

EUROPEAN PARLIAMENT

Working Documents

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DOCUMENT 1-680/80

REPORT

drawn up on behalf of the Committee on Agriculture

on the ~~present~~ situation in the Community
wine-growing sector

Rapporteur: Mr A. COLLESELLI

PE 67.849/fin.

On 24 October 1979 Mr Maffre-Baugé and others tabled a motion for a resolution on the situation of wine producers and the consequences the decisions of the Council will have for wine production in the Community, with request for urgent debate pursuant to Rule 14 of the Rules of Procedure.

The request for urgent procedure was rejected in plenary sitting and the motion for a resolution was referred to the Committee on Agriculture pursuant to Rule 25 of the Rules of Procedure.

On 30 September 1980 Mr Lega and others tabled a motion for a resolution on the crisis in the wine market, pursuant to Rule 25 of the Rules of Procedure.

On 3 November 1980 Mr Almirante and others tabled a motion for a resolution on the problems in the wine-growing sector, pursuant to Rule 25 of the Rules of Procedure.

The latter two motions were referred to the Committee on Agriculture which decided to consider all three motions for a resolution in a single report.

On 19 November 1979 the Committee on Agriculture appointed Mr COLLESELLI rapporteur.

The Committee on Agriculture considered the draft report at its meeting of 26-28 November and adopted the motion for a resolution and the explanatory statement by 11 votes in favour with 11 abstentions.

The following were present:

Sir Henry Plumb, chairman; Mr Früh, vice-chairman; Mr Colleselli, rapporteur; Mr Barbagli (deputizing for Mr Ligios), Mr Barbarella, Mr Battersby, Mr Curry, Mr Dalsass, Mr Gatto, Mr Gautier, Mr Helms, Mr Howell (deputizing for Mr Hord), Mr Jürgens, Mr Kirk, Mr Maher, Mr d'Ormesson, Mr Papapietro (deputizing for Mr Maffre-Baugé), Mr Pranchère, Mr Quin, Mr Skovmand, Mr Sutra and Mr Vitale.

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- motion for a resolution tabled by Mr Lega and others on the crisis on the wine market (Doc. 1-438/80)

- motion for a resolution tabled by Mr Almirante and others on the problems in the wine-growing sector (Doc. 1-547/80)

The Committee on Agriculture hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

on the present situation in the Community wine-growing sector

The European Parliament,

- having regard to the motion for a resolution tabled by Mr Maffre-Baugé and others on the situation of wine producers and the consequences which the decisions of the Council will have for wine production in the Community (Doc. 1-424/79),
 - having regard to the motion for a resolution tabled by Mr Lega and others on the crisis on the wine market (Doc. 1-438/80),
 - having regard to the motion for a resolution tabled by Mr Almirante and others on the problems in the wine-growing sector (Doc.1-547/80)
 - having regard to the report of the Committee on Agriculture (Doc.1-680/80)
 - whereas, notwithstanding the measures adopted at Community level, the situation in the wine-growing sector remains extremely serious, with very substantial stocks and very low quotations,
 - whereas the 1980 harvest, although not so abundant as the 1979 harvest, will undoubtedly cause the present situation to deteriorate still further,
 - whereas the present crisis is exacerbated by other more general factors, e.g. the general fall in consumption, the persistence of obstacles to intra-Community trade, particularly in the area of taxation, given the very high excise duties in certain Member States, the difficulties encountered in exporting wine to third countries, the presence of fraud, structural weaknesses and the fact that Community measures to improve the quality and restrict the production potential of table wines will begin to produce results only after some years,
 - having regard to the economic and social importance of this sector, with more than 800,000 wine-growers in France and 1.4 million in Italy,
1. Calls upon the Commission and the Council to implement forthwith, within the limits of the appropriations in the 1981 budget, a number of emergency measures that could contribute decisively to remedying the situation on the wine market and, in particular, to:
 - (a) increase the quantity of red table wine, at present under storage contract, for which distillation is authorized subject to a performance guarantee,

- (b) open up another 'tranche' for special distillation, on the same terms as those applied to the previous 'tranches',
 - (c) apply the minimum price mechanism to types of table wine whose prices remain at abnormally low levels and provide for their distillation at a price that is remunerative for producers (at least 90% of the guide price),
 - (d) eliminate the obstacles that still prevent the widespread use of concentrated, normal and rectified musts for the enrichment of wines;
2. Considers that, as far as Community medium and long-term emergency measures are concerned, the Commission should endeavour to:
- (a) introduce effective measures to promote exports of quality wines to third countries, by means of publicity campaigns with Community financial backing and a strengthening of the export refunds mechanism); in this context it would also be useful to draft and submit proposals on the common rules, practices and methods of oenological analysis,
 - (b) Propose to the Member States that taxes should be harmonized and step up the campaign against the excessively high taxes levied on wine in some non-producer countries, which create almost insurmountable difficulties for Community trade and for the widespread sale of wine as a popular beverage,
 - (c) ensure that campaigns to combat alcoholism, which are justified, are not directed solely against wine, an agricultural product, while excluding aperitifs and other alcoholic products,
 - (d) adopt a policy for the gradual elimination throughout the Community of the practice of adding sucrose to must so that, with the help of Community incentives, sucrose is finally replaced by concentrated musts and, in particular, rectified concentrated musts (grape must) for the enrichment of wines; the gradual replacement of sucrose by concentrated musts will take account of quality standards, notably for wines of designated origin); this will create an outlet for large quantities of wine that would otherwise be distilled or else allowed to swamp the market and it will at the same time eliminate the present distortions of competition between producers authorized to use sucrose for enrichment and those compelled to use concentrated must, which is more expensive,

- (e) step up Community programmes aimed at improving quality by encouraging wine-growing in the most suitable areas and the gradual abandonment of areas in the plains where yields are high but quality is low,
 - (f) bring about a steady improvement in the production and marketing structures, especially cooperative wine-growers' associations, both through greater recourse to the provisions of Regulation No. 355/77¹ and through specific sectoral aid measures,
 - (g) step up the campaign against adulteration and fraud by strengthening the relevant legal, financial and supervisory instruments,
 - (h) improve storage facilities by increasing aid for the construction of fermenting rooms,
 - (i) improve quality by increasing aid for investment designed to bring about better wine production methods.
3. Instructs its President to forward this resolution to the Council and the Commission of the European Communities.

¹ Regulation No. 355/77 on common measures to improve the conditions under which agricultural products are processed and marketed (OJ No.L51,23.2.1977).

EXPLANATORY STATEMENTI. MEASURES ADOPTED AT COMMUNITY LEVEL

1. The measures adopted by the Council of Ministers in December 1979 and subsequently published in OJ No. L 57 of 29 February 1980 are crucial to the future of the wine-growing sector.

To these must be added the measures adopted in July 1980 and published in OJ. No. L 195 of 29 July 1980.

The most important of these measures are as follows:

- extension, for three marketing years, of the system of aid for storage accompanied by a performance guarantee;
- authorization for the use of rectified concentrated must (grape sugar) to increase the alcoholic strength of wines;
- possibility of granting aid for the use of concentrated, normal or rectified grape musts where it is necessary, within the Community, to enrich a substantial part of the wine produced; this aid may be restricted to musts originating in wine-growing zones C III(a) and C III(b) (Southern Italy, Corsica and Greece);
- introduction of a system of aid for the use of musts originating in the above zones for the manufacture of certain special products of the 'British wines' type;
- introduction of a system of aid for the use of musts for the manufacture of grape juices;
- possibility for the Council to fix a minimum price for a given type of table wine and to restrict its marketing if its price remains below 85% of the guide price for three consecutive weeks; in this case, distillation may be allowed at the minimum price level;
- classification of areas under vine into three categories, according to their natural suitability for wine-growing, on the basis of various criteria (hilly or hillside regions, suitability for the production of wines of designated origin, natural alcoholic strength by volume, climatic conditions, nature of terrain, etc.);
- ban on all new plantings of vines until 30 November 1986, except for the production of quality wines psr and table grapes; exemptions will be granted for table wines in category 1 wine-growing zones only, if trends on the market for such wines permit;
- authorization for replanting to be granted only in well-defined cases (pre-existing right);

- obligation on the grower to obtain authorization for every new planting and to submit a declaration to the competent authorities if he intends to grub up or replant vines;
- as regards the 'overpressing of grapes', the rate for Italy to be not more than 2% (instead of 6%) and the buying-in price to be 70% of the guide price (instead of 50%);
- introduction of a premium for the temporary abandonment of areas under vine and a premium for permanent abandonment; the amount of the first premium to be from 1,813 ECU per hectare to 3,022 ECU per hectare depending on the level of productivity, and the amount of the second to be 2,418 ECU per hectare;
- introduction of a premium equal to 800 ECU per hectare for growers who renounce a replanting right;
- in the case of elderly farmers - aged between 55 and 65 - who have received an abandonment premium or a special conversion grant, provision for the grant of premiums for the cessation of wine-growing in France and Italy; the premium may be an annual premium (363 ECU per hectare) or a single premium (604 ECU per hectare); neither premium may be granted for more than 5 hectares per farm;
- as regards collective projects for the restructuring of vineyards, involving several producers in general improvement schemes, road improvement, irrigation and mechanization projects, etc., provision for the payment of a Community premium of between 2,418 and 3,022 ECU per hectare of vineyard restructured.

2. As will be deduced from this rapid survey, the measures adopted are of three types:

- (a) measures to promote the sale of wine products (aid for the use of musts) and to establish specific guarantees (minimum price, performance guarantee);
- (b) measures to restrict production potential (abandonment premiums, ban on new plantings);
- (c) measures to improve quality (restructuring premium, classification of areas under vine according to suitability).

It is clear that (b) and (c) are long-term measures which will begin to have an effect only after some years.

II. THE PRESENT SITUATION

3. The problem that has to be faced now - and it is a formidable one - is the exceptionally high level of production resulting from the 1979 harvest, following two normal marketing years. Production of wine in the Community between 1974 and 1980 was as follows:

in '000 hl

	1974	1975	1976	1977	1978	1979	1980 (estimates)
EEC total	160,245	145,375	148,416	128,795	138,793	175,111	150/155,000
Germany	6,964	9,105	8,926	11,283	7,847	8,180	5,000
France	76,271	66,273	73,655	52,870	58,429	83,543	70,000
Italy	76,867	69,834	65,700	64,482	72,439	83,321	75 /79,000
Luxembourg	138	157	128	155	72	62	--

The annual average for 1974-80 was about 150 million hectolitres.

It will be seen from this table that in 1979 Community production was 26% higher than that of the preceding year and 21% higher than the average production for the 1974-1978 marketing years (approximately 144 million hectolitres).

Compared with 1978, the largest increase was in France (+43%), followed by Italy (+15%) and Germany (+4%), while in Luxembourg production fell by 14%.

4. The problem of over-production in 1979 in the two largest producer countries in the Community - the result of exceptionally favourable climatic conditions - has been aggravated by the fact that yet another of Europe's major producers, Spain, managed to produce about 50 million hectolitres, i.e. about double the average for the past few years.

5. It is estimated that in 1980 Community production will be in the region of 150 to 155 million hectolitres, i.e. an output slightly above the average but less than that of the years of record harvests. As for Spain, the production forecast is 35-38 million hectolitres - which is again fairly normal.

6. The exceptionally abundant harvest in 1979 has created a serious crisis on the Italian and French wine markets, with very substantial stocks and very low quotations. On present estimates (end-August), production stocks total 43-45 million hectolitres in France and 35 million hectolitres in Italy. As for prices, the situation continues to be very disturbing; quotations are very low, lower than the intervention activating price.¹

¹ By way of example, the price trend between May 1980 and September 1980 was as follows:

	May 1980 price/hl	%in relation to the activating price	September 1980 price/hl	%in relation to the activating price	Variation
- <u>Type R I</u>					
France:	2,200 EUA	93%	2,360 EUA	100%	+ 7%
Italy:	1,950 EUA	83%	2,050 EUA	87%	+ 4%
- <u>Type R II</u>					
France:	2,100 EUA	89%	2,200 EUA	93%	+ 4%
Italy:	2,170 EUA	92%	2,170 EUA	92%	-
- <u>Type A I</u>					
France:	2,170 EUA	100%	2,550 EUA	118%	+ 18%
Italy:	1,680 EUA	77%	1,750 EUA	81%	+ 4%
	hl		hl		
- <u>Type A II</u>	43,00 EUA	89%	51,00 EUA	106%	+ 17%
- <u>Type A III</u>	68,00 EUA	113%	76,00 EUA	126%	+ 13%

7. Apart from the intolerable financial difficulties created by the present situation, producers have now to tackle the problem of capacity for new production in 1980. Moreover, the difficulties created by the exceptionally abundant harvest have been further compounded by other more general factors, for example:

- the general decline in consumption, especially in the larger consumer countries, for reasons that are all too well known: changes in tastes, increases in consumer prices, anti-drinking campaigns, etc.;
- an appreciable reduction in intra-Community trade in wine, especially in the first half of the year, and in exports to third countries: whereas in 1979 Italy exported about 20 million hectolitres (including 8.7 million hectolitres to France), exports this year are expected to fall by 30-35%;
- the persistence of fraud, involving quantities that are difficult to assess and resulting in the marketing of low-price products of indeterminate quality;
- structural weaknesses: for instance, cooperative wine-growers' associations, which process the grapes supplied by their members, are not normally equipped for bottling and direct marketing - operations that would enable them to retain a far larger share of the added value.

8. To cope with this extremely grave situation, the Community adopted a number of measures, e.g. Council Regulation No. 564/80¹ of 3 March 1980, which provided for exceptional distillation operations to be carried out over the period 1 April to 31 May 1980 in respect of delivery contracts approved before 15 April 1980. The advantage of such distillation operations, which could involve up to 20% of the total production declared by each individual producer, was that producers obtained 85% of the guide price, as against 50% for normal preventive distillation which is not sufficiently remunerative.

9. This first 'tranche' of exceptional distillation did not, however, produce the desired results: about 5 million hectolitres were sent for distillation, while the target figure was at least 8 million hectolitres. The main reason for this was the shortage of time available for drawing up the contracts for the delivery of the table wines to approved distillers, which had to be submitted to the intervention agencies before 1 April. This measure was later extended by Regulation No. 1293/80² of 28 May 1980. For the second distillation 'tranche', the contracts had to

¹ OJ No. L 62 of 7 March 1980

² OJ No. L 132 of 29 May 1980

be submitted to the intervention agencies by 1 July and cover a quantity of not more than 15% of that indicated in the harvest declaration for the 1979-80 marketing year. According to the available provisional figures, the contracts cover 4.1 million hectolitres. So the total amount for the two 'tranches' is 9.1 million hectolitres, of which 3 million relate to France and the remainder to Italy.

10. Another measure that has produced good results is the arrangement for long-term private storage (9 months), accompanied by a performance guarantee. According to the Commission, 21 million hectolitres are at present under long-term contract, with provision has been made for this quantity to be sent, at the end of the contract, for distillation at the intervention force or for renewal of the contract, if market quotations remain abnormally low. This arrangement, which expired at the end of the 1979-80 marketing year, has been extended for the three subsequent marketing years - 1980-81, 1981-82 and 1982-83¹. The quantity distilled may not exceed 18% of the total quantity of table wine produced while, as far as distillation is concerned, a price equal to 90% of the guide price for white table wines and 91.5% of that for red table wines will be paid.

11. In view of the fact that for five weeks from 1 August the representative market prices for wines of types A I, R I and R II remained lower than the activating price, the Commission initially decided to allow the distillation of a quantity equal to half that under storage contract, i.e. about 2.1 million hectolitres of white wine and 8.5 million hectolitres of red wine. Subsequently, this percentage was increased to 100% for white wine and 74% for red wine.

12. It should be added that on 1 July 1980 the 'minimum price' mechanism also came into operation. Whenever the quotations for a given type of wine fall below 85% of the guide price, the Council may authorize unlimited distillation at a fixed guaranteed price - the 'minimum price' - and, if need be, forbid the marketing of the type of wine concerned below that price. If a proper assessment is to be made of the impact of this measure, which could be described as the first real price guarantee to be applied to the wine sector, it is, however, necessary for the Council to fix it at a fairly high level (between 85% and 90% of the guide price) and for the implementing procedures to take account of the various requirements of producers.

13. The latter measures are to be regarded as supplementing those normally at the disposal of the Community for intervention purposes: aid for short and long-term private storage, aid for conversion, aid for the storage of musts and concentrated musts, etc. For other forms of intervention, the

¹ Regulation No. 1988/80 - OJ No. L 195 of 29 July 1980

Community lacks appropriate legal and financial instruments.

The 1980 harvest was under way, while the cellars were still full of wine from the 1979 harvest.

The purpose of this report, therefore, is to produce practical proposals for the Commission on possible immediate and long-term measures in the wine sector.

III. POSSIBLE MEASURES IN THE WINE SECTOR

A. Short-term measures

1. Increasing the quantity of wine for distillation under the 'performance guarantee' system

The amount of wine for distillation at the end of storage contracts subject to a performance guarantee, which was fixed at 74% for red wines, must be increased to 100%.

2. Opening up another 'tranche' for the distillation of table wines

In view of the results of the first two special distillation 'tranches', a third should be opened up in order to ease still further the pressures on the market in table wine, should the market remain glutted after the distillation of the amount referred to in the preceding paragraph.

3. Application of the minimum price

The Council should apply this measure for those types of table wine whose market quotations are still abnormally low. As has been pointed out, however, this measure - especially if coupled with a ban on the marketing of the wine in question - may prove to be inoperable or a double-edged weapon. It will therefore be necessary for its effects to be carefully monitored so that, if serious difficulties arise, it may be discontinued.

4. Increasing the use of rectified concentrated must

Plans for using this 'grape sugar' in place of sucrose for increasing the alcoholic strength of wines are still bedevilled by bureaucratic obstacles (in Italy authorization has still to be given by the Health Ministry) and production difficulties. Efforts should be made to ensure as quickly as possible that this product is used on a wide scale, since it would not only relieve the pressure on the wine market by securing the withdrawal of substantial quantities of musts from circulation, but would also ensure that only genuine grapevine products were used in wine production. The Commission has already published the implementing terms of the rules on the use of rectified concentrated must. It would be advisable for the Member States to bring their own legislation in line with these.

B. Medium and long-term measures

1. Measures to encourage consumption and exports to third countries

Publicity campaigns, with Community financial backing, should be launched with a view to increasing the consumption of quality wines in the Community countries and in third countries. One of the aims of these campaigns, which should be organized in a coherent and systematic fashion, should be to demonstrate the benefits to health of a moderate consumption of quality wines. Furthermore, the system of export refunds should be strengthened and extended to other types of wine and to other third countries.

2. Campaign against excessively high taxation

It is well known that one of the reasons for the very low consumption of wine in some Community countries is the fact that excessively high indirect taxes are imposed, raising the price to levels beyond the pocket of the ordinary consumer and making it a luxury product. The Court of Justice of the European Communities is due to give a ruling early next year on the discriminatory tax system applied to two popular beverages - wine and beer - in certain countries. It is to be hoped that, in line with the decisions it has taken on cereal-based and wine-based spirits, the Court will find such discrimination contrary to the Treaty. This would result in fairer treatment for a product such as wine, whose free movement within the Community has been rendered almost impossible by excessively high excise duties.

3. Addition of sucrose to must

If taken to excess, this practice has adverse effects on the entire sector, since it keeps in circulation wines of low alcoholic strength and poor quality which should be removed altogether from the market. Moreover, it distorts competition between producers who can lawfully use sucrose to enrich wine and those who are instead compelled to use concentrated must, which is much more expensive. This practice should therefore be gradually banned throughout the Community, so that in due course wines are enriched solely by means of concentrated, normal or rectified musts. Rectified musts, which are genuine grape sugar, have the great advantage of being neutral and not affecting the organoleptic quality of the wines.

4. Improvement of quality

The Community's entire structural policy in the table wine sector hinges on the elimination of wine-growing on plains and in lowland areas and on the restriction of production to suitable hilly or hillside areas. This, in fact, is already happening in various regions in Italy and France: owing to increased production costs and small profit margins - the wine produced often being of low quality and fit only for distillation - many producers with vineyards situated in lowland areas are finding it in their interests to grub up their vines and turn to more remunerative types of farming such as maize and sugar-beet production. This trend will be strengthened by

substantial Community aid but, in the meantime, it will be necessary to support hill and hillside production to prevent even producers of quality wines from becoming discouraged by the excessively high costs.

5. Campaign against adulteration

This is a very difficult issue. The scale of the problem has been a source of much heated debate and there is certainly more than one culprit. At time the adulteration of wine is facilitated by the behaviour of the wine-producers themselves, who submit exaggerated production declarations, thus giving the adulterated product a chance to penetrate the market. Then there is the fact that consumer prices in some countries are so exorbitant - for the reasons already mentioned - that they drive quality wines off the market, to the advantage of products with a very low cost price but of very dubious origin. Action is therefore needed on several fronts, and steps must be taken immediately to strengthen the legislative and financial instruments for investigating and eliminating fraud.

6. Improvement of production and marketing structures

In parallel with the steps required to maintain quality, it is imperative for measures to be adopted to improve plant and equipment, especially for the producers' organizations and the cooperative wine-growers' associations. These measures can be implemented within the framework of Regulation No. 355/77 on common measures to improve the conditions under which agricultural products are processed and marketed. Other measures must be introduced at regional and national level, particularly through the grant of low-interest loans. Account will also have to be taken of specific cases. For instance, appropriate measures will be required to assist cooperative associations in lowland areas which in the past have made substantial investments, only to find that they are now in difficulties owing to the loss of many of their members who have opted to abandon wine-growing.

MOTION FOR A RESOLUTION

(DOCUMENT 1-424/79)

tabled by Mr MAFFRE-BAUGE, Mr MARTIN, Mrs POIRIER, Mrs DE MARCH, Mr PRANCHERE, Mrs LE ROUX, Mr FERNANDEZ, Mr PIQUET, Mr DAMETTE and Mr WURTZ.

with request for urgent debate
pursuant to Rule 14 of the Rules of Procedure

on the situation of wine producers and the consequences which the decisions of the Council will have for wine production in the Community

The European Parliament,

- having regard to the serious threats which the decisions agreed in principle at the last meeting of the Council of Ministers constitute for small and medium-sized wine-producing undertakings,
 - whereas Italian wine exports are already having the most adverse consequences, in particular for the French market and production,
 - whereas the situation which has been created is likely to put many small and medium-sized wine producing undertakings in France out of business, and have a ruinous effect on the regions concerned,
1. Asks the Council to take vigorous steps to regulate and limit exports, in order to guarantee wine producers a certain minimum price, to strengthen control of wine production and trade and harmonize exchange parities between the green currencies, to make effective provision against fraudulent practices, to ensure quality control in respect of wine and to ban the planting of new vines in the countries of the Community rather than impose the grubbing of vines.

JUSTIFICATION

The alarming situation on the wine market.

MOTION FOR A RESOLUTION

(DOCUMENT 1-438/80)

tabled by Mr LEGA, Mr BARBAGLI, Mr COSTANZO, Mr COLLESELLI,
Mr GIUMMARRA, Mr LIGIOS and Mr DALSASS

pursuant to Rule 25 of the Rules of Procedure

on the crisis on the wine market

The European Parliament,

- having regard to the serious crisis on the wine market, notably as regards wine produced in the hilly regions of Italy where there is as emergency situation,
 - having regard to the fact that this situation is attributable to the general fall in consumption, the substantial drop in exports (due in part to the high duties levied in some Community countries), the persistence of wine doctoring practices and fraud, the lack of adequate secondary- and tertiary-level marketing structures, including cooperatives,
 - having regard to the fact that the problem of surpluses of quality wine cannot be tackled simply by restrictive measures, but also calls for more flexible measures to improve quality, preserve standards and ease the market situation,
 - having regard to the fact that the problems will increase still further with the forthcoming 1980 harvest, when the yield will probably also be very high,
1. Asks if the Commission is aware of this serious situation and urges it to propose measures which will guarantee a fair income for wine-growers in the hilly areas producing wines of designated origin; these measures should be designed among other things to:
- (a) provide a continuous and adequate supply of low-interest loans to cover storage,
 - (b) provide grants and loans to cover periods in excess of the nine months required to mature the wine,
 - (c) Help create and modernize the storage, maturing, packing and distribution structures of the agricultural producers' associations,
 - (d) implement immediately the necessary measures to eliminate all forms of discrimination and obstacles to the consumption of wine, notably duties,

(e) establish a Community instrument with sufficient resources and powers to conduct a more effective and extensive campaign against the doctoring of wine as regards both Community products and those imported from third countries;

2. Also calls on the Commission:

- to draw up a new proposal for a regulation opening up "a third tranche for the distillation of table wines" which would reduce wine stocks and stimulate the market,

- to impose a Community-wide ban by 1985 on adding saccharose to must and make it compulsory to add grape sugar instead;

3. Instructs its President to forward this resolution to the Council and Commission.

ANNEX III

MOTION FOR A RESOLUTION (DOCUMENT 1-547/80)

tabled by Mr ALMIRANTE, Mr ROMUALDI,
Mr BUTTAFUOCO and Mr PETRONIO

pursuant to Rule 25 of the Rules of Procedure
on the problems in the wine-growing sector

The European Parliament,

- having regard to the serious pressures on the wine market in Italy which have arisen mainly because of the high level of the stocks held by the cooperative wine-growers' associations, especially in the Mezzogiorno,
 - whereas, as a result of the delays caused by the weather, the table grapes harvest is about twenty days late, a situation that is creating a glut on the market,
 - having regard to the serious difficulties now confronting Italian wine producers, who just at this time are being presented with their annual bills and are also having to resort to bank loans in order to proceed with the wine harvest,
 - whereas the proportion of grapes for wine to table grapes is governed by specific Community rules and whereas it is possible to activate protection mechanisms,
1. Requests the Commission and the Council of Ministers to introduce a series of intervention measures which, for example, will:
 - (a) allow a higher price for alcohol produced from table grapes, raising it by 50-70 per cent of the guide price for wine,
 - (b) authorize exceptional distillation of a larger quantity of the wine stored from the previous harvest, thus freeing the vats for storage of the new season's product,
 - (c) promote a series of publicity campaigns to revive trade on the wine market and allow the adoption of provisions to activate the safeguard clauses applicable to table grapes that fall within the fruit and vegetables category;
 2. Instructs its President to forward this resolution to the Council of Ministers and the Commission of the European Communities.

