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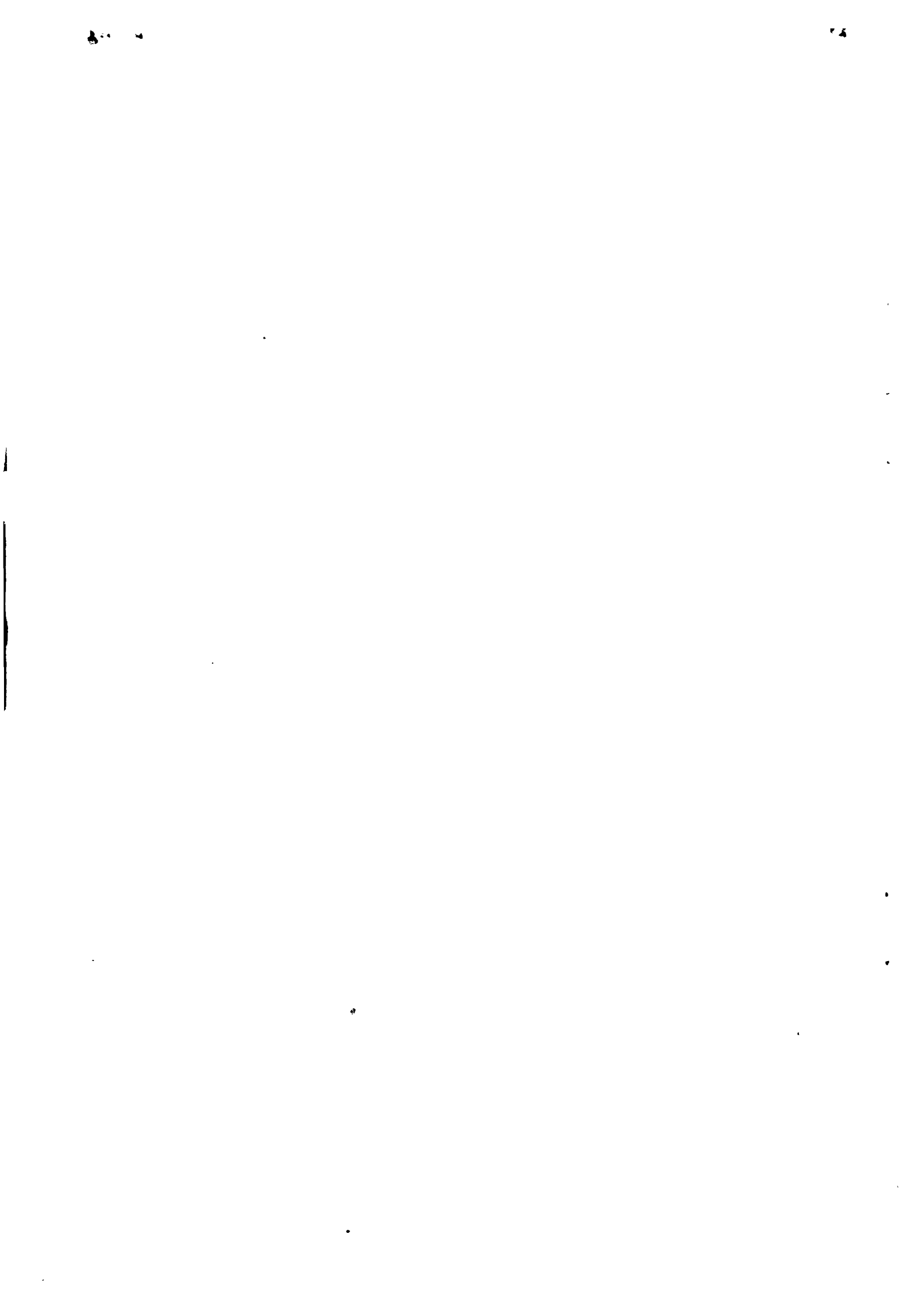
Proposal for a
COUNCIL REGULATION (EEC)
on the control of the wine-growing potential and
amending in particular Regulation (EEC) No 816/70

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COUNCIL REGULATION (EEC)
on collective projects for the
restructuring of vineyards

(submitted to the Council by the Commission)



Proposal for
COUNCIL REGULATION (EEC) No
of
on the control of the wine-growing potential and
amending in particular Regulation (EEC) No 816/70

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Articles 42 and 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament¹,

Having regard to the Opinion of the Economic and Social Committee²,

Whereas Article 5(1) of Council Regulation (EEC) No 1162/76 of 17 May 1976
on measures designed to adjust wine-growing potential to market require-
ments³ provided that the Council would, in the light of the results of the
temporary measures provided for the said Regulation, decide before
1 October 1978 on the measures necessary to ensure that wine-growing
potential is adapted to market requirements;

Whereas analysis of the situation of the market for table wine and of the
spontaneous development of wine-growing potential suggests the likelihood
of an imbalance between the supply of and demand for table wine; whereas
this situation calls for further policy measures to control wine-growing
potential with a view to achieving a balanced market for table wines;

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³OJ No L 135, 24.5.1976, p. 32.

whereas there is a tendency for vineyards to be shifted to land where conditions of cultivation are easier; whereas this movement from the hills to the plains is not always consistent with ^{the natural} suitability of land for wine-growing and whereas it is usually accompanied by an increase in yields, sometimes at the expense of quality; whereas, in view of these aspects, it is necessary, for the purpose of controlling production in terms of both quantity and quality to establish a classification, according to natural suitability for wine-growing, of the areas under vines cultivated for the production of table wine and of the land which could be used for such production;

Whereas Community vineyards producing table wine fall naturally into three categories in which account is taken of natural criteria such as soil, climate and terrain, and of the possibility of turning over the land to other crops;

Whereas the classification of wine-growing land should be sufficiently flexible to allow for regional differences in natural production conditions and, in particular, in the quality of wines;

Whereas areas under vines other than those cultivated for the production of table wines directly affect wine-growing potential; whereas there should be provision for the classification of these areas also, where the situation of the market in wine so requires;

Whereas the procedure adopted must be such as to allow the measures introduced to adapt wine-growing potential to market requirements to take immediate effect;

Whereas in the light of the experience gained in managing the market in wine and the studies carried out, it seems essential to provide for the structural measures needed to balance the market ; whereas this does not seem possible unless the current temporary ban on new plantings is replaced by the principle that any new planting of vines is subject to prior authorization depending on the suitability for wine-growing of the land in question ;

Whereas detailed information should be provided for this purpose; whereas the Commission should continue to make a report each year to the Council on how the wine-growing potential is evolving; whereas this report should be based on information provided by the producer Member States collected in the form of individual declarations by the producers;

Whereas the Council should decide each year how much new planting for table wine production may be permitted in each Member State and, where appropriate, in each geographical unit;

Whereas there should be measures to permit a smooth transition from the present system to the new rules;

Whereas experience indicates that the rules on the classification of vine varieties which may be grown in the Community should be simplified to facilitate their application; whereas to this end there should be lists of the permitted varieties of vine by geographical unit for the wine grape varieties and by producer Member State for the table grape varieties and the rootstock varieties; whereas there should be provision for the elimination of varieties not included in the classification because of the inferior quality of the wine which they yield;

Whereas, in order to improve the quality of wines obtained in the Community, it is advisable to guide the choice of the producer contemplating a new planting or a replanting by drawing up a special list of the varieties of vine the use of which may give entitlement to aid;

Whereas, in order to ensure that the Community provisions relating to wine-growing potential are complied with, it is necessary to prohibit all national aid for the replanting of areas under vines cultivated for the production of table wine falling within category III.

HAS ADOPTED THIS REGULATION:

Article 1

Title III of Regulation (EEC) No 816/70 is amended to read as follows:

"Title III

Rules concerning the control of wine-growing potential

Article 15

1. Areas under vines cultivated for the production of table wine and land which could be used for such production shall be classified according to their natural suitability for wine-growing.
2. For this purpose a distinction shall be made between:
 - hill areas and plains,
 - alluvial plains and other plains.

Hill areas shall comprise those with an average slope exceeding 5% and an altitude normally exceeding 300 m.

Plains shall comprise all areas which are not hill areas.

Alluvial plains shall comprise areas containing recent alluvial deposits in a proportion greater than 50%.

Other plains shall comprise plains where the soil is of a different kind.

3. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the application of this Article and in particular may allow, for a period to be determined, the criteria used by Member States before 1 January 1976 to be regarded as equivalent for the purpose of determining hill areas and the areas of alluvial plains.

Article 15a

1. The areas referred to in Article 15 shall be classified in three categories comprising:

for category I : hill areas excluding valley bottoms

for category II : areas of other plains referred to in Article 15 lying south of the climatic boundary defined in paragraph 2

for category III : other areas

2. For the purposes of this Regulation, climatic boundary means: the line beyond which, for all geographical points, there has been recorded, over a period of at least 20 years and during the period April to September

- an average rainfall of under 200 mm , and

- an average temperature of over 18° .

3. It may be decided:

- to exclude from the first category certain areas of doubtful suitability for wine-growing lying to the north of the climatic boundary,

- at the request of a Member State, to derogate from the criteria of paragraph 1 for classifying wine-growing areas where special natural conditions prevail.

Article 15b

1. The Member States shall communicate to the Commission the boundaries of table wine production areas which they consider correspond to the categories referred to in Article 15a. These areas shall have homogeneous natural properties and shall be congruent with basic administrative units or subdivisions of such units.

They shall at the same time communicate all requisite information relating to the properties of these areas.

2. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt boundaries of table wine production areas in accordance with the Community classification as and when the data required by paragraph 1 become available.
3. However, at the request of a Member State, submitted in accordance with paragraph 1, amendments may be made to these boundaries in accordance with the procedure laid down in Article 7 of Regulation No 24. The total of such amendments may not have the effect of increasing by more than 1% the areas classified in the first and second category.
4. In any event, the boundaries of areas for the production of table wine of category III shall be adopted before 30 November 1979.

Article 15c

1. When the cultivator of an area under vines submits an application:
 - (a) for authorization of new planting
 - (b) with the object of qualifying for the provisions:
 - of Regulation (EEC) No (conversion and permanent abandonment premium)
 - or of qualifying for aid for vineyards cultivated for table wine production referred to in Article 12 of Council Regulation (EEC) No /78 on collective projects for the restructuring of vineyards, the Member State shall, where necessary, classify the areas concerned so that the competent authorities may take a decision on this application.
2. In the case of collective action whose object is to benefit from one or more of the provisions referred to in paragraph 1, the Member State shall, where necessary, similarly classify all the areas concerned by such action.
3. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the application of this Article.

Article 15d

The Council may decide, in accordance with the procedure laid down in Article 43 of the Treaty, on criteria for classifying areas under vines other than those cultivated for the production of table wines.

Article 16

1. No new planting or replanting of vineyards may be carried out unless authorization has been received from the competent authorities of the Member State concerned.
2. Replantings shall be authorized throughout the wine-growing regions of the Community provided that they are carried out in conformity with Community provisions and any more restrictive technical conditions resulting from the application of the provisions of Member States.
3. New plantings shall be authorized under the conditions laid down in Articles 16a and 16b.
4. The terms "grubbing", "replanting", "new planting", "conversion" and "abandonment" shall have the meanings set out in Annex Ia.

Article 16a

1. Any physical or legal person intending to plant or replant a vineyard during the current wine year shall apply in writing for an authorization from the competent body to be designated by the Member States.
2. The competent bodies shall not grant the authorizations referred to in Article 16(1) until they have ensured that all Community and national rules on the subject can be complied with.
3. Authorizations for new plantings on areas cultivated for the production of table wine may be granted only in respect of areas classified in category 1 pursuant to Articles 15 and 15a.

However, if wine-growing potential is such as to justify such a step, planting may also be authorized on areas in category II which meet criteria to be established by the Council acting by a qualified majority on a proposal from the Commission.

4. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the issue of authorizations for new planting and replanting in which are laid down
 - the time-limit for reaching a decision on any application,
 - the period of validity of authorizations granted.
5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24.

Article 16b

1. Any physical or legal person who has newly planted, replanted or grubbed vineyards on the land he cultivates shall inform the bodies to be designated by the Member States within four weeks of the completion of this work.

Any physical or legal person who decides to cease cultivating vines on an area which was under vines in the previous wine year shall inform the competent body before 31 May of the current wine year.

2. Before 31 July of each year, the Member States, taking into account
 - the information notified in accordance with paragraph 1,
 - the areas which have been converted or abandoned pursuant to Regulation (EEC) No ,
 - from 1 April 1980, the statistical surveys of areas under vines provided for in Regulation (EEC) No 978/78

shall inform the Commission of the way in which the wine-growing potential is evolving, including in this communication a statement of the areas under vines on their territory.

This statement shall be established for each of the geographical units referred to in Article 4(3) of Regulation (EEC) No 978/78 and broken down as specified in Article 2(2)(b) of that Regulation.

3. Before 30 November of each year, the Commission, taking into account the communications from the Member States referred to in paragraph 2, shall make a report to the Council on the way in which the wine-growing potential is evolving.

This report shall:

- assess the relationship between production potential and use,
- set out the factors on which decisions with regard to new plantings may be based.

4. On the basis of this report the Council, acting by a qualified majority on a proposal from the Commission, shall, before 30 April of each year and for the first time before 30 April 1980, decide upon the area of new planting for the production of table wines which may be authorized in each Member State and, where appropriate, in each of the geographical units referred to in the second subparagraph of paragraph 2.

At the same time and in the same way the Council may decide to restrict or prohibit the issue of authorizations for new plantings not intended for the production of table wine.

Article 16c

1. In the 1978/79 and 1979/80 wine years new plantings may not be authorized by the Member States unless
 - (a) the areas concerned are intended for the production of quality wine p.s.r. in a Member State where less than 50% of all wine produced in the 1975/76, 1976/77 and 1977/78 wine years was quality wine p.s.r.;
 - (b) or the planting is to take place in a Member State which produces less than 5 000 hectolitres annually from grapes harvested on its territory;
 - (c) on the areas in question are intended for the production of quality wines p.s.r. or, where they are intended for the production of category I table wines pursuant to Article 15, if
 - the new plantings are in fulfilment of farm development plans drawn up under the conditions set out in Directive 72/159/EEC,
 - the new plantings are consequential upon re-parcelling measures or measures of compulsory purchase in the public interest under national legislation.

Before 31 July 1979 Member States shall submit to the Commission a statement of authorizations granted pursuant to the previous subparagraph. This statement shall be examined in accordance with the procedure laid down in Article 8 of Regulation No 24.

2. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24.

Article 17

1. A classification of the vine varieties which may be cultivated in the Community shall be established. This classification shall in particular provide for :

(a) a distinction between wine grape varieties, table grape varieties and rootstock varieties;

(b) the vine varieties which may be grown;

(c) lists of

- wine grape varieties by geographical unit,

- table grape and rootstock varieties by producer Member State.

These lists shall show for each variety

- the use to which the product obtained from it is to be put,

- the geographical limits for its cultivation.

2. Without prejudice to stricter Community provisions, only varieties included in the classification may be used for new planting, replanting or grafting in the Community.

Member States may, however, derogate from the provisions of the previous subparagraph with a view to investigating the suitability of a vine variety for cultivation, undertaking scientific research, selective breeding and hybridization, or the production of vine vegetative propagation material for export.

Vine varieties which are cultivated but which are not included in the classification, shall be referred to as "provisionally authorized varieties". Cultivation of these varieties must end before the dates appearing in paragraph 3.

3. The phasing out of wine growing on areas planted with :
- (a) vine varieties classified on 31 December 1976 as provisionally authorized varieties, must be carried out :
 - before 31 December 1979 for varieties obtained from interspecific crossings (direct producer hybrids);
 - before 31 December 1983 for other varieties;
 - (b) varieties removed from the classification after 31 December 1976, must be carried out within 15 years from the date on which the variety was so removed.
4. The Council, acting by a qualified majority on a proposal from the Commission, shall adopt general rules for the application of this Article.
5. The classification of the vine varieties and other procedures for the application of this Article, shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24.

Article 17a

The Council, acting by a qualified majority on a proposal from the Commission, shall adopt the list of vine varieties in each geographical unit, the cultivation of which shall qualify for aid.

Only varieties whose grapes are used in the making of table wines which have a reasonable chance of commercial success may be included on the list.

Article 17b

The granting of national aid for the replanting of areas cultivated for the production of category III table wine shall be prohibited."

Article 2

Article 27a of Regulation (EEC) No 816/70 is amended to read as follows :

"1. Unless otherwise decided by the Council acting by a qualified majority on a proposal from the Commission, only grapes from vine varieties included in the classification referred to in Article 17 and products derived from such grapes may be used within the Community for the production of :

- alcohol-muted grape must,
- concentrated grape must,
- rectified concentrated grape must,
- wine suitable for yielding table wine,
- table wine,
- quality wine p.s.r.,
- liqueur wine.

2. However, grapes from varieties classified as provisionally authorized shall also be regarded as suitable for yielding the products listed in paragraph 1, with the exception of quality wine p.s.r. :

(a) where such grapes belong to :

- varieties obtained from interspecific crossings (direct producer hybrids) : until 31 December 1979,
- other varieties : until 31 December 1983, provided that such varieties were classified as provisionally authorized before 31 December 1976;

(b) where the variety in question was removed from the classification referred to in Article 17 after 31 December 1976, for a period of 15 years from the date on which the variety was so removed."

Article 3

The following is inserted after Annex I of Regulation (EEC) No 816/70 :

"Annex Ia

For the purposes of this Regulation :

- (a) grubbing means the complete elimination of all vine stocks on an area planted with vines,
- (b) replanting means the planting of vines within eight years of grubbing on an equivalent area on the same holding during this period, the area previously under vines passes to another holding, the right of replanting may also be transferred to this holding.

- (c) new planting means a planting of wines which does not correspond to the definition of replanting given in (b),
- (d) conversion means the cessation of vine cultivation on the areas concerned for eight years from the start of the wine-growing year following the grubbing of vines,
- (e) abandonment means the permanent cessation of vine cultivation on an area, attested by a legal restriction placed upon those areas in accordance with the provisions of the Member State concerned."

Article 4

The first subparagraph of Article 3(2) of Regulation (EEC) No 817/70 is amended to read as follows :

"1. Each Member State shall draw up a list of vine varieties suitable for producing each of the quality wines p.s.r. produced in its territory. These vine varieties may be only of the species *Vitis vinifera* and they must be included in the classification referred to in Article 17 of Regulation (EEC) No 816/70."

Article 5

Regulation (EEC) No 1162/76 is hereby repealed.

Article 6

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 1 December 1978.

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

Done at Brussels,

For the Council

The President

Proposal for a
COUNCIL REGULATION (EEC) No
of

laying down further provisions on the grant of
conversion and permanent abandonment premiums
in wine production

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community
and in particular Articles 42 and 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament⁽¹⁾,

Having regard to the Opinion of the Economic and Social Committee⁽²⁾,

Whereas the difference between production and consumption of wine within the
Community cannot be ascribed merely to short-term variations; whereas the
intervention measures to re-establish a balance on the market provided for
in Council Regulation (EEC) No 816/70 of 28 April 1970 laying down
additional provisions for the common organization of the market in wine⁽³⁾,
as last amended by Regulation (EEC) No 1861/78⁽⁴⁾, have proved inadequate;
whereas experience gained from the implementation of Council Regulation
(EEC) No 1163/76 of 17 May 1976 on the granting of a conversion premium
in the wine sector⁽⁵⁾, as last amended by Regulation (EEC) No 1155/78⁽⁶⁾,

.../...

(1)

(2)

(3) OJ No L 99, 05.05.1970, p. 1

(4) OJ No L 215, 04.08.1978, p. 1

(5) OJ No L 135, 24.05.1976, p. 34

(6) OJ No L 144, 31.05.1978, p. 9

has shown that more needs to be done to reduce Community wine-growing potential; whereas to encourage wine-growers to make such reductions, Council Regulation (EEC) No of on the grant of conversion and permanent abandonment premiums in respect of certain areas under vines ⁽⁷⁾ should be supplemented to provide for the grant of a premium to encourage the conversion or permanent abandonment of areas producing vine vegetative propagation material;

Whereas to encourage the abandonment of rights that producers in some Member States may have acquired after carrying out grubbing in accordance with national provisions can contribute to a reduction in wine-growing potential; whereas it is appropriate to encourage the producers concerned to renounce their rights, by granting them a premium;

Whereas, in order to restore balance to the market as quickly as possible, a time limit for putting forward such applications and granting such premiums should be laid down;

Whereas, in order to achieve lasting results, recipients of the conversion premium should be required not to increase their area under vines to a given period and recipients of the abandonment premium and of the renunciation premium should be required never again to increase their area under vines, if indeed they continue wine-growing at all; whereas it also seems appropriate that permanent cessation of vine cultivation on the area in question should be ensured by imposing a legal obligation on these areas in accordance with provisions appropriate to the legal system of each Member State;

.../...

(7) OJ No L

Whereas the amount of the conversion premium must be set at a level which takes account of the cost of grubbing and, to some extent, of the prospective loss of income; whereas, since the abandonment and renunciation premiums relate to areas which, having already been grubbed, qualify for the conversion premium, the amount of the abandonment premium should be fixed at the same level for the three marketing years following the grant of the conversion premium and, to encourage producers to cease wine growing in the near future, the amount should be progressively reduced thereafter;

Whereas, to ensure the correct application of the system of premiums, it should be laid down that national aid designed to achieve the same objectives as those which are sought by the said system may be granted only where the applications relating thereto have been submitted before the entry into force of this Regulation;

Whereas all the measures considered are of Community interest and are designed to achieve the objectives laid down in Article 39(1)(a) of the Treaty; whereas they constitute a common measure within the meaning of Article 6(1) of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy⁽⁸⁾, as last amended by the Treaty of Accession⁽⁹⁾,

HAS ADOPTED THIS REGULATION :

.../...

(8) OJ No L 94, 28.4.1970, p. 13

(9) OJ No L 73, 27.3.1972, p. 14

Article 1

For the purposes of this Regulation :

- (a) grubbing means the complete elimination of all vine stocks on an area planted with vines.
- (b) replanting means the planting of vines within eight years of grubbing an equivalent area on the same holding during this period, the area previously under vines passes to another holding, the right of replanting may also be transferred.
- (c) new planting means a planting of vines which does not correspond to the definition of replanting given in (b).
- (d) conversion means the cessation of vine cultivation on the areas concerned for eight years from the start of the wine-growing year following the grubbing of vines.
- (e) abandonment means the permanent cessation of vine cultivation on an area, attested by a legal restriction placed upon those areas in accordance with the provisions of the Member State concerned.

TITLE I : Conversion and permanent abandonment of certain areas producing vine vegetative propagation material.

Article 2

Wine-growers cultivating areas used as root-stock nurseries shall, upon application and subject to the conditions laid down in this Title, be eligible for

- a premium for the conversion of their areas under vines to other purposes;

.../...

- a premium for abandoning wine growing, hereinafter called "abandonment premium".

Article 3

1. For the wine-growing years 1978/79, 1979/80, 1980/81, 1981/82, 1982/83, 1983/84 and 1984/85 a conversion premium shall be granted for the conversion of areas used as root-stock nurseries planted with root-stock varieties included in the classification of vine varieties.
2. The abandonment premium shall be granted in respect of the cessation of wine-growing on areas in respect of which the conversion premium has been granted.

The abandonment premium may be granted only during the eight marketing years following that in which the conversion premium was granted.

3. The conversion premium may not be granted in respect of
 - (a) areas planted with vines totalling less than 10 ares on any one holding,
 - (b) areas planted with vines in infringement of Community or national provisions,
 - (c) areas planted with vines which are no longer tended.
4. The detailed rules for granting the premium shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No. 24.

.../...

Article 4

1. Applications for premiums shall be lodged with the departments appointed by the Member States,
 - as regards the conversion premium, before 31 December following the start of the wine-growing year during which the vines are to be grubbed,
 - as regards the abandonment premium, before 31 December of each year during the period referred to in the second subparagraph of Article 3(2).
2. The grant of the conversion premium shall be subject to :
 - (a) the condition that, since the entry into force of this Regulation, the only vine planting the applicant has engaged in on his holding has been offset by the prior grubbing of an equivalent area under vines,
 - (b) a written declaration by the applicant to the effect that :
 - by 1 April of the year following that in which the application is lodged, he will grub or have grubbed the vines on the areas for which the premium has been applied for,
 - he will refrain from increasing the total area under vines on his holding by any planting which is not offset by the prior grubbing of equivalent areas under vines, and this for a period of eight years from the start of the wine year following the date on which the grubbing referred to in the first indent was carried out,
 - he will declare annually during this period the area under vines which is productive or not yet productive;
 - (c) the applicant :
 - being entitled, in accordance with national laws, to continue to cultivate the area concerned for the period referred to in the second indent of (b) above,
 - producing, if he does not fulfil the condition referred to in the preceding indent, a written undertaking by the owner of the land that he will guarantee that the obligations referred to in (b) are complied with or that he will comply with them personally.

.../...

- If, after the granting of the premium and in the course of the period referred to in the second indent of paragraph 2(b), all or part of the holding should pass to another person, the recipient of the premium or his assignees shall remain responsible for the execution, by the successor, of the undertaking entered into by the recipient, unless
- the successor enters into such an undertaking in his own right for the remainder of the period,
 - or
 - the owner has given the undertaking provided for in the second indent of paragraph 2(c).
3. The grant of the abandonment premium shall be subject to :
- (a) the condition laid down in paragraph 2(a);
 - (b) a written undertaking by the applicant
 - not to increase the area under vines on his holding by any planting which has not been offset by the prior grubbing of equivalent areas under vines,
 - to declare annually the area under vines which is productive and that which is not yet productive, if indeed vines are still grown on the holding,
 - (c) an undertaking by the owner of the areas in respect of which the abandonment premium is applied for that the legal obligation referred to in Article 1(e) shall be imposed on the said areas.
4. The Council, acting by qualified majority on a proposal from the Commission, may decide to alter the date laid down in paragraph 1. In accordance with the same procedure, the Council may provide for derogations in respect of the date laid down in the first indent of paragraph 2(b).

Article 5

1. The amount of the conversion premium shall be fixed at 2 500 u.a./hectare.
2. The amount of the abandonment premium shall be fixed at 2 000 u.a./hectare. This amount shall be reduced by 200 u.a./hectare each year from the fourth year following the grant of the conversion premium.

.../...

3. The conversion premium shall be paid in a lump sum not more than six months after the applicant has provided proof that grubbing has in fact taken place.

The abandonment premium shall be paid in a single instalment not more than six months after the legal obligation referred to in Article 1(e) has been established and formalized.

4. The Council, acting by a qualified majority on a proposal from the Commission, may decide to alter the amounts of the premiums.
5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24.

TITLE II Premium for renouncing the right to replant vines on certain areas

Article 6

1. Wine-growers cultivating areas under vines

- who have grubbed an area intended for production of table wine before the entry into force of this Regulation, and
- who accordingly, by virtue of national provisions, have the right to replant an equivalent area with vines, and
- whose holding includes areas classified in categories II and III within the meaning of Regulation (EEC) No shall, upon application and subject to the conditions laid down in this Title, be eligible for a premium for renouncing their right, hereinafter called "renunciation premium".

.../...

2. Growers who have received the renunciation premium cannot subsequently receive the premiums provided for by Council Regulation (EEC) No on collective projects for the restructuring of vineyards.

Article 7

1. The renunciation premium shall be granted for the wine-growing years 1978/79, 1979/80, 1980/81, 1981/82, 1982/83, 1983/84 and 1984/85.
2. Rights in respect of areas on one holding which amount to less than 25 ares cannot qualify for a renunciation premium.
3. Detailed rules for the grant of the premium shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24.

Article 8

1. Applications for premiums shall be lodged with the departments appointed by the Member States before 31 December each year during the period referred to in Article 8(1).
2. The grant of the renunciation premium shall be subject to :
 - (a) the condition that, since the entry into force of this Regulation, the only vine-planting the applicant has engaged in on his holding has been offset by the prior grubbing of an equivalent area under vines,
 - (b) a written declaration by the applicant to the effect that :
 - he will not increase the total area under vines on his holding by any planting which has not been offset by the prior grubbing of equivalent areas under vines,
 - annually, when declaring his harvest, he will also declare the area under vines which is productive and that which is not yet productive, if vines are still grown on the holding.
3. The Council, acting by a qualified majority on a proposal from the Commission, may decide to alter the date given in paragraph 1.

Article 9

1. The renunciation premium shall be fixed at 2 000 u.a./ha. This amount shall be reduced by 200 u.a./ha each year from the fourth year following the entry into force of this Regulation.
2. The renunciation premium shall be paid in a lump sum not more than six months after the renunciation has been established and formalized.
3. The Council, acting by a qualified majority vote on a proposal from the Commission, may decide to alter the amount of the premium.
4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24.

TITLE III : General provisions

Article 10

1. The Member States shall verify that the undertaking referred to in Article 4(2)(b) and (3), and in Article 8(2) are complied with.
2. The member States shall inform the Commission of the results of this verification.
3. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24.

Article 11

1. The measures laid down in this Regulation shall constitute a common measure within the meaning of Article 6(1) of Regulation (EEC) No 729/70.

.../...

2. The measure referred to in paragraph 1 shall :

- be confined to the wine years 1978/79, 1979/80, 1980/81, 1981/82, 1982/83, 1983/84 and 1984/85 as regards the conversion and renunciation premiums,
- end with the 1992/93 wine year as regards the abandonment premium.

Article 12

The total cost of the common measure to the European Agricultural Guidance and Guarantee Fund shall be 17 million units of account.

Article 13

Expenditure incurred by the Member States in respect of the measures provided for in this Regulation shall be eligible for financing by the Guidance Section of the European Agricultural and Guarantee Fund.

2. The Guidance Section of the European Agricultural Guidance and Guarantee Fund shall refund 50% of eligible expenditure to the Member States.
3. Detailed rules for the application of paragraph 2 shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 14

1. Applications for reimbursement shall relate to expenditure incurred by a Member State in a calendar year and shall be submitted to the Commission before 1 July of the following year.
2. The Commission shall take a decision on these applications, on one or more occasions, in accordance with the procedure laid down in Article 7(1) of Regulation (EEC) No 729/70.

.... /

Article 15

1. Without prejudice to Article 8 of Regulation (EEC) No 729/70, the Member States shall take, in accordance with their national laws, regulations and administrative provisions, the necessary measures to recover the amounts paid in cases where the undertakings referred to in Articles 4 and 8 have not been complied with.
They shall inform the Commission of the measures taken for this purpose and, in particular, shall periodically notify it of the state of administrative and judicial procedures relating thereto.
2. Sums recovered shall be paid to the paying departments or agencies and deducted by them from the expenditure financed by the EAGGF pro rata to Community financing.
3. The financial consequences of failing to recover amounts paid out shall be borne by the Community pro rata to Community financing.
4. Interest may be charged on amounts to be recovered.
5. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) No 729/70.

Article 16

The Member States shall communicate to the Commission, during the wine years referred to in Article 3(1) and (2) and in Article 7(1) the areas of vines which have been converted or abandoned and have been granted the premium, and the areas for which a renunciation premium has been granted, as part of the national forecast referred to in Article 17(3) of Regulation (EEC) No 816/70. The Commission shall take account of this information in the report referred to in paragraph 4 of the said Article.

.../...

Article 17

This Regulation shall not prevent the grant of aid provided for by national regulations designed to achieve similar objectives to those sought by this Regulation, provided that applications for such aid were submitted before the date of entry into force of this Regulation.

Article 18

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

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

Done at Brussels,

For the Council.

FINANCIAL STATEMENT

DATE : 8.8.78

1. BUDGET HEADING 847

APPROPRIATIONS :

2. MEASURE : Proposal for a Council Regulation laying down certain supplementary provisions concerning the grant of conversion premiums and the permanent cessation of wine-growing.

3. LEGAL BASIS : Article 6 of Reg. (EEC) 729/70

4. OBJECTIVES :
Abandonment of certain vine varieties.
Renunciation of the right to plant on 15 000 ha.

| 5. FINANCIAL CONSEQUENCE | FOR THE MARKETING YEAR | CURRENT FINANCIAL YEAR (78) | FOLLOWING FINANCIAL YEAR (79) |
|--|------------------------|--------------------------------|----------------------------------|
| 5.0 EXPENDITURE | | | |
| -CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) | 4.43 | - | 4.43 |
| -CHARGED TO NATIONAL ADMINISTR. | 8.86 | 8.86 | 8.86 |
| -CHARGED TO OTHER NATIONAL GROUPS | | | |
| 5.1 RECEIPTS | | | |
| -OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) | - | - | - |
| -NATIONAL | | | |

| | | | |
|--|-------------------|-------------------|-------------------|
| | YEAR79..... | YEAR80..... | YEAR81..... |
| 5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE | 4.43 | 4.43 | 4.43 |
| 5.1.1 PLURIANNUAL PATTERN OF RECEIPTS | | | |

5.2 METHOD OF CALCULATION

SEE ANNEX

6.0 FINANCING POSSIBLE WITH APPROPRIATIONS ENTERED IN RELEVANT CHAPTER OF CURRENT BUDGET

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ?

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET :

6.3 APPROPRIATIONS TO BE ENTERED IN FUTURE BUDGETS

YES

COMMENTS :

ANNEX

A) The Regulation provides for two different measures :

- a measure relating to vine nurseries for the conversion and abandonment of a total of 1 000 ha with a conversion premium of 2 500 u.a./ha and an abandonment premium averaging 1 810 u.a./ha, totalling 4 310 u.a./ha.
- a measure to encourage wine-growers who have rights to plant, as yet unused, to renounce these rights.

The rights in question relate to 15 000 ha and the average renunciation premium will amount to about 1 950 u.a./ha.

B) Special measure concerning vine nurseries

In view of the required reduction of the area under vines, the wine-growing action programme has to be extended to apply to vine nurseries.

It is estimated that in France and Italy wine-growing will be discontinued in such nurseries on 1 000 ha.

Duration of measure : 7 years
 Unit cost : 4 310 u.a./ha
 Total cost : 4.3 million u.a.

of which 50% charged to the EAGGF = 2.15 million u.a.

C) Buying-up of the right to plant in France (paragraph 90)

On the basis of a similar measure carried out in 1955, it may be estimated that the right to plant may be bought-up in the case of 15 000 ha of abandoned vineyards in France.

Duration of measure : 7 years
 Unit cost : 1 950 u.a./ha¹⁾
 Total cost : 29.3 million u.a.

D) Calculation of costs for the "nursery" measure

1) Conversion premium : 2 500 u.a. per ha

| Budget Year | No of Ha | Expenditure borne by Member State | Expenditure charged to EAGGF (50%) |
|-------------|----------|-----------------------------------|------------------------------------|
| 1978 | 200 | 500 000 | 250 000 |
| 1979 | 200 | 500 000 | 250 000 |
| 1980 | 200 | 500 000 | 250 000 |
| 1981 | 150 | 375 000 | 187 500 |
| 1982 | 100 | 250 000 | 125 000 |
| 1983 | 100 | 250 000 | 125 000 |
| 1984 | 50 | 125 000 | 62 500 |
| | 1 000 | 2 500 000 | 1 250 000 |

2) Abandonment premium : 1 810 u.a./ha

| Budget Year | No of Ha | Expenditure borne by Member State | Expenditure charged to EAGGF (50%) | Total EAGGF cost (1+2) |
|-------------|----------|-----------------------------------|------------------------------------|------------------------|
| 1978 | 200 | 362 000 | 181 000 | 431 000 |
| 1979 | 200 | 362 000 | 181 000 | 431 000 |
| 1980 | 200 | 362 000 | 181 000 | 431 000 |
| 1981 | 150 | 271 500 | 135 750 | 323 250 |
| 1982 | 100 | 181 000 | 90 500 | 215 500 |
| 1983 | 100 | 181 000 | 90 500 | 215 500 |
| 1984 | 50 | 90 500 | 45 250 | 107 750 |
| | | 1 810 000 | 905 000 | 2 155 000 |

E) Calculation of costs for the "planting rights" measure

The premium is calculated according to the following degressive scale :

| Years | 1st | 2nd | 3rd | 4th | 5th | 6th |
|-----------------------|-------|-------|-------|-------|-------|-------|
| | | 80 | | 16 | 3 | 1 |
| Amount of the premium | 2 000 | 2 000 | 2 000 | 1 800 | 1 600 | 1 400 |

It is estimated that all the decisions will be taken before the end of the sixth year.

| Budget Year | No of Ha | Amount of the premium u.a. | Expenditure borne by Member State | Expenditure charged to EAGGF (50%) |
|-------------|----------|----------------------------|-----------------------------------|------------------------------------|
| 1978 | 4 000 | 2 000 | 8 000 000 | 4 000 000 |
| 1979 | 4 000 | 2 000 | 8 000 000 | 4 000 000 |
| 1980 | 4 000 | 2 000 | 8 000 000 | 4 000 000 |
| 1981 | 2 400 | 1 800 | 4 320 000 | 2 160 000 |
| 1982 | 450 | 1 600 | 720 000 | 360 000 |
| 1983 | 150 | 1 400 | 210 000 | 105 000 |
| | 15 000 | 1 950 | 29 250 000 | 14 625 000 |

.../...

F) Total breakdown of costs arising from the three premiums

| Budget year | Expenditure borne by Member State | Expenditure charged to EAGGF (50%) |
|-------------|-----------------------------------|------------------------------------|
| 1978 | 8 862 000 | 4 431 000 |
| 1979 | 8 862 000 | 4 431 000 |
| 1980 | 8 862 000 | 4 431 000 |
| 1981 | 4 966 500 | 2 483 250 |
| 1982 | 1 151 000 | 575 500 |
| 1983 | 641 000 | 320 500 |
| 1984 | 215 500 | 107 750 |
| | 33 560 000 | 16 780 000 |

Proposal for a
COUNCIL DIRECTIVE (EEC)
on the programme to speed up the conversion
of certain areas under vines in the Charentes
departments

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community and in particular Article 43 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament⁽¹⁾,

Whereas under Article 39(2)(a) of the Treaty, in working out the common agricultural policy account should be taken of the social structure of agriculture and the structural and natural disparities between the various agricultural regions;

Whereas, to attain the objectives of the common agricultural policy listed in Article 39(1)(a) and (b) of the Treaty special provisions adapted to the situation of the least-favoured agricultural areas should be taken at Community level;

Whereas the departments of Charente and Charente Maritime are in an unfavourable situation from the point of view of agricultural incomes and under-employment both in agriculture and outside it; whereas, therefore action should be taken with regard to the structure and development of wine-growing in that region to have a permanent effect on the incomes from agricultural employment;

(1) OJ No C

Whereas therefore, the wine-growing potential of the Charentes departments should be brought into line with market requirements by encouraging the conversion of the areas under vines whose suitability for wine-growing has not been confirmed and which could be used for other crops; whereas producers should receive special financial aid to encourage them to convert the areas under vines referred to above;

Whereas the conditions and limits provided for in Articles 13 and 19 of Council Directive 72/159/EEC of 17 April 1972 on the modernization of farms⁽¹⁾, do not completely cover the particular structural situation of these departments;

Whereas, in view of the above, the measures already referred to constitute a common measure within the meaning of Article 6 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy⁽²⁾, as last amended by Regulation (EEC) No 2788/72⁽³⁾;

Whereas the considerable drop in the use of the products from these vineyards since 1973 would have led to a total halt to all new plantings of vineyards for this purpose, taking into account of the extent of the areas not yet in production; whereas substantial new plantings were, however, carried out during the 1974/75 marketing year; whereas, therefore, the financing of the programme by the EAGGF should be restricted to the plantings carried out before 1 November 1978;

Whereas it is for the Commission to approve, after receiving an opinion from the Standing Committee on Agricultural Structures, a programme presented by the French Republic,

HAS ADOPTED THIS DIRECTIVE:

(1) OJ No L 96, 23.4.1972, p. 1.

(2) OJ No L 94, 28.4.1970, p. 13.

(3) OJ No L 295, 30.12.1972, p. 1.

Article 1

In order to re-establish the balance between wine production and normal use in the Charentes departments, a common measure within the meaning of Article 6(1) of Council Regulation (EEC) No 729/70 shall be initiated, to be implemented by the French Republic, to speed up operations to convert some of the vineyards used to produce wine suitable for the production of certain wine spirits with a registered designation of origin.

Article 2

1. The conditions and limits provided for in Article 13(2) and Article 19(2) and of Directive 72/159/EEC shall not apply to joint operations covered by this common measure.

2. The financial contribution by the Community may be used only in connection with a programme which applies to all those areas under vines in the Charentes departments to be converted.

This programme shall be presented to the Commission by the French Republic.

3. The programme shall be examined and approved after consultation with the Committee for the European Agricultural Guidance Guarantee Fund, hereinafter referred to as the "Fund", on the financial aspects according to the procedure provided for in Article 18(2)(3) of Directive 72/159/EEC.

.../...

Article 3

The programme referred to in Article 2, which should enable a balance to be established between wine production and normal use in the Charentes departments, shall include the following information :

- the number of hectares previously under vines, which will no longer be used for wine-growing after conversion,
- location of the areas and the date when they were planted,
- timetable for grubbing operations,
- information on the suitability of the areas converted for other crops,
- measures to encourage the conversion of the areas referred to above in the form of a single special premium,
- the scheduled amount of the aid,
- the legal obligation relating to the areas and guaranteeing final cessation,
- the objectives of these operations in relation to the present situation both as regards quality and quantity.

Article 4

1. The expenditure by the French Republic, in connection with the programme referred to in Article 2, in respect of the special conversion premium referred to in the fourth indent of Article 3 shall be eligible for assistance from the Fund, Guidance Section, provided that it does not exceed 4 000 units of account per hectare converted.
2. The Fund, Guidance Section shall reimburse to the French Republic 50% of the eligible expenditure referred to in paragraph 1 in respect of areas planted before 1 November 1974 and not exceeding 5 000 hectares.

Article 5

1. The duration of the measure shall be three years from notification of this Directive.
2. The estimated total cost of the common measure to the Fund shall be 10 million units of account for the whole period.

Article 6

When the programme referred to in Article 2(3) is approved, the Commission shall lay down, in agreement with the French Republic, the detailed rules regarding regular information on the progress of this programme. At the same time the French Republic shall designate the organizations responsible for the technical execution.

Article 7

1. Applications for reimbursement shall be in respect of the expenditure by the French Republic for one calendar year and shall be presented to the Commission before 1 July of the following year.
2. Aid from the Fund shall be decided on in accordance with Article 7(1) of Regulation (EEC) No 729/70.
3. Advance payments may be granted by the Fund in accordance with the detailed rules for financing adopted by the French Republic and depending on the progress of the project.
4. The detailed rules for application of this Article shall be adopted according to the procedure provided for in Article 13 of Regulation (EEC) No 729/70.

Article 8

This Directive is addressed to the French Republic.

Done at

For the Council
The President

FINANCIAL STATEMENT

DATE : 24/8/78

1. BUDGET LINE CONCERNED : 846

2. ACTION : Proposal for a Council Directive on the programme to speed up the conversion of certain areas under vines in the Charentes departments.

3. LEGAL BASIS : Article 6 Reg (EEC) No 729/70

4. OBJECTIVES : To re-establish the balance between wine production and normal use in the Charentes departments by converting some of the vineyards.

| 5. FINANCIAL CONSEQUENCE | FOR THE MARKETING YEAR | CURRENT FINANCIAL YEAR (79) | FOLLOWING FINANCIAL YEAR (80) |
|--|------------------------|----------------------------------|------------------------------------|
| 5.0 EXPENDITURE | | | |
| -CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) | 3.33 | | 3.33 |
| -CHARGED TO NATIONAL ADMINISTR. | 6.66 | 6.66 | 6.67 |
| -CHARGED TO OTHER NATIONAL GROUPS | - | - | - |
| 5.1 RECEIPTS | | | |
| -OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) | | | |
| -NATIONAL | - | - | - |

| | | | |
|--|--------------------|--------------------|--------------------|
| | YEAR1980..... | YEAR1981..... | YEAR1982..... |
| 5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE | 3.33 | 3.33 | 3.34 |
| 5.1.1 PLURIANNUAL PATTERN OF RECEIPTS | | | |

5.2 METHOD OF CALCULATION

See Annex

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ? YES/NO

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ? YES/NO

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ? YES/NO

6.3 CREDITS TO BE WRITTEN INTO FUTURE BUDGETS ? YES/NO

COMMENTS :

METHOD OF CALCULATION

A) Under the regional plan to be presented by the French Government, 5 000 hectares will be financed by aid from the EAGGF during 1979/80 - 1981/82.

Duration of the measure: 3 years
Unit cost: 4 000 u.a./ha
Total cost: 20 million u.a.

Expenditure eligibel for assistance from the EAGGF: 20 million u.a.
of which 50% is borne by the EAGGF: 10 million u.a.

B) CALCULATION OF COSTS

| | Expenditure by the Member State | Borne by the EAGGF |
|------|---------------------------------|--------------------|
| 1979 | 6.66 | - |
| 1980 | 6.67 | 3.33 |
| 1981 | 6.67 | 3.33 |
| 1982 | - | 3.34 |
| | 20 | 10 |

PROPOSAL FOR
Council Regulation (EEC) No .../78
on collective projects for the
restructuring of vineyards

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Article 43 thereof,

Having regard to the proposal from the Commission, ⁽¹⁾

Having regard to the Opinion of the European Parliament, ⁽²⁾

Whereas the imbalances on the market in wine can be progressively eliminated only by a set of coherent measures;

Whereas, having regard to the structural situation of vineyards producing table wine and quality wine p.s.r., their basic structures should be improved as part of the progressive establishment of balance on the market in wine, so as to rationalize work on wine-growing holdings and increase agricultural incomes;

Whereas the measures for the restructuring of vineyards producing table wine should be confined to wine-growing areas which are naturally suited to wine-growing and which are not covered by Council Directive 78/627/EEC of 19 June 1978 on the programme to accelerate the restructuring and conversion of vineyards in certain Mediterranean regions in France; ⁽³⁾

Whereas restructuring of vineyards cannot be effective unless operations are on a certain scale as regards the area involved and are undertaken collectively;

Whereas, to be eligible for Community financing, projects must contribute to a lasting improvement in working conditions on holdings, guarantee production of good quality wines and be economically justified;

./.

(1) OJ No

(2) OJ No

(3) OJ No 206, 29.7.1978, p.1.

Whereas, to ensure co-ordination of action by the Community and by the Member States the projects to be financed by the European Agricultural Guidance and Guarantee Fund, hereinafter referred to as "the Fund", should be approved and part-financed by the Member State concerned;

Whereas, to ensure that the recipients observe the conditions on which aid is granted from the Fund, an effective control system should be set up and provision made for suspension, reduction or termination of aid from the Fund;

Whereas administration of the abovementioned measure may be facilitated by granting a standard premium per hectare of vineyard restructured;

Whereas such a measure is in the Community interest and is designed to fulfil the objectives laid down in Article 39 (1)(a) of the Treaty; whereas it therefore constitutes a common measure within the meaning of Article 6 of Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy ⁽¹⁾, as last amended by Regulation (EEC) No 2788/72 ⁽²⁾;

Whereas aid from the Fund in the form of reimbursement of 35 % of the standard premium granted by the Member States constitutes an appropriate contribution by the Community;

Whereas a procedure for approval of the projects should be established which ensure close cooperation between the Member States and the Commission within the Standing Committee on Agricultural Structure, set up under Article 1 of the Council Decision of 4 December 1962 on the coordination of policies on the structure of agriculture ⁽³⁾; whereas consultation of the Fund Committee referred to in Article 11 of Regulation (EEC) No 729/70 should also be provided for,

HAS ADOPTED THIS REGULATION :

(1) OJ No L 94, 28.4.1970, p. 13

(2) OJ No L 295, 30.12.1972, p. 1

(3) OJ No L 136, 17.12.1962, p. 2892/62

Article 1

1. With the aim of improving the basic structures of vineyards, a common measure within the meaning of Article 6 (1) of Regulation (EEC) No 729/70 shall be introduced to rationalize work on wine-growing holdings and create the conditions for improving the quality of wines.
2. The common measure shall be implemented in areas under vines producing
 - a) quality wines p.s.r
 - b) table wines, with the exception of :
 - vineyards in Category III as defined in Regulation (EEC) No ...
 - vineyards in the Languedoc-Roussillon region and in the departments of Ardèche, Bouches-du-Rhône, Var and Vaucluse.
3. The Commission may grant aid for the common measure, in accordance with Titles II and III, in the form of a refund by the Guidance Section of the Fund of expenditure incurred by the Member States in connection with collective restructuring projects.

TITLE I : Collective restructuring projects

Article 2

1. For the purposes of this Regulation, a collective project for the restructuring of vineyards means any replanting of vineyards undertaken by growers under a binding collective agreement.
In areas which are :
 - a) intended for the production of quality wines p.s.r., or
 - b) intended for the production of table wine and classified in Category I under Regulation (EEC) No ...The project may also include new planting if this is essential for improving the effectiveness of the restructuring measures.

2. Binding collective agreements shall lay down the conditions governing the planting of vines and associated operations, providing in particular for rationalization of work and of the use of machinery.
3. A collective restructuring project must cover :
 - a) in respect of quality wines p.s.r., a minimum area under vines guaranteeing that the objectives of Article 3 are fulfilled;
 - b) in respect of table wines, a total area of not less than 100 ha under vines, made up of unbroken wine-growing areas of not less than 5 ha each.
4. For the purposes of this Regulation, new planting or replanting means any planting of vines undertaken in accordance with the corresponding definition given in Annex Ia to Council Regulation (EEC) No 816/70.⁽¹⁾

Article 3

Collective restructuring projects must :

- a) contribute to a lasting improvement in working conditions on the holdings concerned, thereby improving labour income;
- b) guarantee an improvement in the quality of the wines produced;
- c) offer a sufficient guarantee as to their economic effectiveness.

Article 4

Collective restructuring projects must comprise :

- a) the restructuring measures envisaged;
- b) the estimated cost of the restructuring operations;
- c) the amount of the restructuring aid provided for ;
- d)-and as regards quality wines p.s.r., observance of the provisions of Regulation (EEC) No 817/70 and the rules adopted for its application;

(1) OJ No L

- as regards table wines :

- i) the compulsory provisions relating to the direction and spacing of planting and the method of training the vines;
- ii) the vine varieties to be used in accordance with the list referred to in Article ... of Regulation (EEC) No ...

Article 5

1. Aid in respect of the restructuring of vineyards shall be granted in the form of a premium per hectare of vineyard restructured.
2. The Member State concerned shall fix the amount of the premium at between 1.500 and 2.500 u.a./ha on the basis of the present structural situation and the measures envisaged for the restructuring of the vineyard.

The amount of the premium in respect of new planting may not exceed 1.500 u.a./ha.

TITLE II : Procedure for the scrutiny of projects.

Article 6

1. Projects must be submitted by the Member State concerned.
2. In order to qualify for aid from the Fund, projects must have been approved by the Member State on whose territory they are to be implemented.
3. Projects must be accompanied by evidence that the project fulfils the conditions laid down in Title I.
4. The information to be provided on projects and the form in which they are to be presented shall be determined in accordance with the procedure laid down in Article 11, after consultation with the Fund Committee on the financial aspects.

Article 7

1. The Commission shall approve projects in accordance with the procedure laid down in Article 11, after consulting the Fund Committee on the financial aspects.
2. The Member State and the beneficiary shall be notified of the Commission's decision.

TITLE III : Financial and general provisions

Article 8

1. Expenditure incurred by the Member States in connection with projects which have been approved in accordance with Article 7 shall be eligible for aid from the Guidance Section of the Fund.
2. The Guidance Section of the Fund shall refund to the Member States 35% of eligible expenditure.

Article 9

1. The period envisaged for implementing the common measure shall be seven years from the date of entry into force of this Regulation.
2. The estimated cost of the common measure to the Fund for the period referred to in paragraph 1 shall amount to 156 million units of account, or 22 million units of account per year.
3. Article 6(5) of Regulation (EEC) N° 729/70 shall apply to this Regulation.

Article 10

1. Applications for refunds shall relate to expenditure incurred by the Member States in the course of one calendar year and shall be submitted to the Commission before 1 July of the following year.
2. Decisions on aid from the Guidance Section of the Fund shall be adopted in accordance with Article 7(1) of Regulation (EEC) N° 729/70.
3. Advances may be granted by the Fund on the basis of the rules on financing adopted by the Member State concerned and in the light of the progress of the projects.
4. Detailed rules for the application of this Article shall be adopted in accordance with the procedure laid down in Article 13 of Regulation (EEC) N° 729/70.

Article 11

1. Where the procedure laid down in this Article is to be followed, the matter shall be referred to the Standing Committee on Agricultural Structure by the Chairman, either on his own initiative or at the request of the representative of a Member State.
2. The representative of the Commission shall submit a draft of the measures to be adopted. The Standing Committee on Agricultural Structure shall deliver an opinion on those measures by a majority of 41 votes within a time limit set by the Chairman according to the urgency of the matter ; the votes of the Member States shall be weighted as provided for in Article 148(2) of the Treaty. The Chairman shall not vote.
3. The Commission shall adopt measures which shall be immediately applicable. However, if such measures are not in accordance with the opinion of the Standing Committee on Agricultural Structure, they shall forthwith be communicated by the Commission to the Council ; in that event, the Commission may defer application of the measures which it has adopted for not more than one month from the date of such communication.

The Council acting by a qualified majority, may take a different decision within one month.

Article 12

Aid in respect of vines cultivated for the production of table wine shall be prohibited unless it is granted.

- either pursuant to Article 8 of Council Directive 72/159/EEC of 17 April 1972,
- or for restructuring under collective projects as referred to in this Regulation and in Council Directive 78/627/EEC of 19 June 1978, within the limits of available aid provided.

Article 13

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

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

Done at

For the Council

The President

FINANCIAL STATEMENT

DATE : 4 August 1978

1. BUDGET LINE CONCERNED : 845

2. ACTION :

Proposal for a Regulation on collective projects for the restructuring of vineyards

3. LEGAL BASIS : Article 6 of Regulation (EEC) N° 729/70

4. OBJECTIVES :

Modernization of vineyards in the Community by replanting.

| 5. FINANCIAL CONSEQUENCE | PERIOD OF 12 MONTHS | CURRENT FINANCIAL YEAR () | FOLLOWING FINANCIAL YEAR () |
|--|---------------------|-------------------------------|---------------------------------|
| 5.0 EXPENDITURE | | | |
| -CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS) | 22.3 | - | - |
| -CHARGED TO NATIONAL ADMINISTR. | 63.7 | - | 63.7 |
| -CHARGED TO OTHER NATIONAL GROUPS | - | - | - |
| 5.1 RECEIPTS | | | |
| -OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) | - | - | - |
| -NATIONAL | | | |

| | YEAR ...1980..... | YEAR1981..... | YEAR ...1982..... |
|--|-------------------|---------------------|-------------------|
| 5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE | 22.3 | 22.3 | 22.3 |
| 5.1.1 PLURIANNUAL PATTERN OF RECEIPTS | | | |

5.2 METHOD OF CALCULATION

see Annex

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ? YES/NO

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ? YES/NO

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ? YES/NO

6.3 CREDITS TO BE WRITTEN INTO FUTURE BUDGETS ? YES/NO

COMMENTS :

Method of calculation

A. Two types of measure are proposed :

- restructuring quality wine p.s.r. production
- restructuring table wine production

The amount of the premium may vary for both types from 1 500 to 2 500 u.a./ha

In respect of new planting, the premium may not exceed 1 500 u.a./ha.

The average premium is estimated at 2 000 u.a./ha.

B. Measures relating to the modernization of wine-growing holdings

The assumption is as follows :

The impact is equal to 3% of the annual renewal of Community vineyards, i.e. 20% of the area under vines classified in Category I: 200 000 ha.

Duration of the measure : 7 years
 Premium per ha : 2 000 u.a.
 Total cost : 400 million u.a.
 of which 35% chargeable to the EAGGF : 140 million u.a.
 (annual charge to the EAGGF : 20 million u.a.)

C. Collective measures for restructuring quality wine p.s.r. production

It is estimated that for the period from 1979 to 1985 collective restructuring measures throughout the Community will involve 23 000 ha under vines producing quality wines p.s.r.

Duration of the measure : 7 years
 Unit cost : 2 000 u.a./ha
 Total cost : 46 million u.a.

of which 35% charged to the EAGGF = 16.1 million u.a.

D. Calculation of costs

| Budget year | Expenditure by Member States | | Total cost | Chargeable to EAGGF (35 %) |
|-------------|------------------------------|----------------------|------------|----------------------------|
| | Table wines | Quality wines p.s.r. | | |
| 1979 | 57,14 | 6,57 | 63,71 | - |
| 1980 | 57,14 | 6,57 | 63,71 | 22,3 |
| 1981 | 57,14 | 6,57 | 63,71 | 22,3 |
| 1982 | 57,14 | 6,57 | 63,71 | 22,3 |
| 1983 | 57,14 | 6,57 | 63,71 | 22,3 |
| 1984 | 57,15 | 6,57 | 63,72 | 22,3 |
| 1985 | 57,15 | 6,58 | 63,73 | 22,3 |
| 1986 | - | - | - | 22,3 |
| | 400 | 46 | 446 | 156,1 |

