

COMMISSION OF THE EUROPEAN COMMUNITIES

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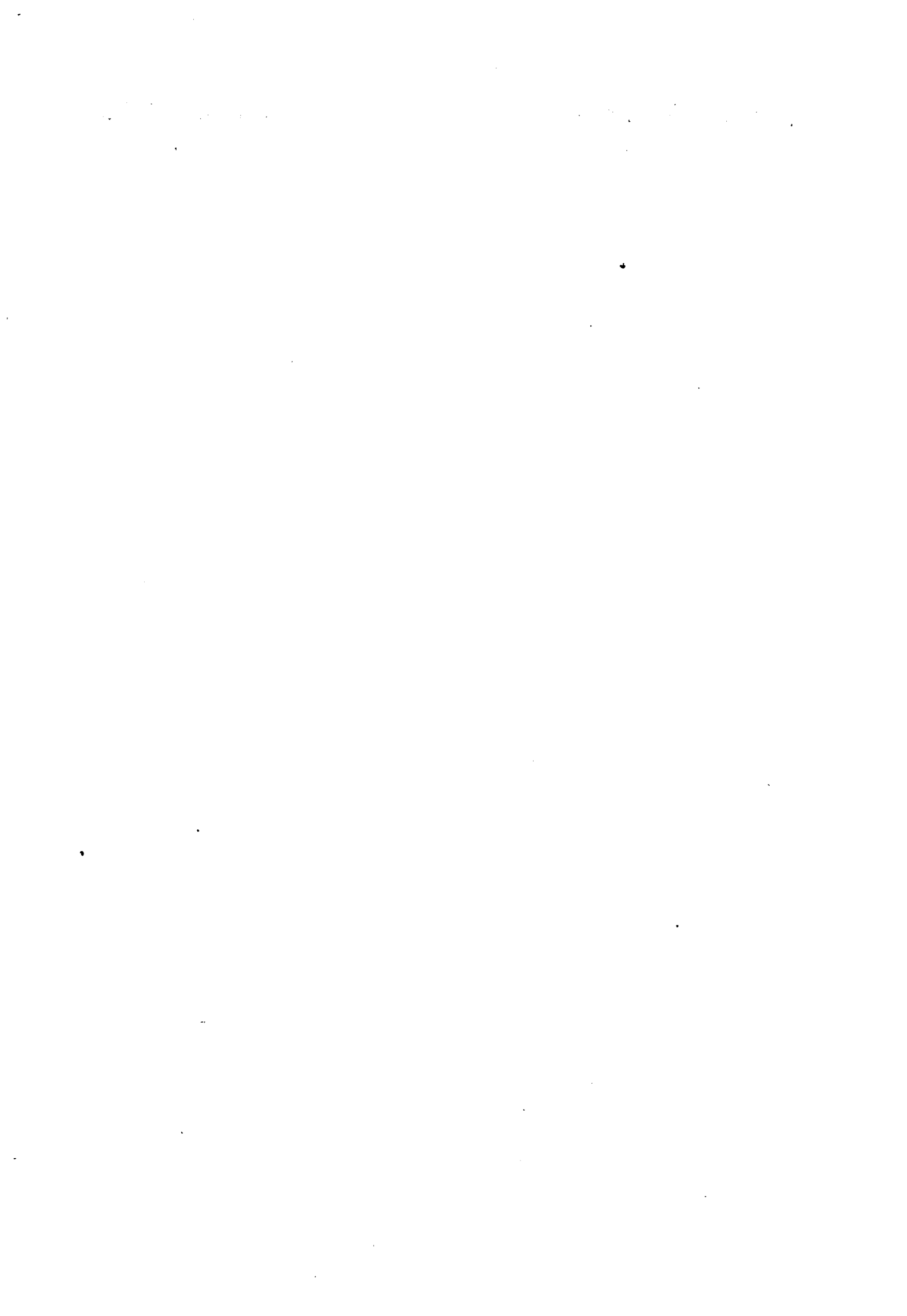
PROPOSAL FOR A COUNCIL REGULATION (EEC)

FIXING THE ACTIVATING PRICES FOR TABLE WINES FOR

THE PERIOD 16 DECEMBER 1978 TO 15 DECEMBER 1979

(Submitted by the Commission to the Council)

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EXPLANATORY MEMORANDUM

1. Article 3(1) of Regulation (EEC) No 816/70 laying down additional provisions for the common organization of the market in wine provides for the fixing, each year before 16 December, of a threshold price activating the intervention system (hereinafter called the "activating price") for each type of wine for which a guide price is fixed.

The activating price is to be fixed in the light of the following factors:

- (a) the state of the market and in particular the extent of price fluctuations;
 - (b) the need to ensure price stability on the markets without causing structural surpluses to build up in the Community;
 - (c) the quality of the harvest;
 - (d) the information contained in the forward estimates provided for in Article 3 of Regulation No 24 on the progressive establishment of a common organization of the market in wine.
2. (a) The upward trend in average prices observed at the beginning of the 1977/78 wine year has continued. Because the amount available has been below the average for recent years, prices for RI and RII table wines have remained at satisfactory levels throughout the wine year, equal to or greater than the guide price.

The possibility of concluding short-term contracts in respect of AI table wines, which had existed without a break since April 1974, was abolished in October 1977 as a result of this upswing. The trend did not continue, however, after the new guide prices entered into force on 16 December 1977 and, after some variations in the first few months of the year, short-term storage contracts for this type of wine were reintroduced in April 1978. Such contracts can still be concluded at the present time.

Prices for AII and AIII table wines fell progressively at the beginning of the wine year, and storage contracts were opened in December for AII wines and in February for AIII wines. Throughout the rest of the wine year prices settled far below the activating price.

(b) The situation on the market in white table wines determines whether supplementary measures reserved for holders of long-term storage contracts (guarantee of performance) should be applied to these wines.

3. (a) In its proposals concerning the fixing of prices for the 1978/79 wine year, the Commission announced its intention of proposing to the Council that the activating price for intervention in respect of AI table wines should be limited if quotations confirmed the permanent weakness, and therefore imbalance, on the market in these wines. Market trends prompt the Commission to carry out this intention in respect of AI table wines and other white wines (AII and AIII) which have shown a similar market trend.

(b) In the light of:

- the foregoing remarks;
- crop forecasts which at present show that less wine will be available than in the previous year and that quality will vary considerably, in some regions being below average;
- the desirability of introducing selectivity between different types of wine, in line with certain measures already adopted and in accordance with the measures proposed for adjusting wine-growing potential to market needs;
- the 2% increase in the guide prices for all types of table wine during the period from 16 December 1978 to 15 December 1979 (Regulation No 1299/78 of 6 June 1978 - OJ No L 160, 17.6.1978, p. 12).

It is proposed that:

- the activating price of red wines (RI, RII and RIII) should be increased by the same percentage as the guide prices, so that the activating price remains at the same relative level as last year, i.e., 93% of the guide price.

- the activating price for white wines (AI, AII and AIII) should be increased by only 0.5%, so that the activating price falls from 93% to 91.5% of the guide price.

PROPOSAL FOR A
COUNCIL REGULATION (EEC) No
fixing the activating prices for table wines for the
period 16 December 1978 to 15 December 1979

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 816/70 of 28 April 1970 laying down additional provisions for the common organization of the market in wine¹, as last amended by Regulation (EEC) No 1861/78², and in particular Article 3(1) thereof,

Having regard to the proposal from the Commission,

Whereas an activating price must be fixed annually for each type of wine for which a guide price is fixed, taking into consideration the factors set out in Article 3(2) of Regulation (EEC) No 816/70;

Whereas the quality of the 1977/78 harvest can generally be regarded as slightly below average;

Whereas the current prices for RI and RII table wines are at least equal to the activating prices; whereas, however, the prices for AI table wines have been consistently lower than the activating prices for the last four years, with the exception of a short period at the end of 1977; whereas in the most recent wine year the prices for AII and AIII table wines settled at a level well below their respective activating prices.

¹OJ No L 99, 5.5.1970, p. 1

²OJ No L 215, 4.8.1978, p. 1

Whereas, although the harvest was more plentiful than in the previous wine year, the quantity available is, because of relatively low stocks, slightly lower than that recorded for the 1977/78 wine year;

Whereas the level of the activating prices must take account of the factors mentioned above; whereas the activating prices fixed for the previous wine year should therefore be increased, without, however, encouraging production;

Whereas the different trends on the markets in red and white wines justify the introduction of selectivity in fixing activating prices; whereas, in particular, the increase in the activating prices for white wines should be less than that adopted for red wines and that adopted by the Council for the guide prices;

Whereas the guide price for the period 16 December 1978 to 15 December 1979 were fixed by Regulation (EEC) No 1299/78³; whereas Article 3(3) of Regulation (EEC) No 816/70 provides that the activating price is to be fixed at the same stage and is to be valid during the same period as the guide price; whereas Regulation (EEC) No 945/70⁴ determined the types of table wine to which these prices apply,

HAS ADOPTED THIS REGULATION:

Article 1

The activating prices for table wines for the period 16 December 1978 to 15 December 1979 are hereby fixed as follows:

<u>Type of wine</u>	<u>Activating price</u>
R I	1.93 u.a./degree/hectolitre
R II	1.93 u.a./degree/hectolitre
R III	30.00 u.a./hectolitre
A I	1.78 u.a./degree/hectolitre
A II	39.43 u.a./hectolitre
A III	45.01 u.a./hectolitre

³OJ No L 160, 17.6.1978, p. 11

⁴OJ No L 114, 27.5.1970, p. 1

Article 2

This Regulation shall enter into force on 16 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