

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 738 final

Brussels, 19 November 1980

Proposal for a
COUNCIL REGULATION (EEC)
fixing activating prices for table wines for the
period 16 December 1980 to 15 December 1981

(submitted to the Council by the Commission)

COM(80) 738 final

EXPLANATORY MEMORANDUM

1. Article 3 (1) of Regulation (EEC) No 337/79 on the common organization of the market in wine provides for the fixing, before 16 December each year, 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 5 of the said Regulation.

2. With the relatively high volume of production in 1979/80, combined with average stocks, availabilities at the beginning of the marketing year were the highest for a number of years. Prices for red wines, which had already declined at the end of the previous wine year, thus remained stagnant at a level below the activating price virtually throughout the marketing year. From August however, quotations for R I red wines rose slightly, almost reaching the activating price, while those for R II wines virtually remained the same. However, an improvement cannot be ruled out in the case of R II wines if the alcoholic strength of the new harvest is insufficient in several regions of the Community and demand rises as a result.

Prices for A I white wines, which at the beginning of the wine year were already below the activating price, began to fall in November and reached a very low level, where they were to remain virtually throughout the wine year, even though all available intervention measures had been implemented.

Prices for A II table wines fell towards the middle of the wine year but rose again above the activating price as the wine year ended.

Quotations for R III and A III table wines remained excellent, being above the guide price throughout the wine year.

3. a) For the 1979/80 wine year the Council introduced selective fixing of activating prices, so as to take account of the differing market trends between red and white wines; this meant smaller increases in the activating prices for white wines than for red wines. In the course of the last wine year, prices for white A II and A III table wines recovered to a satisfactory level. On the other hand, white A I table wines remained well below the activating price, thus confirming the disparity between the supply and demand for such wines. There is therefore justification for continuing with a selective activating price for white A I table wine in 1980/81.

b) In the light of:

- the foregoing remarks,

- the very large quantities which will be available (judging from stock levels and the size of the harvest) and the quality, which will be average, but with generally low alcoholic strength,

- the desirability of continuing with selective activating prices for the various types of wine, in line with the measures adopted for adjusting wine-growing potential to market needs,

- the increase, by an average of 5.5%, in the guide prices for all types of table wine during the period from 16 December 1980 to 15 December 1981 (Regulation (EEC) No 1591/80 of 24 June 1980 - OJ No L 160, 26.6.1980, p. 11);

it is proposed that:

- the activating price for red wines (R I, R II and R III) and for A II and A III white wines 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 for red wines and 91.2% for A II and A III white wines,

- the activating price for A I white wines should be increased by 4.8% so that the activating price will be 90.4% of the guide price.

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic
Community,

Having regard to Council Regulation (EEC) No 337/79 of 5 February
1979 on the common organization of the market in wine¹, as last
amended by Regulation (EEC) No 1990/80², 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 377/79;

Whereas the quality of the harvest for the 1980/81 wine year can
generally be regarded as below average;

¹ OJ No L 54, 5.3.1979, p. 1

² OJ No L195, 29.7.1980, p. 6

Whereas the current prices for R I table wines are very close to the activating price; whereas those for R II table wines, although 10% below the activating price, should rise appreciably in view of the relative shortage, in this year's production, of wines of high alcoholic strength; whereas, however, the prices for A I table wines have remained well below the activating price throughout the marketing year, once again confirming the fundamental weakness of this sector of production owing to an imbalance between supply and demand; whereas the prices for R III, A II and A III table wines are above their respective activating prices as a consequence of the limited availability of such wines;

Whereas, as a result of the far more plentiful stocks at the beginning of the wine year than in the previous year, the quantity available is considerably greater than in an average 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, but not, however, so as to stimulate production;

Whereas, when the activating prices for the 1979/80 wine year were fixed, selectivity was introduced in the fixing of prices in order to take account of the differing market trends between red and white wines; whereas during the past wine year these price trends have been confirmed; whereas it would therefore again appear to be desirable for the activating prices for A I white wines to be increased by an amount which is smaller than ^{for} red wines and than the increase decided upon by the Council for the guide price;

Whereas the guide prices for the period 16 December 1980 to 15 December 1981 were fixed by Regulation (EEC) No 1591/80³; whereas Article 3 (3) of Regulation (EEC) No 337/79 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 340/79⁴ 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 1980 to 15 December 1981 are hereby fixed as follows:

Type of wine	Activating price
R I	2.49 ECU/% vol/hl
R II	2.49 ECU/% vol/hl
R III	38.87 ECU/hl
A I	2.27 ECU/% vol/hl
A II	50.79 ECU/hl
A III	58.00 ECU/hl

Article 2

This Regulation shall enter into force on 16 December 1980.

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

Done at Brussels,

For the Council
The President

³ OJ No L 160, 26.6.1980, p. 11

⁴ OJ No L 54, 5.3.1979, p. 60

