COMMISSION REGULATION (EC) No 1083/2002

of 21 June 2002

amending Regulation (EC) No 347/2002 opening crisis distillation as provided for in Article 30 of Council Regulation (EC) No 1493/1999 for table wine 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 last amended by Regulation (EC) No 2585/2001 [2], and in particular Articles 30 and 33 thereof,

Whereas:

(1) Commission Regulation (EC) No 347/2002 [3] opens the crisis distillation provided for in Article 30 of Regulation (EC) No 1493/1999 for a maximum quantity of 4 million hectolitres of table wine in France.

(2) In view of the market situation for table wine in France, that maximum quantity should be adjusted and set at 3,85 million hectolitres.

(3) According to information received from the French authorities, the distillation contracts concluded between producers and distillers from 1 March to 29 March 2002 cover a total volume of 2,349 million hectolitres. France therefore requests the opening of a new period for concluding contracts for a volume of 1,501 million hectolitres to dispose of the surplus stocks which continue to severely depress the market as the next harvest approaches.

(4) The level of crisis distillation contracts concluded in France in March has not produced the full desired results because it was also possible to sell wine to merchants, although in some cases at prices lower than those paid for distillation, but on favourable take-over and payment terms. These terms have led producers facing cash-flow difficulties to conclude sales contracts to the detriment of deliveries of wine for crisis distillation. At present merchants have probably largely covered their requirements for the year and thus no further major selling of wine is likely. Also, the outlook for the next harvest does not suggest that production is likely to fall significantly.

(5) In addition, updated market data confirm the need to withdraw approximately 3,85 million hectolitres in order to reduce stocks of table wine to an acceptable level in anticipation of the next harvest. Wine prices have not increased, except temporarily in March when crisis distillation was opened. Since then they have fallen again. The stocks still held by producers must therefore be disposed of as quickly as possible.

(6) In conclusion, the conditions for selling wine when crisis distillation was opened last March prevented that measure from having its full effect. Producers were able to find buyers for their wine on interesting payment and delivery terms, even at low prices. These effects no longer exist, and the only decisive factor is now quantity. Producers must therefore eliminate their surplus stocks before the next harvest while there are few opportunities for selling them on the market.

(7) It is therefore proposed that the possibility of concluding crisis distillation contracts be reopened for a period of approximately three months. As a result, it is necessary to alter the various dates in the Regulation for the approval of contracts, notification to the Commission of the quantities of wine covered by contracts and delivery of the wine to the distilleries.

(8) 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

Regulation (EC) No 347/2002 is amended as follows:

1. In Article 1, the maximum quantity of 4 million hectolitres is replaced by 3,85 million hectolitres.

2. Article 3 is replaced by the following:

'*Article 3*

Producers may conclude contracts as provided for in Article 65 of Regulation (EC) No 1623/2000 from 1 to 29 March 2002 and from 24 June to 30 September 2002. Contracts shall be accompanied by proof that a security equal to EUR 5 per hectolitre has been lodged. Contracts may not be transferred.'

[1] OJ L 179, 14.7.1999, p. 1.
[2] OJ L 345, 29.12.2001, p. 10.
[3] OJ L 55, 26.2.2002, p. 14.

3. Article 4(2) is replaced by the following:

'2. The Member State shall take the administrative steps necessary to approve the above contracts by 6 May 2002 at the latest in the case of contracts concluded in the period 1 to 29 March 2002 and by 10 October 2002 at the latest in the case of contracts concluded from 24 June to 30 September 2002, 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 20 May 2002 or before 20 October 2002 respectively of the quantities of such wine covered by approved contracts.'

4. Article 4(3) is replaced by the following:

'3. In the case of contracts concluded from 1 to 29 March 2002, the wine must be delivered to the distilleries by 31 July 2002 at the latest and the alcohol obtained must be delivered to the intervention agency by 31 December 2002 at the latest.

In the case of contracts concluded from 24 June to 30 September 2002, the wine must be delivered to the distilleries by 30 November 2002 at the latest and the alcohol obtained must be delivered to the intervention agency by 31 January 2003 at the latest.'

Article 2

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

It shall apply from 24 June 2002.

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

Done at Brussels, 21 June 2002.

For the Commission

Franz FISCHLER

Member of the Commission