

COM(77) 477 final.

Brussels, 3 October 1977.

Proposal for a  
COUNCIL REGULATION (EEC)

on the granting of aid to certain producers of wine grapes  
intended for the production of table wines in certain  
wine-growing regions affected by natural disasters

(submitted to the Council by the Commission)



EXPLANATORY MEMORANDUM

The aim of this Regulation is to grant aid to certain wine producers in order to encourage them, in the interests of quality, to use concentrated grape must. This aid is granted to producers in certain regions of the Community who are threatened by heavy losses caused by severe frosts during March and April and exceptional rainfall during the summer.

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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 816/70 of 28 April 1970 laying down additional provisions for the common organization of the market in wine<sup>1</sup>, as last amended by Regulation (EEC) No 1678/77<sup>2</sup>, and in particular Article 38 thereof,

Having regard to Council Regulation No 129 on the value of the unit of account and the exchange rates to be applied for the purposes of the common agricultural policy<sup>3</sup>, as last amended by Regulation (EEC) No 2543/73<sup>4</sup>, and in particular Article 3 thereof,

Having regard to the proposal from the Commission,

Whereas Article 38 of Regulation (EEC) No 816/70 lays down that measures of derogation may be decided on to remedy an exceptional situation resulting from natural disasters;

Whereas in certain regions of the Community there were severe frosts during the months of March and April and, during the summer, exceptional rainfall and reduced sunshine;

Whereas good weather during these months is indispensable to a good quality harvest; whereas, in consequence, the said abnormal weather conditions constitute a natural disaster; whereas it follows from this that the wines produced from grapes harvested in these disaster-affected regions will not naturally reach the minimum alcoholic strength laid down for table wines;

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<sup>1</sup>OJ No L 99, 5. 5.1970, p. 1

<sup>2</sup>OJ No L 187, 27. 7.1977, p. 1

<sup>3</sup>OJ No L 106, 30.10.1962, p. 2553/62

<sup>4</sup>OJ No L 263, 19. 9.1973, p. 1

Whereas the Member States may, under Article 18 of Regulation (EEC) No 816/70, authorize the natural alcoholic strength to be increased; whereas, in the regions in question, this increase is effected by the addition of concentrated grape must to the basis products;

Whereas, in order to encourage producers who are threatened by heavy losses to use concentrated grape must in the interests of quality, it appears necessary to grant them aid for this purpose; whereas such a measure avoids the risk of non-enriched wines of mediocre quality finding their way, at excessively low prices, onto the table wines market to the detriment of the stability of that market; whereas, furthermore, this measure may bring about an increase in the volume of grape must to be concentrated and hence a drop in the total volume of production supplied to the market; whereas, in consequence, this measure serves to regularize the table wines market;

Whereas, in order to give preference to those producers most severely affected, it is appropriate to limit the granting of this aid to producers who are able to furnish proof of a yield lower than 50 hectolitres per hectare;

Whereas it is necessary to fix the aid at an amount which takes account of the market price for concentrated grape must;

Whereas the application of the measures provided for in this Regulation extends beyond 15 December 1977; whereas it is necessary, in order to avoid any discrimination among the producers concerned, to provide for the application of a single representative rate for the payments effected pursuant to this Regulation; whereas it is appropriate to use the representative rate applicable in the wine sector for the 1977/78 wine-growing year;

Whereas the Monetary Committee will be consulted and whereas, in view of the urgency, it is appropriate to adopt the measures envisaged in accordance with Article 3(2) of Regulation No 129,

HAS ADOPTED THIS REGULATION :

Article 1

Aid shall be granted on the terms laid down in this Regulation to producers of wine grapes intended for the production of table wines who are able to furnish proof of a yield lower than 50 hectolitres per hectare from the 1977 harvest and whose holdings are situated in certain parts, to be determined :

a) of the following French departments :

- |                           |                        |
|---------------------------|------------------------|
| - Alpes de Haute-Provence | - Haute-Garonne        |
| - Aude                    | - Hérault              |
| - Bouches-du-Rhône        | - Landes               |
| - Corse du Sud            | - Lot                  |
| - Dordogne                | - Lot-et-Garonne       |
| - Gard                    | - Pyrénées-Atlantiques |
| - Gers                    | - Pyrénées-Orientales  |
| - Gironde                 | - Tarn                 |
| - Haute-Corse             | - Var                  |

b) of the north of Italy

whose 1977 harvest was affected by natural disasters.

Article 2

1. The amount of the aid provided for in Article 1 is hereby fixed, for concentrated must used in the operations described in Articles 18 and 19 of Regulation (EEC) No 816/70, at 0.87 u.a. per degree of potential alcoholic strength per hectolitre.
2. The conversion of the aid referred to in paragraph 1 of this Article into national currency shall be effected by means of the representative rate applicable in the wine sector during the 1977/78 wine-growing year.

Article 3

1. Producers wishing to take advantage of the aid provided for in Article 1 must apply to the competent intervention agency before the beginning of wine-making operations and at the latest by 15 October 1977.
2. Before granting the aid, the intervention agencies must satisfy themselves that the conditions laid down in Article 1 are fulfilled.

Article 4

The Member States shall communicate to the Commission by 15 January 1978 the number of producers who have received aid and the quantities of wine subjected to enrichment.

Article 5

1. The Member States shall appoint an intervention agency responsible for applying the provisions of this Regulation.
2. The competent body shall be the intervention agency of the Member State in whose territory the grapes are harvested.

Article 6

Rules for the application of this Regulation, and in particular the determination of the parts of departments referred to in Article 1, shall be adopted in accordance with the procedure laid down in Article 7 of Regulation No 24.

Article 7

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

It shall apply with effect from 20 September 1977.

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

Done at Brussels,

For the Council

The President

# FINANCIAL STATEMENT

DATE : 20.9.1977

1. BUDGET LINE CONCERNED : Item 6919

2. ACTION : Proposal for a Council Regulation on the granting of aid to certain producers of wine grapes intended for the production of table wine in certain wine-growing regions affected by natural disasters

3. LEGAL BASIS : Article 38 of Regulation 816/70 (measures of derogation following natural disasters)

4. OBJECTIVES : The granting of aid for the use of concentrated musts to enrich wine in certain disaster areas

5. FINANCIAL CONSEQUENCE	FOR THE MARKETING YEAR	CURRENT FINANCIAL YEAR (77)	FOLLOWING FINANCIAL YEAR (78)
5.0 EXPENDITURE			
-CHARGED TO THE EC BUDGET (REGIONS/INTERVENTIONS)	9	3	6 m u.a. (= 6,2 MEUA)
-CHARGED TO NATIONAL BUDGETS			
-CHARGED TO OTHER NATIONAL BUDGETS			
5.1 REVENUES			
-ON REVENUES OF THE EC (REGIONS/INTERVENTIONS)			
-NATIONAL			

YEAR .....79.....      YEAR .....80.....      YEAR .....81.....

5.0.1 PLURIANNUAL PATTERN OF EXPENDITURE  
~~SECTION IN COMPLETION OF OBJECTIVES~~

5.2 METHOD OF CALCULATION

Aid of 0.87 u.a. per degree per hl of must used.

Enrichment of 2 degrees per hl of wine.

Quantity of wine to be enriched : 5 million hl

$0.87 \text{ u.a.} \times 2 \text{ degrees} \times 5 \text{ million hl} = 8,7 \text{ m u.a.}$  (rounded off to 9 m u.a.)

Note : The quantity of musts used for this operation will reduce wine production for the 77/78 growing year by 0.8 million hl; hence the possibility of savings on traditional measures.

6.0 FINANCING POSSIBLE WITH CREDITS INSCRIBED IN RELEVANT CHAPTER OF CURRENT BUDGET ?      1) YES/~~NO~~

6.1 FINANCING POSSIBLE BY TRANSFER BETWEEN CHAPTERS OF CURRENT BUDGET ?      YES/NO

6.2 NECESSITY FOR A SUPPLEMENTARY BUDGET ?      YES/NO

6.3 CREDITS TO BE WRITTEN INTO FUTURE BUDGETS ?      2) YES/NO

COMMENTS : This is an emergency measure for which no provision was made in the 77 Budget and draft 78 Budget.

- (1) 1977: In view of the amount in question and the rate of payment, it should be possible to finance this measure from Chapter 69 or, if not, by transfer from other Chapters.
- (2) 1978: Where possible, in the first instance by transfer of appropriations from Chapter 69, since such utilization of musts reduces the volume of wine on the market, or, where appropriate, by other means, transfer from Titles 6 and 7 or additional appropriations.