

Common organisation of agricultural markets

CMO: aid granted in the framework of the German Alcohol Monopoly

2010/0183(COD) - 15/12/2010 - Final act

PURPOSE: to extend the derogation for the aid granted by Germany in the framework of its alcohol monopoly.

LEGISLATIVE ACT: Regulation (EU) No 1234/2010 of the European Parliament and of the Council amending Council Regulation (EC) No 1234/2007 (Single CMO Regulation) as regards the aid granted in the framework of the German Alcohol Monopoly.

CONTENT: following a first-reading agreement with the European Parliament, the Council adopted a regulation amending Regulation No 1234/2007 ("Single CMO" regulation) as regards the aid granted in the framework of the German Alcohol Monopoly.

The Regulation extending the derogation for the aid granted by Germany in the framework of its alcohol monopoly should apply as from 1 January 2011 given that the current derogation will end on 31 December 2010.

This derogation allows Germany to grant aid, through the federal monopoly administration for alcohol (Bundesmonopolverwaltung für Branntwein - BfB), for "ethyl alcohol of agricultural origin". The state aid granted corresponds to the difference between the cost of purchasing raw alcohol from producers (distilleries and farmers) at above market prices and the income generated by selling that alcohol at the market price, taking into account the collection, processing and operational costs borne by the BfB.

In order to finally phase out completely the current monopoly and end the aid, this regulation provides for an extension of the derogation beyond 31 December 2010 and a gradual reduction in the monopoly's production and sales until it closes its doors in 2017. The total production of ethyl alcohol under the Monopoly benefiting from the aid shall gradually decrease from the maximum of 600 000 hl in 2011 to 420 000 hl in 2012 and to 240 000 hl in 2013 and may amount to a maximum of 60 000 hl per year from 1 January 2014 until 31 December 2017, on which date the Monopoly shall cease to exist.

Medium-sized agricultural distilleries would remain in the monopoly until the end of 2013 with specific compensation measures when leaving the system. The small-scale flat-rate distilleries, distillery users and fruit cooperative distilleries may benefit from the aid granted by the Monopoly until 31 December 2017, on condition that the production benefiting from the aid does not exceed 60 000 hl per year.

Before 30 June each year, Germany shall submit a report to the Commission on the functioning of the Monopoly and the aid granted in the framework thereof in the previous year.

ENTRY INTO FORCE: 31/12/2010.

APPLICATION: from 01/01/2011.