COUNCIL REGULATION (EEC) No 895/85

of 1 April 1985

on a common measure to improve the structures of the wine-making sector in Greece

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 (1),

Having regard to the opinion of the European Parliament (2),

Having regard to the opinion of the Economic and Social Committee (3),

Whereas, in order to attain the objectives of the common agricultural policy laid down in Article 39 (1) (a) and (b) of the Treaty, special Community provisions appropriate to the situation of the least-favoured agricultural areas must be adopted;

Whereas serious difficulties now hamper the marketing of wine produced in Greece; whereas these difficulties are connected mainly with the structural and quality aspects of wine products and the geographical configuration and location of Greece, which make access to the Community markets more difficult;

Whereas action to restructure vineyards must not result in an increase in areas under vines; whereas action to restructure vineyards should be confined to wine areas particularly suitable for wine-growing;

Whereas the conditions and restrictions laid down in Council Regulation (EEC) No 458/80 of 18 February 1980 on collective projects for the restructuring of vineyards (4), as last amended by Regulation (EEC) No 1598/83 (5), are unsuited to the structures of the Greek wine-making sector; whereas the restructuring measures must be extended to include the necessary land improvement and consolidation operations and to vineyards used for the production of dried grapes and table grapes;

Whereas, in order to limit Community expenditure, it is important to prohibit the aggregation of aid provided for restructuring operations with abandonment premiums provided for in Council Regulation (EEC) No 777/85 of 26 March 1985 on the granting for the 1985/86 to 1989/90 wine years of permanent abandonment premiums in respect of certain areas under vines (6), whilst taking into account the specific structure of holdings in Greece and the need to facilitate the execution of restructuring operations in that Member State;

Whereas the restructuring operations are designed to achieve qualitative improvements by the use of appropriate varieties;

Whereas the restructuring measures can only be implemented successfully if aid is granted to compensate for the cost of restructuring work (aid to restructuring) and for the income losses entailed by the restructuring operations (additional premium);

Whereas, in order to ensure maximum effectiveness in the vineyard restructuring operations, precedence should be given to those covering larger areas, carried out on a collective basis; whereas, to this effect, additional aid should be granted where restructuring operations are carried out as part of a group or on a collective basis;

Whereas, in order to obtain the economic and qualitative results expected of the restructuring measures, vine-growers involved in restructuring operations should be afforded the necessary technical assistance;

Whereas the measures to restructure vineyards require an additional financial commitment by Greece in order to ensure their co-financing; whereas, since the funds available in Greece are somewhat limited, 50 % of the expenditure incurred in carrying out the restructuring measures should be financed by the Community;

Whereas the qualitative improvement of wine production can be achieved only through accelerated modernization of the facilities required to process and market wines; whereas aid granted by the EAGGF

(1) OJ No C 76, 22. 3. 1985, p. 2.
(2) Opinion delivered on 15 March 1985 (not yet published in the Official Journal).
(3) Opinion delivered on 27 March 1985 (not yet published in the Official Journal).
(4) OJ No L 57, 29. 2. 1980, p. 27.
(5) OJ No L 163, 22. 6. 1983, p. 53.
(6) OJ No L 88, 28. 3. 1985, p. 8.

Guidance Section for the financing of projects carried out under Council Regulation (EEC) No 355/77 of 15 February 1977 on common measures to improve the conditions under which agricultural and fisheries products are processed and marketed (1), as last amended by Regulation (EEC) No 871/85 (2), should be increased, without increasing the volume of production ;

Whereas it is necessary to offer Greek vine-growers a special incentive to abandon wine production ; whereas, to this end, the permanent abandonment premium provided for by Regulation (EEC) No 777/85 should be increased for the category of average yield per hectare of between 20 and 50 hectolitres ;

Whereas the achievement of these aims should be promoted by means of a measure combining these various elements and applied in the context of a programme extending over several years ;

Whereas it follows from the foregoing that the measures referred to above constitute a common measure within the meaning of Article 6 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy (3), as last amended by Regulation (EEC) No 929/79 (4) ;

Whereas it is the responsibility of the Commission, having consulted the Standing Committee on Agricultural Structures, to decide on the approval of a programme submitted by the Greek Government,

HAS ADOPTED THIS REGULATION :

Article 1

1. Under this Regulation, a common measure shall be instituted within the meaning of Article 6 (1) of Regulation (EEC) No 729/70 ; this measure shall be implemented by Greece.

2. The Community shall grant aid for the said common measure by providing financial support through the Guidance Section of the European Agricultural Guidance and Guarantee Fund, hereinafter referred to as 'the Fund', for the following :

— measures to restructure vineyards intended for the production of wines, dried grapes or table grapes,

— various support measures connected with restructuring,

— an increase, in favour of Greece, of the appropriations for improving the conditions under which wine products are processed and marketed within the meaning of Regulation (EEC) No 355/77,

— an increase of 1 000 ECU per hectare in the permanent abandonment premium provided for by the second indent of Article 2 (1) (b) of Regulation (EEC) No 777/85.

3. During the lifetime of the common measure provided for under this Regulation, measures to restructure Greek vineyards shall not be eligible for the Community aid provided for in Regulation (EEC) No 458/80.

Vine-growers who have availed themselves of the permanent abandonment premium provided for in Regulation (EEC) No 777/85 may subsequently be eligible for the aid provided for in Article 5 of this Regulation only if the areas for which the permanent abandonment premium was granted do not border on the other areas of the holding.

4. For the purposes of this Regulation, the restructuring operations shall comprise :

— the grubbing-up of vines on properties with a minimum area equivalent to that referred to in the second indent,

— the replanting of vines intended for the production of quality wines psr or table wines, dried grapes or table grapes, of improved quality, by means of an appropriate selection of vine varieties, recommended within the meaning of Commission Regulation (EEC) No 3800/81 of 16 December 1981 determining the classification of vine varieties (5), as last amended by Commission Regulation (EEC) No 3582/83 (6), on properties with a minimum area of 0,25 hectares in the case of individual restructuring, 1 hectare in the case of group restructuring for at least three vine-growers and 10 hectares in the case of collective restructring by at least 15 vine-growers, whether involving land consolidation or not. Areas classified in category 3 within the meaning of Article 29 of Council Regulation (EEC) No 337/79 of 5 February 1979 on the common organization of the market in wine (7), as last amended by Regulation (EEC) No 798/85 (8), shall not be eligible for replanting,

— the double grafting of vines under the conditions and with the vine varieties referred to in the second indent.

5. For the purposes of this Regulation, the support operation shall consist of :

— the production of replanting material in line with the requirements of the common measure,

(1) OJ No L 51, 23. 2. 1977, p. 1.
(2) OJ No L 95, 2. 4. 1985, p. 3.
(3) OJ No L 94, 28. 4. 1970, p. 13.
(4) OJ No L 117, 12. 5. 1979, p. 4.
(5) OJ No L 381, 31. 12. 1981, p. 1.
(6) OJ No L 356, 20. 12. 1983, p. 18.
(7) OJ No L 54, 5. 3. 1979, p. 1.
(8) OJ No L 89, 29. 3. 1985, p. 1.

— land improvement work such as measures to prevent the erosion of areas under vines, the laying of intercepting ditches, drainage, levelling and stone clearance,
— improvement of access roads or tracks to vineyards,
— land consolidation,
— such technical assistance as is essential for achieving the aims of the common measure.

Article 2

1. The financial contribution by the Community shall be granted only in the context of a programme encouraging all the operations referred to in the first and second indents of Article 1 (2). The said programme shall be submitted to the Commission by Greece.

2. The programme and any adaptations of it shall be considered and approved after the Fund Committee has been consulted as to the financial aspects thereof in accordance with the procedure laid down in Article 9.

3. The duration of the programme shall be not les than that of the common measure.

Article 3

The programme referred to in Article 2 shall contain information on the following :

(a) restructuring :
— the provisions envisaged for the implementation of the measures referred to in the first indent of Article 1 (5) ;
— the number of hectares of vineyard to have been restructured on completion of the programme with an estimate of the timing of the works,
— the location of the largest areas of restructuring,
— the ability of these areas to provide high-quality products,
— a distribution scale, expressed according to yield category, of the additional premiums referred to in the second indent of Article 5 (1) (a),
— in the case of collective restructuring, the nature of the constraints imposed in order to ensure the effectiveness of the operations and the provisions envisaged in order to improve land distribution, that is land consolidation or other measures. In the latter case, arrangements to arrive at a reparcelling ratio of at least 2 to 1 at commune level must be provided for,
— the provisions to ensure that the establishment of new vineyards takes the form solely of replanting, that is, planting after grubbing-up operations carried out with a view to restructuring,
— an indication of varieties and their origin,
— the estimated cost with summary itemization of public and private expenditure and its timing ;

(b) support measures :
— as regards land improvement, a description of the work planned for each large restructuring area,
— the length of roads or tracks to be laid or improved,
— a summary of total expenditure broken down into public, private and Community expenditure and its timing,
— the provisions relating to the recruitment and employment of staff specialized in the operations covered by the common measure.

Article 4

1. The conditions and limits laid down in Articles 8 (2) and 14 (2) of Council Directive 72/159/EEC of 17 April 1972 on the modernization of farms [1] shall not apply to action under this common measure.

2. Where land improvement work such as the protection of the soil against erosion and the laying or improvement of roads or tracks is the subject of Community aid under the terms of other common measures within the meaning of Article 6 (1) of Regulation (EEC) No 729/70, it shall not qualify for a financial contribution from the Fund under the terms of this Regulation.

Article 5

1. The following expenditure incurred by the Hellenic Republic under the programme referred to in Article 2 shall be eligible for assistance from the Guidance Section of the Fund :

(a) in the case of restructuring operations within the meaning of Article 1 (4) and in respect of a maximum area of 20 000 hectares, aid granted in the form of :
— an aid per hectare intended to contribute to the actual costs of restructuring work ; the amount of this aid, hereinafter called 'restructuring aid', shall be fixed at a maximum of :
— 2 500 ECU per hectare when the restructuring takes the form of grubbing-up of vines, soil preparation and replanting,
— 1 250 ECU per hectare when the restructuring takes the form of double grafting,

[1] OJ No L 96, 23. 4. 1972, p. 1.

— a degressive additional premium paid over several years to persons principally employed in agriculture to offset income losses due to restructuring; the said premium, hereinafter referred to as the 'additional premium', shall be granted for a maximum period of four years, to total between 1 000 and 2 000 ECU per hectare of replanted vineyard or between 650 and 1 300 ECU per hectare of double grafted vineyard, depending on the age and the yield of the vineyard which has been grubbed up or double grafted respectively. The yields to be considered for the granting of the minimum and maximum amounts of the additional premium shall be 15 and 80 hectolitres of wine per hectare respectively.

The additional premium may be increased by:

— 300 ECU per hectare in the case of grouped restructuring,

— 500 ECU per hectare in the case of collective restructuring,

— 700 ECU per hectare in the case of collective restructuring carried out in the context of land consolidation at commune level provided that the number of parcels is reduced by at least 50 %.

These increases shall be granted only in the case of restructuring by grubbing-up;

(b) in the case of support measures within the meaning of Article 1 (5), aid granted at the rate of 1 500 ECU per hectare of restructured vineyard where the land improvement operations entail drainage and anti-erosion measures or work connected with land consolidation such as levelling, the building of embankments, ditches and access paths and roads and other work made necessary as a result of land consolidation.

Aid for the technical assistance necessary for carrying out the restructuring of the vineyards included in the common measure may not exceed 5 % of total costs.

2. The Fund shall repay to the Greek Government 50 % of eligible expenditure within the limits laid down in paragraph 1.

Article 6

1. The period for the completion of the common measure shall be 10 years as from the date of approval of the programme referred to in Article 2.

2. Every year, Greece shall submit a progress report on the measure. During the fifth year, the Commission shall present a report to the Council on the implementation of the measure. One year before the expiry of the 10-year period, the Commission shall present a further report to the Council on the implementation of the measure and, on a proposal from the Commission, the Council shall decide whether or not the measure should be extended.

3. The estimated cost of the common measure to the Fund is 55 million ECU; this amount includes:

(a) 10 million ECU resulting from the increase in the appropriations granted by the Fund under the provisions referred to in the third indent of Article 1 (2), which are added to the estimated cost referred to in Article 16 (3) of Regulation (EEC) No 355/77; this amount shall be scaled over a period of 10 years;

(b) 2 million ECU resulting from the increase of the permanent abandonment premium for certain areas under vines referred to in the fourth indent of Article 1 (2), which are added to the estimated cost referred to in Article 10 (1) of Regulation (EEC) No 777/85.

The value of these amounts is indicative only.

4. Article 6 (5) of Regulation (EEC) No 729/70 shall apply.

Article 7

Upon the approval of the programme referred to in Article 2, the Commission shall, by agreement with Greece, establish the arrangements whereby it shall be kept informed of the progress of the programme.

Article 8

1. Applications for repayment shall relate to expenditure disbursed by Greece during one calendar year and shall be submitted to the Commission before 1 July of the following year.

2. Any decision to grant aid under the Fund shall be taken under Article 7 (1) of Regulation (EEC) No 729/70.

3. Advance payments may be granted by the Fund depending on the financing arrangements adopted by Greece and the progress of the programme.

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

Article 9

1. Where reference is made to the procedure defined in this Article, the Standing Committee on Agricultural Structures, hereinafter referred to as 'the Committee', shall be consulted by its chairman, either on his own initiative or at the request of the representative of a Member State.

2. The representative of the Commission shall submit a draft of the measures to be taken. The Committee shall deliver its opinion on these measures within a period which the chairman may determine in the light of the urgency of the questions submitted for examination. The Committee shall adopt its opinion by a majority of 45 votes, the votes of the Member States being weighted as provided for in Article 48 (2) of the Treaty. The chairman shall not vote.

3. The Commission shall adopt the measures, which shall be immediately applicable. However, if such measures do not conform to the opinion adopted by the Committee, they shall be referred forthwith by the Commission to the Council; in such case, the Commission may defer for up to one month as from such referral the application of the measures on which it has decided. The Council, acting by a qualified majority, may adopt a different decision within one month.

Article 10

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 Luxembourg, 1 April 1985.

For the Council

The President

F. M. PANDOLFI