COMMISSION REGULATION (EC) No 2859/2000

of 27 December 2000

opening crisis distillation as provided for in Article 30 of Regulation (EC) No 1493/1999 for certain wines in Italy

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], 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 15 November 2000 the Italian Government requested that crisis distillation be triggered for wines produced by the fermentation of products suitable for producing Moscato d'Asti and Asti in Italy.

(3) Around 600 000 hectolitres (80 million bottles) of wine produced by the fermentation of products suitable for producing Moscato d'Asti and Asti were produced in 1999, compared with around 700 000 hectolitres produced in 1997. Stocks amounted to around 415 000 hectolitres at the beginning of the 2000/01 marketing year, against less than 105 500 hectolitres in 1995. Sales have fallen from around 650 000 hectolitres in the first half of the 1990s to around 580 000 hectolitres in the second part of that decade. Between the first quarter of 1999 and the first quarter of 2000, exports fell by 5 million bottles, from 19,2 million to 14,35 million.

(4) In view of the substantial surpluses of unsold must in refrigerated silos, these capacities are not available for the new harvest. There are no outlets for this surplus production.

(5) Regional producers have taken structural measures to redirect production towards high-quality products. These are backed by promotional measures funded by parafiscal charges, a reduction in per-hectare yields and the waiver of new planting rights and replanting rights.

(6) Since the conditions laid down in Article 30(5) of Regulation (EC) No 1493/1999 are satisfied, crisis distillation covering a maximum of 120 000 million hectolitres should be triggered in this Italian wine-growing region 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 stocks may vary substantially from one producer to another and depend on sales to a greater extent than on the individual producer's annual output.

(7) 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 [2], as amended by Regulation (EC) No 2409/2000 [3]. As well as the Articles of this Regulation which refer to the distillation measures provided for in Article 30 of Regulation (EC) No 1493/1999, other provisions of Regulation (EC) No 1623/2000 shall apply, in particular those concerning the delivery of alcohol to intervention agencies and the payment of an advance.

(8) 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.

(9) 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.

(10) 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 120 000 hectolitres of wines produced by the fermentation of products suitable for producing Moscato d'Asti and Asti in Italy.

[1] OJ L 179, 14.7.1999, p. 1.

[2] OJ L 194, 31.7.2000, p. 45.
[3] OJ L 278, 31.10.2000, p. 3.

Article 2

As well as the provisions of Regulation (EC) No 1623/2000 which refer to Article 30 of Regulation (EC) No 1493/1999, the following provisions of Regulation (EC) No 1623/2000 shall also apply to the measure provided for herein:

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

— Articles 66 and 67 with respect to the advance 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 January 2001 to 28 February 2001. Such contracts shall entail the lodging of a security equal to EUR 5 per hectolitre. 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 March 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 March 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 1,914 per % vol. per hectolitre.

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 2,2812 per % vol. per hectolitre. The distiller may receive an advance on that amount in the form of aid amounting to EUR 1,1222 per % vol. per hectolitre. The aid shall in that case be deducted from the price actually paid.

Article 7

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

It shall apply from 16 January 2001.

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

Done at Brussels, 27 December 2000.

For the Commission

Franz FISCHLER

Member of the Commission