COMMISSION REGULATION (EC) No 786/2001

of 24 April 2001

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

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 Spanish Goverment has requested that crisis distillation be opened for table wines produced on its territory.

(3) Wine production in Spain was 33,2 million hectolitres in 1997/98 and 31,2 million hectolitres in 1998/99. It rose to 33,5 million hectolitres in 1999/2000 and to 41,1 million hectolitres in 2000/01, an increase of 22,8 % over the previous wine year. This represents a 33 % increase over the average for the previous ten wine years.

(4) Stocks at the start of the wine year were 20,3 million hectolitres in 1997/98 and 21 million hectolitres in 1998/99. Stocks increased to 23,7 million hectolitres in 1999/2000 and, again, by around 16 % to 27,5 million hectolitres in 2000/01. This is 26 % above the average for the last ten wine years.

(5) The considerable increases in production and stocks have had a very negative impact on prices, which have fallen during the current wine year compared with the same period last year by around 26 % for white wines and around 37 % for red wines.

(6) Since the conditions laid down in Article 30(5) of Regulation (EC) No 1493/1999 are satisfied, crisis distillation covering a maximum of 2,6 million hectolitres of table wine should be opened. That volume should make it possible to curtail the reduction in prices and restore a reasonable situation on the market for table wine. The measure applies for a limited period with a view to maximum effectiveness. Without prejudice to Article 79 of Regulation (EC) No 1493/1999, 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 more on sales than on the individual producer's annual output.

(7) 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 [3], as last amended by Regulation (EC) No 545/2001 [4]. 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.

(8) The price to be paid by distillers to producers should be set at a level that permits the problems faced to be solved 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.

(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 by Article 30 of Regulation (EC) No 1493/1999 is opened for a maximum of 2,6 million hectolitres of table wine in Spain.

[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 81, 21.3.2001, p. 21.

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; however, payment may be made only from 16 October 2001.

Article 3

Producers may conclude contracts as provided for in Article 65 of Regulation (EC) No 1623/2000 from 27 April 2001 to 1 June 2001. Contracts shall be accompanied by proof that a security equal to EUR 5 pr 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 15 June 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 22 June 2001 of the quantities of such wine covered by approved contracts.

3. The wine shall be delivered to the distilleries by 31 August 2001.

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 1,723 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. It must be delivered to the intervention agency between 16 October 2001 and 31 December 2001.

2. The price to be paid to the distiller by the intervention agency for raw alcohol delivered shall be EUR 2,090 per % vol. per hectolitre.

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 27 April 2001.

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

Done at Brussels, 24 April 2001.

For the Commission

Franz FISCHLER

Member of the Commission