

FINAL MINUTES ON THE CIVIL DIALOGUE GROUP ON WINE

EUROPEAN COMMISSION, DG AGRI: 11/03/2016

The group paid their condolences to late Gaetano PENSABENE with 1 minute of silence. The Chair opened the meeting informing about the available languages: FR, DE, EN, IT, ES, PT and EL.

1. Adoption of the agenda and the report of the last meeting of the 5/11/15.

The group adopted the agenda and the minutes of the previous meeting.

2. Exchange on market situation and latest information on harvest estimations

COM presented the wine dashboard with statistical data on price, production, stocks, consumption and trade, and informed about the ongoing agricultural task force. **COM** invited the group to participate in this questionnaire aiming for transparency improvement.

CELCAA requested information about Commissioner Hogan's visits to Mexico and Colombia and the delegations' trips to China and Japan. **COPA-COGECA** requested this point to be on the agenda when concerning and **ECVC** marked it as a primary point. **COPA-COGECA** expressed its concern about the low prices in Spain, and a good harvest and low prices in the Southern Hemisphere as a menace to EU export. **EFFAT** criticized the dashboard claiming that it only details the price developments in 3 main wine producing member states (FR, IT, ES) and suggested an addition of data on producers and manpower. **CELCAA** commented that regions are too different to be able to be compared. **FoodDrinkEurope** noted that a different kind of data is necessary for the industry sector.

COM responded that as wine is not a commodity, there are too many kinds of prices, difficult to collect and present so a sophisticated system would be needed. The trend is to ask the MS only for the main ones, 8 in total. The members were invited to participate in agricultural task force and provide more data.

3. Update on implementation of the new authorisation system on vine plantings

COM presented the latest developments of the implementation of the authorisation system on vine plantings which started as of 1 January 2016.

COPA-COGECA developed a tool to gather all the relevant information provided by member organizations. Spain would need more resources for new vinegrowers and more limits are necessary in order to avoid low price products. MS to exchange experiences regarding application of priority criteria and **COM** to assess the basis on which MS choose the priority. **EFOW** explained that system in France is managed by the Ministry of Agriculture and ask the **COM** to consider its simplification. **FoodDrinkEurope** described German experience as high administrative burden. **CELCAA** informed 23000 ha is lost every year, and highlighted that where the system is implemented on a pro rata basis everything is based on percentages and warned on huge negative impact on investments of medium size companies. **Via Campesina** claimed availability of land is a fundamental problem and the priority is to be given to young wine producers.

COM expressed the opinion that not everything available in the form of authorisations will probably be requested by producers in different MS. As concerns decisions taken for 2016, some MS will impose more limits like FR, some more criteria like Greece which implies more burden, and some will have simpler system like RO and BG. Regarding regions, it appears more logical that limits are set on dynamic regions, while for regions with lower prices and with less incentives to plant there should be less incentives to establish limits. Such limits according to EU rules aim more at controlling growth to avoid oversupply. National Support program is not eligible for new plantings, however Rural Development programs could be used.

COPA-COGECA intervened: South of France has a number of PDO and PGI areas where the main limitation is only national threshold. Portugal lost 10% of land area. Italy applied no restriction to

plantings but there might be priorities in next years. For the moment, PDO and GPI control is based on national restrictions. To HU it will take 1-2 years to change the Rural development program. Greece is restructuring and the drop in planted area is because of the financial crises, and not due to the criteria.

4. Simplification of the regulation implementing the Lisbon process:

a) Latest outcome of the issue papers linked to the revision of 436/2009

COM informed that the reform agreed in 2008 will not be put in question and that the brainstorming on marketing standards and labelling rules is in process. There have been working documents but no legislative proposal since a consultation with stakeholders is needed first. Alignment of Reg. 436/2009 on registers, declarations and accompanying documents, and of Reg. 555/2008 on control and trade is continuing. The rest will be covered by the Delegated and Implementing acts progressively. COM invited the members to submit their suggestions if any.

COM wants to give access to existing electronic system to all operators, including small producers. Small producers will in all cases continue to benefit from existing derogation from tax warehouses and tax guarantees. These have been already included in some international bilateral agreements in view to facilitate access to the markets.. This will be presented on GREX and Wine Management meetings.

COPA-COGECA stated that there are too many small producers and that the access to the system is not going to be simple, suggesting a trial period first and adding that the excise directives should be modified based on the consensus. It also questioned the viability of the simplification process and insisted on specificity of the sector. CEVI congratulated to the COM on the work done but, supported Copa-Cogeca and questioned the usefulness of the use of news system. FoodDrinkEurope asked for relevant documentation to be shared and about the benefits of replacing the accompanying documents by a certificate and its impact on recognition of the GI's. It also expressed their will to work on the text with the COM services. CELCAA highlighted the importance of revision of GI's in parallel with the simplification.

COM explained that the aim is that the procedure for small producers goes through agricultural legislation and that the European electronic system is aligned with the national ones: something to be discussed with the MS in order to find the best solution and give the same opportunity to everyone. Regarding the GI's, the objective in terms of international agreements is to use the Annex and all the information to be included in the accompanying document. Certification of origin shall be regarded as a custom document and is to be managed by DG TAXUD, but DG AGRI rules in the wine sector could support by a sharing electronic certification system which would ensure the traceability.

b) Revision and last amendment of 606/2009 on oenological practices

COM informed that OIV has adopted three new oenological practices: the use of malolactic fermentation activators, the treatment of wine with glutathione and the treatment of must with glutathione. However, specifications of glutathione will probably not adopted by OIV before 2 years, therefore it cannot be used as oenological practice. In addition, glutathione which is an additive, cannot be authorised as new oenological practices in the Union until it is included in the Union list of food additives, on the basis of a European Food Safety Authority positive opinion .

FoodDrinkEurope asked the COM to consider recognition of the OIV standards. CELCAA added that the safety evaluation approved by OIV cannot surpass the authority of EFSA and that it would take less time if the COM worked more closely with the OIV.

COM newly invited the members to send their suggestions especially on provisions on small producers, registers and certifications for third countries.

5. Codex Alimentarius work on additives for wine

COM explained that Codex Alimentarius covers the whole world and therefore represents the reference for food international trade and in particular in the TBT and SPS agreements. Since only 4 additives for wine have been authorised in Codex, the EU aims to align the Codex and the OIV standards which is not an easy task since not all the countries, such as the US recognize the OIV standards.

CELCAA offered support and assistance to the COM in this process, while **EFFAT** expressed themselves against.

6. National Support program Post-2020

COM informed that the funds are guaranteed until 2020 and that there are various scenarios which could happen but, they all will depend on the political agreement. Infact, the Commission may consider two alternative solutions: 1) proposing an amendment to the basic act which refers to "five years national support programmes " to prolong the duration to seven years, thus aligning it with the current 2014-2020 MFF; or 2) opening a new programming period (2019-2023) through an amendment to the future implementing regulation on the wine support programmes which would ensure that the wine support programs can be implemented until 2020 while a reservation on the budget availability as of 2021 would be required.

CELCAA stated that the Wine CMO should keep its specificity and be managed in different areas of investments, and warned that promotion could take place of actual production. **COPA-COGECA** reiterated an absolute necessity to continue with the programme, since the wine sector is doing well today because of what has been done so far. He added that the Southern Hemisphere does too well, and that the European support is necessary. **FoodDrinkEurope** confirmed saying that EU exports have been successful thanks to the CMO measures and that the aids should also be coherent with the plantings in terms of dates. **CEVI** supported all that has been said. **Via Campesina** warned on climate change affecting southern countries and that growing new varieties will need financial support.

COM reiterated that the input is extremely important, giving Simplified Cost Operations as an example, and said that the discussions will continue.

7. Latest news on reform of organic farming

COM presented the latest news in organic farming concerning the equivalence with Canada, extension of use of certain oenological practices and the Organic Regulation review.

CELCAA asked for the speed up of the ratification of agreement with Canada and questioned certification necessity. **FoodDrinkEurope** asked for a quicker inclusion of oenological practices and an update on the agreement with the US, adding that organic and ecologic are not the same, although both imply sustainable and that organic production equally cause CO2 emissions and water expense. **IFOAM** wants to see national exceptions removed and regional ones adapted. **PAN Europe** proposed a presentation on sustainable and organic aspects for the next meeting debate. **Copa-Cogeca** claimed that in a not very far future sustainable viticulture will be a must. **CEJA** stated that organic grapes are not more expensive and organic viticulture did not give expected results, which is why it should be supported. **ECVC** claimed that organic farming is also polluting and that 90% of viticulture in France is conventional, which is not going to change.

COM confirmed that Organic unit collaborates with both International and Wine units and that a high level meeting was set for April between EU and Canada. International agreement goes beyond organic agreement, however Reg. No 834/2007 is an obligatory basis for all the players of the chain. Regarding the Organic regulation review, the Council and the EP don't share the position of the COM, which didn't change. Regarding grape prices, COM tends to promote fair prices of the producers in order to obtain real organic product with no pesticide residues.

8. Latest information on report on ingredients and nutrition labelling for alcoholic beverages

COM informed that DG SANTE is working on a report on which wine and spirits operators have been consulted. The report is expected to be finalized during the fourth quarter of 2016.

Regarding the indication of “contains sulphites” on the label, **COM** pointed out that it must appear on the level if sulphites are present beyond the limit established by Regulation No 1169/2011, also in the case where they are naturally present.

9. Delegated act on production processes for aromatized wine products

COM introduced a draft to the expert group some months ago and it was decided that some authorisations could make conflict between the COM and the OIV. Certain rules on wine could apply to aromatised wines too, and dealcoholisation and addition of wooden chips were considered. The expert group will meet on 17 May to conclude an agreement and hopefully, to pass it for adoption.

FoodDrinkEurope asked to include these two practices in the regulation without waiting for the adoption from the OIV since it would take too much time.

10. Latest information on the dossier .wine and .vine

COM made an update: until 2012, there were only a few top-level domain names; since then, an absolute liberalisation thereof has been decided by ICANN, which led inter alia to an application by a US-driven holding for the top-level domain names ".vin" and ".wine". The EU didn't oppose to their allocation as such, but requested ex ante safeguards to be put in place, so as to avoid that e.g. Russian or Chinese traders could use it for advertising products violating rights of European geographical indications. **COM** has indicated that comprehensive legal instruments were anyway available to tackle any misappropriation, but that European stakeholders had meanwhile reached a confidential agreement with the applicant of these domain names. Currently, DG CNECT works incidentally on a big project whose aim is to enhance Internet governance through a multi-stakeholder approach.

EFOW informed that all the community institutions were mobilized and that there are 75 European names on the first list and 4000 names were blocked for the second list, which could be reserved by January 2018. The government is in charge of ensuring that the agreements are respected. **COPA-COGECA** said that the sector is not protected since very similar domains will soon be available for purchase, such as Chianti PDO vs. Chianti wine which is already protected.

COM stressed that ICANN is not any more a federal US agency but a private entity under the California State's law. The EU should remain vigilant since a successful applicant of a domain name will have the monopoly for its use; however, should such a domain name misappropriate an European GI or merely evoke/imitate it (e.g. through the use of variations such as double letters, dots, commas, etc.), the EU should take all appropriate remedies to thwart it.

11. Discussion about the proposal of the Commission concerning the amendment of directive on Combined Nomenclature

COM invited DG TAXUD to present an update on the proposal. Some MS and federations expressed doubts about the proposal, so **COM** asked the industry to come with the counter proposal which was received in December and discussed in the Customs Code Committee. **TAXUD** said that all the codes, including current national codes will be included in the **TAXUD** document and submitted for discussion in the Committee.

CELCA thinks that due to the high level of exportation, a complex statistics is essential to understand the situation and added that, for the moment the main statistics on bag-in box has been preserved. **FoodDrinkEurope** praised that regions and GI's were taken into account but highlighted that more relevant data on the market are necessary.

12. AOB

COM said that Colombia and Mexico were discussed on the last CDG on international aspects, and

asked the members to get in touch with that group in order to get an update and avoid agenda overlap, unless it specifically concerns the sector.

COPA-COGECA explained that horizontal presentations do not focus on particular sectors and that it is important to meet in order to exchange the inputs. **CELCAA** agreed with Copa-Cogeca and stressed the importance of discussing bilateral agreement, especially with China and Japan. **FoodDrinkEurope** expressed its discontent that COM made visits to Colombia and Mexico without taking ministers.

COM highlighted that there is a group, out of this CDG dedicated to systematically defend the sector during the discussions, and added that if an update is necessary then it should be put on the agenda. Every time there is a CDG on sector concerning the mission, it could be presented.

COM made a brief update on the mission to Colombia and on the future missions to China and Japan in April, as well as in Vietnam and Indonesia in November, promising to inform before the summer on priority sectors eligible to participate, according to the balance between the MS represented, regions, size of the enterprises and type of profiles. COM added that they receive cancellations and requests for modifications every day and invited the members to express their interest. Once the decision has been made it will be made public online.

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