :

— 6,52 ECU per % vol per hectolitre of the product of distillation if it corresponds to the definition of neutral alcohol given in the Annex to Regulation (EEC) No 2179/83,

— 6,47 ECU per % vol per hectolitre of the product of distillation if it is a wine spirit with the quality characteristics laid down in the applicable national provisions,

— 6,46 ECU per % vol per hectolitre of the product of distillation if it is a distillation or raw alcohol with an alcoholic strength of at least 52 % vol ;

(d) for the wines specified in the fourth indent of paragraph 1 :

— 2,46 ECU per % vol per hectolitre of the product of distillation if it corresponds to the definition of neutral alcohol given in the Annex to Regulation (EEC) No 2179/83,

— 2,41 ECU per % vol per hectolitre of the product of distillation if it is a wine spirit with the quality characteristics laid down in the applicable national provisions,

— 2,40 ECU per % vol per hectolitre of the product of distillation if it is a distillate or raw alcohol with an alcoholic strength of at least 52 % vol.

The aid shall be paid for the quantity of wine actually distilled within the limit of the tolerances referred to in Article 6 (2) of Regulation (EEC) No 2179/83 and within the limit of the maximum quantities which may be distilled.

3. The distiller must provide the intervention agency, within four months following the date on which evidence that the total quantity of wine mentioned in the contract has been distilled is supplied, with evidence that he paid the producer the purchase price of the wine within the period laid down in the second subparagraph of paragraph 1.

If this evidence is not provided within the period laid down, the aid paid over shall be recovered by the intervention agency. If, however, the evidence is submitted after this period expires but before 31 December 1984 the intervention agency shall recover 20 % of the aid paid out.

If it is found that the distiller has not paid the producer the purchase price, the intervention agency shall before 1 May 1985 pay the producer an amount equal to the aid, if appropriate through the intervention agency of the producer's Member State.

*Article 6*

1. The advance referred to in Article 9 (1) of Regulation (EEC) No 2179/83 shall be paid over within three months of submission of evidence that the security has been lodged.

2. For the release of the security referred to in paragraph 1 the evidence that the total quantity of wine has been distilled and, where applicable, the evidence of payment of the purchase price of the wine within the specified period shall be provided not later than the end of the fifth month following the final date for the distillations operation specified in Article 4 (4).

However, if the evidence referred to in the first subparagraph is produced after the period specified therein but before 1 March 1985, 80 % of the security shall be released and the difference shall be forfeit.

If the evidence is not provided before 1 March 1985 the entire security shall be forfeit.

*Article 7*

1. In the case referred to in Article 26 (1) of Regulation (EEC) No 2179/83 the contract or declaration of delivery for the production of fortified wine shall be submitted for approval to the competent intervention agency by 15 January 1984 at the latest.

The intervention agency shall notify the producer of the outcome of the approval procedure within 15 days of the date of submission of the contract or declaration.

2. The fortified wine may not be produced until after the contract or declaration has been approved but by 30 June 1984 at the latest.

3. The fortified wine must be distilled by 31 August 1984 at the latest.

4. The fortifier shall transmit to the intervention agency by the 10th day of each month at the latest a statement of the quantities of wine delivered to him in the previous month.

5. The fortifier shall receive aid per hectolitre per % vol of the actual alcoholic strength of the wine before processing, as follows :

— 2,10 ECU for table wines of type A I and wines in close economic relationship with those wines,

— 5,50 ECU for table wines of type A II,

— 6,37 ECU for table wines of type A III,

— 2,37 ECU for table wines of types R I and R II and wines in close economic relationship with those wines.

To receive the aid the fortifier shall by 31 August 1984 at the latest submit an application to the competent intervention agency together with a copy of the transport documents accompanying the wine for which aid is requested or a summary of those documents.

Member States may require that copies or summaries be endorsed by a supervisory authority.

The aid shall be paid over at the latest three months after the date of submission of proof that the security referred to in Article 26 (4) of Regulation (EEC) No 2179/83 has been lodged and in any event after the date on which the contract or declaration has been approved.

6. Subject to the provisions of Article 23 of Regulation (EEC) No 2179/83, the security shall be released only if by 31 December 1984 at the latest evidence is provided that :

— the total quantity of wine covered by the contract or the declaration has been processed into fortified wine and distilled,

— the purchase price of the wine has been paid to the producer within the period specified in the second subparagraph of Article 5 (1).

If such evidence is not provided by 31 December 1984 at the latest, the intervention agency shall recover the aid from the producer of the fortified wine.

If, however, the evidence is presented after that time limit but before 1 April 1985, the intervention agency shall recover an amount equal to 20 % of the aid paid over.

If it is found that the fortifier has not paid the purchase price to the producer, the intervention agency shall before 1 May 1985 pay the producer an amount equal to the aid, if appropriate through the intervention agency of the producer's Member State.

*Article 8*

1. Member States shall notify the Commission not later than 29 February 1984 of the quantities of wine covered by approved distillation contracts.

2. Distillers shall send to the intervention agency, not later than the 10th day of each month, a statement of the quantities of wine distilled during the previous month, giving separate figures for each of the categories specified in the first subparagraph of Article 3 (1) of Regulation (EEC) No 2179/83.

3. Member States shall inform the Commission by telex, not later than the 20th day of each month 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 not later than 30 September 1984 cases in which distillers or fortifiers have failed to fulfil their obligations and the measures taken in consequence.

*Article 9*

1. The contracts referred to in Article 2 (2) (b) shall be concluded not later than 15 January 1984.

The volatile acidity of the table wine covered by the contracts referred to in the first subparagraph may exceed the limits required by Regulation (EEC) No 3476/82 when long-term storage contracts are concluded.

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

2. In the case of storage contracts as referred to in Article 2 (2) (b), the amount of the aid shall be that laid down for long-term storage contracts for the 1982/83 wine-growing year.

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

In that case:

— the storage aid shall remain payable for the period during which the wine was placed under such a contract,

— wine subject to the contract may not be distilled as referred to in Article 2 (2) (a).

*Article 10*

The amounts specified in Articles 5 and 7 shall be converted into national currency at the representative rate applicable in the wine sector on 31 August 1983.

*Article 11*

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

It shall apply from 16 September 1983.

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

Done at Brussels, 9 September 1983.

*For the Commission*

Poul DALSAGER

*Member of the Commission*