COMMISSION REGULATION (EC) No 2728/2000

of 14 December 2000

opening crisis distillation as provided for in Article 30 of Council Regulation (EC) No 1493/1999 in certain wine-growing regions of Germany

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1493/1999 of 17 May 1999 on the common organisation of the market in wine [1], as amended by Commission Regulation (EC) No 1622/2000 [2], and in particular Articles 30 and 33 thereof,

Whereas:

(1) Article 30 of Regulation (EC) No 1493/1999 provides for the possibility of opening crisis distillation in the event of exceptional market disturbance caused by major surpluses. Such measures may be limited to certain categories of wine and/or certain areas of production and may apply to quality wines psr at the request of the Member State.

(2) By letter of 2 November 2000 the German Government requested that crisis distillation be triggered for white wine of all vine varieties grown in the Mittelrhein, Mosel-Saar-Ruwer, Nahe, Pfalz and Rheinhessen wine-growing regions. The measure is to apply to white quality wines psr of all those regions too.

(3) Wine production in those regions was less than 6 million hl per year in 1995, 1996 and 1997. It amounted to 7,07 million hl in 1998 and 8,02 million hl in 1999. At the same time, white wine's share of total wine consumed in Germany declined from 54 % in 1995 to 47 % in 1999, while there was an increase in consumption of red wine, most of which is imported. White wine exports fell by 13 % between 1993 and 1999.

(4) Prices for white wines in those regions are considerably down on 1998. In Rheinhessen, Pfalz and Nahe, prices for wines of the Müller-Thurgau and Silvaner vine varieties fell from DEM 120-160/hl to around DEM 60/hl while those for wine of the Riesling vine variety in Mosel-Saar-Ruwer dropped from DEM 200-230/hl to DEM 80/hl. Prices for table wine are currently around DEM 40/hl and those for quality wines range from DEM 55/hl to DEM 80/hl depending on the vine variety and the region.

(5) Despite these low prices, consumption of white wine has not risen significantly in 2000. Even the low figures forecast for the 2000 grape harvest have not bumped prices up. White wines stocks in those regions stand currently at 7,5 million hl, while around 6 million hl would suffice to ensure regular supplies to the market.

(6) The producers concerned have delivered wine for distillation in accordance with Article 29 of Regulation (EC) No 1493/1999, but those provisions only concern table wine and the measure accordingly does not fully meet the needs of these regions. A crisis distillation measure is therefore required to solve the serious problems of these wine-growing regions of Germany.

(7) Since the conditions laid down in Article 30(5) of Regulation (EC) No 1493/1999 are satisfied, crisis distillation covering a maximum of 1 million hl should be triggered in these German wine-growing regions for a limited period with a view to maximum effectiveness. No ceiling should be set on the quantity that individual producers can have distilled because wine stocks may vary substantially from one producer to another and they depend on sales to a greater extent than on the individual producer's annual output.

(8) The mechanism to be introduced is provided for in Commission Regulation (EC) No 1623/2000 of 25 July 2000 laying down detailed rules for implementing Regulation (EC) No 1493/1999 on the common organisation of the market in wine with regard to market mechanisms [3], as amended by Regulation (EC) No 2409/2000 [4]. In addition to the articles of that Regulation referring to the distillation measure provided for in Article 30 of Regulation (EC) No 1493/1999, other provisions of Regulation (EC) No 1623/2000 are applicable, and in particular those on the delivery of the alcohol to the intervention agency and on payment of advances.

(9) The buying-in price to be paid by the distiller to the producer should provide a solution to the problems while allowing producers to take advantage of the possibility afforded by this measure. That price should not, however, be such that it adversely affects the application of distillation as provided for in Article 29 of Regulation (EC) No 1493/1999.

(10) The product of crisis distillation must be raw alcohol or neutral alcohol for compulsory delivery to the intervention agency in order to avoid disturbing the market for potable alcohol, which is supplied largely by distillation under Article 29 of Regulation (EC) No 1493/1999.

[1] OJ L 179, 14.7.1999, p. 1.
[2] OJ L 194, 31.7.2000, p. 1.
[3] OJ L 194, 31.7.2000, p. 45.
[4] OJ L 278, 31.10.2000, p. 3.

(11) 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

Crisis distillation as provided for in Article 30 of Regulation (EC) No 1493/1999 is hereby opened for a maximum of 1 million hl of white table wine and white quality wines psr of all vine varieties grown in the Mittelrhein, Mosel-Saar-Ruwer, Nahe, Pfalz and Rheinhessen wine-growing regions of Germany.

Article 2

In addition to the provisions of Regulation (EC) No 1623/2000 referring to Article 30 of Regulation (EC) No 1493/1999, the following provisions of Regulation (EC) No 1623/2000 shall also apply to the measure covered by this Regulation:

— Article 62(5) on payment of the price by the intervention agency as referred to in Article 6(2) of this Regulation,

— Articles 66 and 67 as regards the advance as referred to in Article 6(2) of this Regulation.

Article 3

Producers may conclude contracts as provided for in Article 65 of Regulation (EC) No 1623/2000 from 16 December 2000 to 31 January 2001. Such contracts shall entail the lodging of a security equal to EUR 5 per hl. Such contracts may not be transferred.

Article 4

1. The Member State shall determine the rate of reduction to be applied to the abovementioned contracts where the overall quantity covered by contracts presented exceeds that laid down in Article 1.

2. The Member State shall adopt the administrative provisions needed to approve the abovementioned contracts by 15 February 2001, shall specify the rate of reduction applied and the quantity of wine accepted per contract and shall stipulate that the producer can cancel the contract where the quantity to be distilled is reduced. The Member State shall notify the Commission before 20 February 2001 of the quantities of such wine covered by contracts approved.

3. The wine shall be delivered to the distilleries by 30 June 2001 at the latest. The alcohol obtained may be delivered to the intervention agency by 30 November 2001 at the latest.

4. Securities shall be released in proportion to the quantities delivered where the producer provides proof of delivery to the distillery.

5. The security shall be forfeit where no delivery is made within the time limit laid down.

6. The Member State may limit the number of contracts that individual producers can conclude under the distillation operation in question.

Article 5

The minimum buying-in price for wine delivered for distillation under this Regulation shall be EUR 2,1054 per % vol per hl.

Article 6

1. Distillers shall deliver the product obtained from distillation to the intervention agency. That product shall be of an alcoholic strength of at least 92 % vol.

2. The price to be paid to the distiller by the intervention agency for raw alcohol delivered shall be EUR 2,4726 per % vol per hl. The distiller may receive an advance on that amount equal to EUR 1,3136 per % vol per hl. The advance shall in that case be deducted from the price actually paid.

Article 7

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

It shall apply from 16 December 2000.

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

Done at Brussels, 14 December 2000.

For the Commission

Franz FISCHLER

Member of the Commission