

Newsletter on the Common Agricultural Policy

Weekly

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Wine quality to meet high requirements

On 8 April the Commission adopted a draft regulation on quality wines produced in specified areas of the Community, and this has now been submitted to the Council. The regulation is to introduce Community rules for these wines.

Hardly any draft regulation has been debated so vigorously, revised so often, and given rise to so much conflict on matters of detail as this one. What the Commission has now worked out and put before the Council is a compromise. It is intended as a contribution towards a policy based on common standards, and will take into account the different conditions of production in the Community, which are largely a consequence of natural circumstances in the individual Member States. The Commission wishes to establish common criteria for the production and evaluation of wine without impairing the character of each wine, which in fact should even be emphasized and strengthened.

In its proposal on the common organization of the market in wine, laid before the Council in 1961, the Commission followed the principle that the quality of a wine depends as much on ecological as on technical and human factors, i.e. on soil conditions, climate and the ability of the grower. The Council agreed with this view and in Article 4 of Regulation No. 24 of April 1962 adopted a text that provides for a Community Regulation based on a number of factors.

The Commission's proposal of 8 April 1964 defines these factors, sets out the limits of Community action, and determines how much freedom of action is to be retained by the Member States.

The important concepts of "specified areas" and "quality wines produced in specified areas" are defined, and rules are laid down for demarcation of the areas, vine planting, wine production methods, minimum alcohol content and yield per hectare.

The most important of the ticklish problems with which the draft regulation is concerned are growing methods and practices and the designation of the wines. Since the Commission considers that quality wines produced in specified areas can only be improved with wines from the same areas, sweetening and blending are prohibited in principle. However, the Commission had to bear in mind that it would not be very realistic to put this principle into effect without any transition. To take account of traditional practices, the Commission decided to permit acidification of must and young wine, and sweetening and blending of must and young wine (even if this increases the volume), within certain limits and on certain conditions.

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As for the designation of the wines, the Commission believes that reserving the name of a specified area for quality wines produced there is the only way to prevent confusion with other wines. But as it would be opposed to traditional practice to oblige growers to market non-quality wines from a specified area without any designation, the Member States are authorized to use the names of such areas for ordinary wines provided certain precautions are taken.

In order to ensure that the desired result is achieved for a quality wine produced in a specified area in these circumstances, the proposal makes it compulsory to analyse and assess the sensory qualities of the wines in question.

Obviously, it would be useless to supervise the quality of wines at the production stage but not at the marketing stage. Rules have therefore been drawn up to ensure control of the wine from grower to consumer.

Finally, in view of the variety of circumstances under which sparkling and dessert wines are produced in the Member States, special arrangements are to be made to cover quality wines of these types; the present proposed regulation relates only to quality ordinary wines produced in specified areas.

Community decisions and regulations

Financing of common agricultural policy can now begin

Meeting in Brussels on 14 and 15 April, the Council adopted, by qualified majority, the Commission's proposed list of basic products on which the net exports of each Member State to non-member countries is to be calculated under the various market organizations and in respect of which exporting Member States may apply for assistance from the European Agricultural Guidance and Guarantee Fund.

The Council has thus made it possible to start common financing, since refunds can only be made when the net exports eligible for financing have been accurately determined. At present the Council regulation covers the current regulations on cereals, pigmeat, poultry and eggs. The list of basic products will have to be extended to include milk and milk products, beef and veal, rice, and so on.

The basic products already listed are wheat, rye, barley, oats, maize, buckwheat; all kinds of millet, canary seed, other cereals; pigmeat (fresh, chilled or frozen, whole carcasses or sides); poultry eggs in shell; slaughtered pullets, ducks and turkeys; and day-old chicks.

Before the common financing of refunds can really be put into effect, a number of implementing measures will still have to be enacted by the Commission, working with the six Member States in the Committee of the EAGGF and the Management Committees for the various products.

The most important of these implementing regulations will specify what documents the member governments must produce for imports and exports and how they should make application for funds. Refunds from Community resources will normally be granted only in respect of net exports of basic products, and the conversion factors for calculating the quantity of basic product in a given processed product are still to be laid down. Most of these conversion factors are contained in earlier regulations, but in the case of some products they must be checked, and comprehensive factors may have to be worked out.

Moreover, the exact material volume of trade to be covered by common financing has to be ascertained, which involves drawing up a regulation defining trade excluding processing trade. Once all this has been done it will be necessary to establish the minimum rate of refund, which is a determining factor for Community financing.

Another step towards implementing the milk regulation

During its session on 14 and 15 April the Council took a further preparatory step towards bringing the common market organization for milk and milk products into existence on 1 July 1964. It made a regulation fixing the amount representing freight charges to the frontier of the importing member country and frontier-crossing charges, which determines the free-at-frontier price of certain milk products.

In order to achieve common organization of the milk market, the Commission still needs data from the member countries - particularly the producer target prices for milk officially fixed by the member governments and reports on the aids for milk paid out by them. This information must be passed on to the Commission as soon as possible if the milk regulation is to come into force on the stipulated date.

Council agrees on conversion factors for calculating levies on cuts of beef and veal

Article 5(2) of the regulation on gradual establishment of a common organization of markets for the beef sector stipulates that the levies imposed on processed products are to be based on conversion factors fixed by the Council on the Commission's proposal.

These conversion factors are of great importance to the subsequent development of trade. They also affect the marketing system for live slaughter cattle in relation to meat.

During its session on 14 and 15 April, the Council agreed to fix the conversion factors. The Commission is optimistic about the prospects of the market organization coming into force on time, since conditions are theoretically favourable. But this too will depend on the prompt co-operation of all member countries in giving the Commission the required details.

It must also be remembered that for political reasons some member governments want the new agricultural market organizations to come into effect together. In essence, this means that work on the other regulations - organization of the milk market, for instance - should proceed at the same pace as work on the regulation for the beef market.

In the beef sector, the Council already has other proposed regulations before it, such as the one on the criteria for uniform arrangements for intervention on markets in the member countries.

Progress in organization of the rice market

During its session on 14 and 15 April, the Council reached agreement on the criteria for establishing the fixed amounts for rice and broken rice. These amounts determine the preference to be accorded to rice from EEC Member States over rice from outside the Community, under the new common organization of the rice market.

In working out the criteria on which the fixed amounts are based, the starting point taken was the criteria for the fixed amount for cereals set out in Council Regulation No. 48, adopted in 1962.

Furthermore, in Regulation No. 30/64 the Commission fixed the quantity conversion factor for expressing paddy as husked rice in the case of round-grain (common) rice. This regulation is based on Article 7 of Regulation No. 16/64. The Cereals Management Committee had given a favourable opinion on the matter.

First implementing regulation concerning applications for grants from the EAGGF

By regulation dated 5 February 1964, the Standing Committee on Agricultural Structures was given a new task under the European Agricultural Guidance and Guarantee Fund (Guidance Section). During its second session, specially convened for the purpose, the Committee discussed the first regulation implementing the regulation on the granting of aid by the EAGGF.

Article 20(5) of Regulation No. 17/64 lays down that the data to be supplied in applications, and the form in which applications must be filed, are to be specified by the Commission after consulting the Standing Committee. The draft regulation now proposed by the

Commission has been unanimously approved by the Committee and can be put into effect in all six member countries once the Commission has formally promulgated it. Article 20 of Regulation No. 17/64 stipulates that applications for aid from the Fund must be submitted to the Commission by 1 October each year. The Commission must come to a decision on the substance of the matter by 31 December of the following year.

However, applications for aid in 1964 can be submitted up to 1 July 1964. Applications must be put forward through the Member State concerned.

To be eligible for aid from the Fund, any project must have the approval of the Member State on whose territory it is to be carried out. If an application is not thus approved, the Member State may forward the application to the Commission for information.
