Commission Regulation (EC) No 1517/2006 of 12 October 2006 opening crisis distillation as provided for in Article 30 of Council Regulation (EC) No 1493/1999 for certain wines in Spain

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THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1493/1999 of 17 May 1999 on the common organisation of the market in wine[(1)], and in particular point (f) in the second subparagraph of Article 33(1) thereof,

Whereas:

(1) Article 30 of Regulation (EC) No 1493/1999 provides for the possibility of a crisis distillation measure in the event of exceptional market disturbance due to major surpluses. Such measures may be limited to certain categories of wine and/or certain areas of production, and may apply to quality wines psr at the request of the Member State concerned.

(2) Spain has requested that crisis distillation be opened for quality red wines produced in specified regions (psr) of its territory. In particular, this concerns quality red wines produced in the specified region of Jumilla and quality red wines produced in the specified regions of Conca de Barberà, Costers del Segre, Empordà, Penedès, Tarragona and Terra Alta. Considerable surpluses have been recorded on the market in quality red wines psr, which are reflected in a fall in prices and a worrying rise in stocks towards the end of the current marketing year. In order to reverse this negative trend, and so remedy the difficult market situation, stocks of quality wine psr should be reduced to a level that can be regarded as normal in terms of covering market requirements.

(3) Since the conditions laid down in Article 30(5) of Regulation (EC) No 1493/1999 are satisfied, a crisis distillation measure should be opened for a maximum of 100 000 hectolitres of quality red wines produced in Jumilla and for a maximum of 85 000 hectolitres of quality red wines produced in the specified regions of Conca de Barberà, Costers del Segre, Empordà, Penedès, Tarragona and Terra Alta.

(4) The crisis distillation opened by this Regulation must comply with the conditions laid down by Commission Regulation (EC) No 1623/2000 of 25 July 2000 laying down detailed rules for implementing Regulation (EC) No 1493/1999 on the common organisation of the market in wine with regard to market mechanisms[(2)] as regards the distillation measure provided for in Article 30 of Regulation (EC) No 1493/1999. Other provisions of Regulation (EC) No 1623/2000 must also apply, in particular

Changes to legislation: *There are currently no known outstanding effects for the Commission Regulation (EC) No 1517/2006. (See end of Document for details)*

those concerning the delivery of alcohol to intervention agencies and the payment of advances.

(5) The price distillers must pay producers should be set at a level that permits the market disturbance to be dealt with while allowing producers to take advantage of the possibility afforded by this measure.

(6) The product of crisis distillation must be raw or neutral alcohol only, for compulsory delivery to the intervention agency in order to avoid disturbing the market for potable alcohol, which is supplied largely by the distillation provided for in Article 29 of Regulation (EC) No 1493/1999.

(7) The measures provided for in this Regulation are in accordance with the opinion of the Management Committee for Wine,

HAS ADOPTED THIS REGULATION:

Article 1

Crisis distillation as provided for in Article 30 of Regulation (EC) No 1493/1999 is hereby opened for a maximum of 100 000 hectolitres of quality red wines produced in the specified region of Jumilla and of 85 000 hectolitres of quality red wines produced in the specified regions of Conca de Barberà, Costers del Segre, Empordà, Penedès, Tarragona and Terra Alta, in accordance with the provisions of Regulation (EC) No 1623/2000 concerning this type of distillation.

Article 2

Producers may conclude contracts as provided for in Article 65 of Regulation (EC) No 1623/2000 (hereinafter referred to as the contracts) from 16 October to 17 November 2006.

Contracts shall be accompanied by proof that a security equal to EUR 5 per hectolitre has been lodged.

Contracts may not be transferred.

Article 3

1 If the total quantity covered by the contracts submitted to the intervention agency exceeds the quantity laid down in Article 1, Spain shall determine the rate of reduction to be applied to the above contracts.

2 Spain shall take the administrative steps necessary to approve the contracts by 1 December 2006 at the latest. The approval shall specify any rate of reduction applied and the quantity of wine accepted per contract and shall stipulate that the producer may cancel the contract where the quantity to be distilled is reduced.

Spain shall notify the Commission before 12 December 2006 of the quantities of wine covered by approved contracts.

3 Spain may limit the number of contracts that individual producers may conclude under this Regulation.