

CDG “Wine” Meeting

24th March 2017, 9:30-18:00, DG AGRI (130 rue de la Loi, 11th floor, Room B)

— DRAFT MINUTES —

1. APPROVAL OF THE AGENDA AND THE REPORT OF THE LAST MEETING (19/10/16)

The President and several organisations present were surprised and requested an explanation why some of the topics on the agenda (namely the Alcohol Forum and the DGSANTE report on nutritional information and ingredient listing) were cancelled at the last minutes. They raised that the fact that the Commission (EC) organise a meeting 10 days later on the same issue does not prevent them to discuss it with the sector during the Civil Dialogue Group.

Several organizations pointed out that participants come from far away and this is not respectful of the work done by CDG members

→The report of the last meeting was adopted.

2. ALIGNMENT TO THE LISBON TREATY OF THE WINE LEGISLATION: WORKPLAN AND PROPOSALS

a) Regulation 436/2009

DGAGRI explained that the process was quite complex as the recast of 436/2009 does also integrate provisions from other EU regulations (555/2008, 607/2009, 606/2009, 2015/560).

It was explained that a consolidated text is being prepared with the legal services, with the aim of presenting it during the 25 April GREX meeting. Once the consensus found within the MS and EC, the final text will be published on the better regulation portal and go through TBT process. Adoption planed around Q3 or Q4 2017.

DG AGRI explained some of the novelties included in the text.

CEVI criticized the work done on the “AROC” (*Attestation de Respect des Obligations Communautaires*), as it did not lead to simplification. New sanctions in cases of non-compliance with obligations are disproportionate. Subsidies should rather be reduced proportionately instead of being entirely removed. Regarding the phasing out of paper documents, **CEVI** and **COPA-COGECA** would like its implementation to be postponed. **CEEV** encouraged a rapid adoption of the consolidated documents, especially as it includes export certificate, which is key for the sector, and welcomed the dematerialization which would ensure a smooth functioning of the Single Market.

DGAGRI answered to those comments explaining that:

- The proposal renders mandatory only the declaration of production and stocks while in certain cases declaration for harvest or treatment/marketing would not be mandatory anymore at EU level. MS right to decide if they will become mandatory at MS level. MS may also establish or accept different manners in which registers may be kept.
- Agreed that sanctions are disproportionate and will redraft the current proposal in this sense.
- Regarding the phasing-out period for the paper document, EC is considering to extend it by one year (until 31st June 2020).
- Mentioned the evaluation of Directive 118/2208 concerning the general arrangements for excise duty, which should *de facto* foresee to further automatized the consignment of wine products.

ECVC pointed out that in Portugal 80% of small producers are producers and that measures are needed to

enable them to adapt to digitization.

- DGAGRI answered: This is very understandable and a period of adaptation from 06/19 to 06/20 is planned.
- DGAGRI explained the objective of this regulation, simplification of the vineyard register. But it is the EMs who decide and can manage the lockers differently either numerically or paper.

b) Regulation 607/2009

DGAGRI explained that few comments have been received so far by Member States. DG AGRI plans to present a new version of the delegated and implementing act on 25 April during the next GREX and Committee meetings.

Stakeholders insisted on two points: the management system on GIs/temporary labelling and labelling/dematerialization of the information.

On management of GIs, **CEEV, EFOW, and COPA-COGECA** on the importance of keeping the actual framework for the temporary labelling.

The importance of modernizing consumer information tools and include the possibility to use supports other than the label to provide to consumers the information in other languages was underlined.

CEEV explained it does seem that the recast of 607 can be taken as an opportunity to innovate on provision for information to consumers and called on the sector to be proactive on this. EFOW and COPA supported the CEEV position and underlined the impact of increasing labelling requirements for the wine growers/sector.

CEVI stated that ingredients and calories are not that important for the consumers when they drink wine.

COPA-COGECA explained they are not happy at all with provisions on possibility to attribute origin to mixture of different varieties when you have products coming from two countries. They asked as well for changing rules on sparkling wine and to align them with the one for still wine.

CEEV stressed the point of the issue of the interplay between provisions of 1169/2011 and provisions in 607/2009 on what food business operators for wine is.

DGAGRI explained that the 85% rule for the mixture of wines has now been removed from the draft. Regarding the opportunity to modernize labels and to provide info off-label, **DGAGRI** replied that this is possible for optional information, while the compulsory information foreseen by Regulation 1308/2013 and Regulation 1169/2011 has to be on label. As regards the off-label translation in different languages of compulsory indication, it needs to be explored with DG SANTE and the lawyers.

Eurocare stated that from a “public health perspective” they don’t agree with the fact that only alcoholic strength is important. According to the NGO, nutritional information and ingredients should be provided to the consumers in a language that they understood, on the label.

As regards the temporary labelling, **DG AGRI** explained that the aim is to find a new system that achieve the same results as temporary labelling in terms of flexibility on the market, but solving the current issue of legal uncertainty. DGAGRI wants to allow producers to benefit from the same advantages but via a system which is more respectful of the principles of law.

c) Regulation 606/2009

Regarding Regulation 606/2009, Joao Onofre (Head of the wine Unit) explained that the work has not begun yet and that the alignment exercise should start in 2018. He stressed that if the sector has clear ideas of how alignment of regulation 606 should take place, it should communicate to DGAGRI in an effective manner.

3. EVALUATION OF DIRECTIVE 92/83/EEC

DGAGRI explained that the European Commission is currently evaluating whether the Directive is still fit for

purpose and is exploring the potential room for improvement and that DGTAXUD started to perform an impact assessment which should be achieved by Q4 2017, and lead to a decision to modify or not the Directive.

CEEV insisted that wine products reply to strict regulations and on the importance to maintain the status quo for these products in order to preserve the existing level-playing field in the sector. The issue of Sangria's treatment as fermented beverages in Portugal – due to problem of interpretation by the Portuguese authorities – was raised. It was highlighted that TAXUD should not further investigate on reduced rates for low-alcohol content as they did not receive the mandate to do so by the Council.

CEEV, COPA-COGECA, and ECVC opposed the extension of reduced rates to small wine producers because not adapted to the wine sector.

DGAGRI states that tax incentives may come from the MS. **DGAGRI** stressed the health aspect entrusted into the scope of this impact assessment although this objective is not included in the Directive 92/83. **DGAGRI** encouraged participants to express their view to the consultant supporting DGTAXUD in the impact assessment process.

4. HEALTH FORUM

DGAGRI explained on behalf of DGSANTE that they were currently reviewing the framework of the European Alcohol and Health Forum (EAHF). DGSANTE acknowledges NGOs resignation from the Forum has been detrimental for everybody and therefore has been working on reframing the Forum to bring NGOs back to the discussion table. **DGAGRI** encouraged CDG participants to provide their position on the future of the forum and on the recent developments directly to DGSANTE.

5. EVOLUTION OF THE WINE CMO: NSP AND TOOLS AGAINST TBT IN 3RD COUNTRIES

DGAGRI explained that it has been analysing if a financial tool to support the preparation of technical dossiers to tackle down TBT in third countries could be included under the scope of article 55. The opinion of AGRI legal services is that these initiative does not seem to be eligible under the promotion measures.

DGAGRI still would like to have more details on these technical files to understand the context better and to see if something can be done on this issue.

CEEV said they will provide more information in writing. CEEV explained that it would be interesting to add this measure in a broader CAP perspective, so that all agri sectors could benefit from.

6. SWEDEN: SYSTEMBOLAGET PRICING MODEL AND WEIGHT BOTTLES FEE

CEEV explained the current situation regarding the implementation of a new pricing model by Systembolaget, the Swedish alcohol monopoly. Systembolaget has devised a new pricing model implemented by their suppliers on the first of March 2017. This model will involve a 50% increase of the fixed surcharge on wine (compared with a decrease of approximately 12% for the beer sector). The expected impact for the wine sector would be an increase of EU11 million.

CEVI stressed the problem encountered by Bulgarian producers where the participation to call for tender is almost impossible as the monopolies are asking for really low prices.

DGGROW will report what participants said to DG Competition handling this specific issue.

CEEV explained that, concerning light weight bottles, the industry is still running the risk of SB applying a tax to those bottles that would be above 420g weight. If this could be considered as technical barriers to trade, CEEV wonder if DGGROW could establish if the measures of the monopoly should or should not be notified.

DGGROW explained they are well aware of the problem. They had a meeting with SB last year around summer where they discussed the issue of notification and, after this meeting SB postponed the adoption of the measure. Regarding the notification, they didn't reach a conclusion on whether the measure of monopoly should be notified or not. Indeed, there is a list of authorities that have to notify but SB isn't included in this list.

7. ANY OTHER BUSINESS: ALCOHOL LABELLING

Eurocare did a presentation on alcohol labelling. Eurocare acknowledged that the wine sector was a heavily regulated and mentioned the mandatory requirement of indicating allergenic substances.

Eurocare questioned the rationale of the exemption of nutritional information labelling for alcoholic beverages, and stated that the consumers had the right to know what is in the product they consume. Alcoholic beverages (wine included) have been pointed has causing cancer, being addictive and being the 3rd risk factor for chronic disease. Eurocare insisted that wine products should label the list of ingredients, substances with allergenic effect, nutritional information, and health warning messages.

COPA-COGECA and **CEEV** welcomed Eurocare's will to launch an open discussion on the matter with the wine sector. However, they voiced their displeasure regarding the content of the presentation which presents winelike a poison causing cancers and being addictive. The importance of the concepts of relative risk and moderate and responsible consumption were highlighted.

Animated discussion about the degree of alcohol and its effect on health. Several speakers accuse the DGSANTE of devaluing wine, a natural product that also brings quality benefits to consumers. **ECVC** recalls that the Health Commission has never been concerned about the excessive use of pesticides and their possible presence in wine and that it would be better to take an interest in this issue. This point of view is approved by members of Organic Agriculture (IFOAM).

CEVI regretted the absence of relevant and trustful impact study regarding information to consumers.

EFOW regretted that NGOs protecting the interest of consumer do not focus on the lack of prevention campaigns developed by public authorities and insisted that consumers should be treated as responsible adults.

CEEV briefly introduced the Wine in Moderation programme which since 2016 provide online information to consumers concerning the calorie content of wine. This information is provided as an average value for each general category of wine.

Disclaimer

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