# COMMISSION REGULATION (EC) No 1203/2001

## of 19 June 2001

## opening crisis distillation as provided for in Article 30 of Council Regulation (EC) No 1493/1999 for table wines in France

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 Regulation (EC) No 2826/2000 ([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) The French Government has requested that crisis distillation be opened for table wines produced in France.

(3) Production of table wine in France was 22,6 million hectolitres in 1997 and 21,1 million hectolitres in 1998. In 1999 the figure was 25,2 million hectolitres and in 2000 it was 23,02 million hectolitres.

(4) Over that same period, table wine consumption in France remained relatively stable in the 1996/97 and 1997/98 wine years at around 18,3 million hectolitres, but fell in 1998/99 to 17,3 million hectolitres, which also appears to be the level of consumption for 1999/2000. By contrast, exports rose slightly between 1997 and 1999, but only exports to other Member States. Provisional figures for 2000 point to a fall in exports.

(5) Stocks of table wine were 12,853 million hectolitres in 1997 and 12,086 million hectolitres in 1998. They fell to 10,85 million hectolitres in 1999. In 2000, they rose sharply to 14,07 million hectolitres. The fluctuation in stocks obviously varies widely from one department to the next, but it is very pronounced in departments with a large stock, with increases of between 47 % and 88 %. The growth in stocks has had a negative impact on prices, which have fallen by about 10 % to 17 % over the current wine year compared with the same period in the previous year.

(6) In view of this situation, crisis distillation was opened for 800 000 hectolitres of wine by Commission Regulation (EC) No 25/2001 of 5 January 2001 opening crisis distillation as provided for in Article 30 of Regulation (EC) No 1493/1999 for table wines in France ([3]). It has been found that this volume is insufficient to reduce stocks of table wine to an acceptable level and rectify the difficult market situation.

(7) Since the conditions laid down in Article 30(5) of Regulation (EC) No 1493/1999 are still satisfied, a further crisis distillation covering a maximum of 1,5 million hectolitres of table wine should be opened. The measure should apply for a limited period with a view to maximum effectiveness. No ceiling shoud be set on the quantity that individual producers can have distilled because stocks may vary substantially from one producer to another and depend more on sales than on the individual producer's annual output.

(8) The mechanism to be introduced is that provided for by 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 ([4]), as last amended by Regulation (EC) No 545/2001 ([5]). In addition to the Articles of that Regulation referring to the distillation measures provided for in Article 30 of Regulation (EC) No 1493/1999, other provisions of Regulation (EC) No 1623/2000 apply, in particular those concerning the delivery of alcohol to intervention agencies and the payment of an advance.

(9) The price to be paid by distillers to producers should be set at a level that permits the solution of the problems faced by allowing producers to take advantage of this measure. That price should not, however, be such that it adversely affects the application of the distillation measure provided for by Article 29 of Regulation (EC) No 1493/1999.

(10) The product of crisis distillation must be raw 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 328, 23.12.2000, p. 2.
([3]) OJ L 3, 6.1.2001, p. 11.
([4]) OJ L 194, 31.7.2000, p. 45.
([5]) OJ L 81, 21.3.2001, p. 21.

(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 opened for a maximum of 1,5 million hectolitres of table wine in France.

*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 provided for in this Regulation:

— 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 21 June 2001 to 26 June 2001. Contracts shall be accompanied by proof that a security equal to EUR 5 per hectolitre has been lodged. Contracts may not be transferred.

*Article 4*

1. The Member State shall determine the rate of reduction to be applied to the above 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 necessary to approve the above contracts by 20 July 2001, shall specify the rate of reduction applied and the quantity of wine accepted per contract and shall stipulate that the producer may cancel the contract where the quantity to be distilled is reduced. The Member State shall notify the Commission before 27 July 2001 of the quantities of such wine covered by approved contracts.

3. The wine shall be delivered to the distilleries by 15 October 2001. The alcohol obtained shall be delivered to the intervention agency by 31 January 2002.

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 may conclude under the distillation measure.

*Article 5*

The minimum price paid 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 of EUR 1,1222 per % vol per hectolitre. 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 21 June 2001.

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

Done at Brussels, 19 June 2001.

*For the Commission*

Franz FISCHLER

*Member of the Commission*