COMMISSION REGULATION (EC) No 442/2001

of 2 March 2001

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

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 last 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 Portuguese Government has requested that crisis distillation be triggered for table wines produced on its territory.

(3) Wine production in Portugal was 6,1 million hectolitres in 1997/98 and 3,8 million hectolitres in 1998/99. It stood at 7,8 million hectolitres in 1999/2000 and 5,6 million hectolitres in 2000/01.

(4) Stocks of table wine at the start of the marketing year were 3,614 million hectolitres in 1998 and 3,437 million hectolitres in 1999, falling to 3,026 million hectolitres in 2000. In 2001, they have risen sharply to 4,039 million hectolitres, an increase of around 33 %. This has had a negative impact on prices, which have fallen by around 11 % over the current wine year compared with the same period last year.

(5) Since the conditions laid down in Article 30(5) of Regulation (EC) No 1493/1999 are satisfied, crisis distillation covering a maximum of 450 000 hectolitres of table wine should be triggered. That volume should make it possible to reduce stocks of table wine to an acceptable level. The measure applies 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.

(6) 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 last amended by Regulation (EC) No 2786/2000 [4]. 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 apply, in particular those concerning the delivery of alcohol to intervention agencies and the payment of an advance.

(7) 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.

(8) 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.

(9) 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 450 000 hectolitres of table wines in Portugal.

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.

[1] OJ L 179, 14.7.1999, p. 1.
[2] OJ L 328, 23.12.2000, p. 2.
[3] OJ L 194, 31.7.2000, p. 45.
[4] OJ L 323, 20.12.2000, p. 4.

Article 3

Producers may conclude contracts as provided for in Article 65 of Regulation (EC) No 1623/2000 from 5 March 2001 to 12 April 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 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 needed to approve the above contracts by 27 April 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 4 May 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 shall 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 day following its publication in the *Official Journal of the European Communities*.

It shall apply from 5 March 2001.

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

Done at Brussels, 2 March 2001.

For the Commission

Franz FISCHLER

Member of the Commission