

Newsletter on the Common Agricultural Policy

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PROVISIONAL ESTIMATE FOR THE 1971/1972 WINE SEASON (1)

This estimate has been established on the basis of the preliminary information received for the 1971 crop and more especially thanks to the information furnished by the Member States (2).

At the moment of going to press, the harvest has not yet been completed and the results achieved are, therefore, only partial and fragmentary and it is not yet possible to present a complete picture. For this reason this estimate must be treated with the usual reserves.

The figures and other information available (more especially that emanating from the economic circles in question) do, however, permit the drawing up of the following provisional conclusions.

In comparison with the previous harvest (which was a record with a yield of 153.5 million hectolitres), the wine harvest for the Community in 1971 showed a fall of 20 million hectolitres. The fall in production seemed to be more pronounced in the Federal German Republic and in the wine-growing regions of Northern France,

- the quantity available of about 212 million hectolitres will be 10 million hectolitres less than that of the previous year.
- If the estimate of production is confirmed it is possible that stocks will decline in comparison with the previous year.
- If the favourable atmospheric conditions continue to prevail up to the end of the harvest it can be considered that the crop will be of very good quality.

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) Communication by the Directorate-General for Agriculture, wine, alcohol and derived products division

) In conformity with the regulations of the Commission n° 134/62 and 1136/70.

Estimate of the harvest as at 15 October 1971

(Application of Article 2 of Regulation 134, paragraph I)

Quantities in 1.000 hectolitres

	German Federal Republic	Belgium	France	Italy	Luxembourg	Netherlands	EEC
Estimate of harvest	5.577	10	62.000	65.000	100	10	132.000
of which							
red and rosé wines	795	3	45.000	43.000			
- table wines		3	38.000	36.500			
- vintage wines			7.000	6.500			
of which							
- white wines	4.732	7	17.000	22.000	100		
- table wines		7	6.000	19.500	70		
- vintage wines			11.000	2.500	30		

Estimate of stocks on 10 October 1971

(application of Article 7, paragraph 4)

<u>I. At production level</u>	4.552	5	25.500	11.145	155		
- red and rosé wines	300	1	19.500	7.747			
of which vintage wines			3.655	1.301			
- white wines	4.252	4	6.000	3.398	155		
of which vintage wines			3.522	475	45		
			(1)				
<u>II. At trade level</u>	5.448	527	14.000	17.774	61		
a) <u>Community wines</u>	4.848	306			59		
- red and rosé wines	1.400	189		11.521	9		
of which vintage wines				2.356			
- white and sparkling wines	3.443	117		6.165	50		
of which vintage wines				611	10		
b) <u>Imported wines</u>	600	221		88	2		
- red and rosé wines	300	152		60	1,6		
- white and sparklg.wines	300	69		28	0,1		

III. Recapitulation

I + II	10.000	532	39.500	28.919	216	430	79.597
Total available	15.577	542	101.500	93.919	316	440	212.204

(1) of which 4.000 white and 10.000 red and rosé

ASSESSMENT OF THE PRODUCTION PRICES FOR TABLE WINE

The results of this study have been compiled from the reports furnished by all the wine producing Member States. These reports were published in two volumes. The first (n° 59) has already been issued and contains the reports of France and the Federal German Republic, the second (n° 75) has just been published and contains the reports of Italy and the Grand Duchy of Luxembourg .

This study can be considered as a complement (for certain determined aspects) of the study published recently on the conditions of commercialization and formation of prices for wines at the first selling stage (Internal Agricultural Information n°^{OS} 51 and 52). By means of an analysis of the conditions governing the marketing of table wines and the techniques for establishing the prices applied at present on the markets of the Member States, this study endeavoured to determine the appropriate conditions and mechanisms necessary in the framework of the organization of a common market for wine and the objective evaluation of the effective prices established for table wine and to determine the conditions to be complied with if these operations are to reflect truly the physiomy of the transactions.

Indeed, Regulation (EEC) n° 816/70 of the Council of 28 April 1970, includes complementary dispositions concerning the organization of a common market for wine and envisages certain interventions on the market. These interventions will be applied when the production prices of a type of wine are lower than the basic intervention price.

One of the principal conditions for the efficient application of this intervention mechanism is the objective establishment of the real and representative production prices for table wine.

This present study, which was undertaken during the period of preparation of the rules and regulations has furnished useful elements for their effective operation. The reports furnished a rapid description of wine markets at national levels (technical production capacity, structure of supply and demand, localization of different types of wine) and examined the particularities of different wine producing regions and endeavoured to establish a price definition of table wines.

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Observations on the prices of wines is the object of the main part of each report, which also included details of methods and techniques applied, positions on the market and price rates observed and the examination in detail of the different problems of each country, region and type of table wine.

The conclusions reached by this analysis permit the formulation of suggestions which could lead to the establishment or improvement of the assessment of price rates for table wines in the producing countries from a Community point of view.