

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 755 final

Brussels, 23 November 1982

Proposal for a
COUNCIL REGULATION (EEC)

fixing the activating prices for table wines for the period 16 December 1982 to
15 December 1983

(submitted to the Council by the Commission)

COM(82) 755 final



EXPLANATORY MEMORANDUM

1. Article 3 paragraph 1 of regulation (EEC) No 337/79 on the common organization of the market in wine provides for the annual fixing, before 16th 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.

Under these provisions the activating price is fixed, subject to a ceiling of 95% of the guide price, having regard to:

- 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 regulation (EEC) No 337/79.

2. The size of the 1981/82 harvest was relatively small, which, despite large carryover stocks, put availabilities at the beginning of the wine year at a substantially lower level than in the previous two years, which had been marked by record harvests.

The market situation thus improved, all the more so as the intervention measures adopted during the year have also reduced the level of stocks at the end of the year to a substantially lower level than in the last two years.

- The quotations for red table wines have shown an upward trend, particularly marked in the case of type R I wines. Prices have thus risen and have stabilized very close to the activating price.

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- The situation with regard to white wines of type A I has improved very markedly compared with last year.

In addition to the improvement in prices, the difference between quotations for these various types of wine between Italy and France has narrowed considerably, thanks, among other things, to the effect of the Community measures on the Italian market.

- As regards table wines of types R III, A II and A III, the quotations have been very firm and above the respective guide prices by reason of the limited availabilities of these wines. Apart from wines of type A II, which have shown a slight fall, the quotations have been far higher than last year. It should be noted, however, that the forecasts of an exceptionally large harvest have in recent weeks led to a sharp fall in prices, a trend which, although it cannot yet be regarded as permanent, shows signs of continuing.

3. a) When the guide prices for the 1982/83 wine year were fixed (regulation (EEC) No 1434/82 of 18th May 1982 OJ No L 162 of 12/6/1982), the Council, taking account of the reversal in the situation noted from the beginning of the 1981/82 wine year, with prices for A I white wines in Italy gradually catching up and then overtaking those for red wines (R I, R II) in most quotations, took the view that there was no longer any justification for increasing the guide prices for red and white wines by different amounts and decided on an 11% linear increase for all types of table wine.

b) Having regard to:

- the foregoing;
- the average or even above-average availabilities since, although stocks from the 1981/82 wine year are relatively small, the volume of the 1982 harvest is expected to be large and the quality good;

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- the 11% increase in the guide prices for all types of table wine for the period 16th December 1982 to 15th December 1983.

It is proposed that the activating prices for table wines of all types be increased by the same percentage as that applied to the guide prices, thus keeping the activating prices relative to the guide prices virtually the same as last year.

1981/82

Type of wine	1 Guide price 1981/82	2 Activating price 1981/82	3 2 as a percent- age of 1
R I - R II	2.95 ECU/% vol/hl	2.73 ECU/% vol/hl	92.5
R III	45.97 ECU/hl	45.97 ECU/hl	92.6
A I	2.72 ECU/% vol/hl	2.47 ECU/% vol/hl	90.8
A II	61.26 ECU/hl	55.62 ECU/hl	90.8
A III	69.96 ECU/hl	63.51 ECU/hl	90.8

1982/83

Type of wine	1 Guide price 1982/83	2 Increase 1982/83 on 1981/82	3 Proposed activ- ating price 1982/83	4 Increase 1982/83 on 1981/82	5 3 as per- centage of 1
R I - R II	3.27 ECU/% vol/hl	+ 11%	3.03 ECU/% vol/hl	+ 11%	- 92.7
R III	51.03 ECU/hl	"	47.24 ECU/hl	"	92.6
A I	3.02 ECU/% vol/hl	"	2.74 ECU/% vol/hl	"	- 90.7
A II	68.00 ECU/hl	"	61.73 ECU/hl	"	90.8
A III	77.66 ECU/hl	"	70.49 ECU/hl	"	90.8

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16 December 1982 to 15 December 1983

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 wine (1), as last amended by Regulation (EEC) No 2144/82 (2), and in particular Article 3 paragraph 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 paragraph 2 of Regulation (EEC) No. 337/79;

Whereas the quality of the harvest for the 1982/83 wine year must, generally speaking, be regarded as good;

Whereas the prices for table wines of types R I, R II and A I have increased during the marketing year and are now around the activating price; whereas the prices for table wines of types R III, A II and A III, although they have fallen recently, are far above the activating price;

Whereas, although stocks at the beginning of the marketing year are not large, the total quantity available exceeds that for an average marketing year on account of the large harvest in 1982;

Whereas the level of the activating prices must reflect the above elements; whereas the activating prices fixed for the previous marketing year should be increased but not so as to stimulate production;

.../...

(1) OJ No L 54, 5.3.1979, p.1

(2) OJ No L 227, 3.8.1982, p.1

Whereas the guide prices for the period 16 December 1982 to 15 December 1983 were fixed by Council Regulation (EEC) No 1434/82 (3); whereas Article 3 paragraph 3 of Regulation (EEC) No 337/79 lays down that the activating prices are to be fixed at the same stage and are to be valid during the same period as the guide prices; whereas Council Regulation (EEC) No 340/79 (4) 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 1982 to 15 December 1983 shall be as follows:

Type of wine	Activating price
R I	3.03 ECU/% vol/hl
R II	3.03 ECU/% vol/hl
R III	47.24 ECU/hl
A I	2.74 ECU/% vol/hl
A II	61.73 ECU/hl
A III	70.49 ECU/hl

Article 2

This Regulation shall enter into force on 16 December 1982.

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

Done at

For the Council

(3) OJ No L 162, 12.6.1982, p. 33.

(4) OJ No L 54, 5.3.1979, p. 60:

FINANCIAL STATEMENT

Date : 28.10.1982

BUDGET REF. NO. : Chapter 16

APPROPRIATIONS : 1983
(469 M.ECU)

2. TITLE : Draft Council Regulation fixing the activating price for table wines for the period from 16 December 1982 to 15 December 1983.

3. LEGAL BASIS : Council Regulation No 337/79

4. AIMS OF PROJECT : Setting the activating prices for table wines

5. FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS	CURRENT FINANCIAL YEAR	FOLLOWING FINANCIAL YEAR	
		(82)	(83)	
5.0 EXPENDITURE				
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)	(1)		(1)	
- NATIONAL ADMINISTRATION				
- OTHER				
5.1 RECEIPTS				
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)				
- NATIONAL				
	1984	1985		
5.0.1 ESTIMATED EXPENDITURE	(1)	(1)		
5.1.1 ESTIMATED RECEIPTS				

5.2 METHOD OF CALCULATION

6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?

YES/NO

6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?

YES/NO

6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY?

YES/NO

6.3 WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY?

YES/NO

OBSERVATIONS : (1) As it is proposed to increase the activating prices by the same percentage as that adopted in April by the Council for the guide price (thereby maintaining the existing relationship between these prices), the financial impact of this proposal is neutral and indirect. Its effect was incorporated when preparing the 1983 budget.