

CDG “Wine” Meeting

19th October 2016, 9:30-18:00, DG AGRI (130 rue de la Loi, 11th floor, Room B)

— FINAL MINUTES —

1. Approval of the agenda and of the report of the last meeting (11/03/16)

As some of the topics proposed did not make it to the agenda, although the timetable would have allowed it, **CELCAA** and **COPA-COGECA** were surprised and requested an explanation. .

The **Commission** explained that with the new CDG system, all issues related to international market will now be discussed in the "international trade CDG".

CELCAA, **FoodDrinkEurope** and **COPA-COGECA** expressed strong concerns and questioned the relevance of this approach.

→ The report of the previous meeting was adopted.

2. Election of Chairman and Vice-chairman

Results of the Election:

- President: Jean-Marie Barillère (CEEV) – elected with 2 abstentions
- Vice-President: Angel Villafranca Iara (COPA-COGECA) – elected with 2 abstentions

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

DG AGRI presented the document transmitted under point 3 and said that the European wine sector is facing general reduction in production of -4.3% compared to previous campaign. Figures presented resulted from Member States forecast figures in September and might be adjusted after Member States have shared their actual harvest figures. Global EU grape must production is expected at 165,6 Mhl. Although there is a general drop in production due to bad weather conditions in some Member States, **Commission** does not expect major problems in the sector as the total harvest is situated at 1% below the 5-year average. The quality is expected to be good to very good for this campaign.

COPA-COGECA explained that, although harvesting is not completely over in France, the quality seems very high. **COPA** said that Italian figures provided highlighted a clear trend: Europe shows now stable production figures and a good quality level. As for Spanish production, figures should be reduced by one million or 1.5 million hectolitres as wine producers suffered from the drought. In Portugal, the situation has been very bad because of a lot of rain in the winter and humidity caused some illnesses. This situation is confirmed by the figures supplied by DG AGRI: -20% compared to previous campaign and -10% compared to the 5-year average. **CELCAA** said that Germany hasn't noted an increase but rather a drop in production. Weather-related problems in Greece were also raised, which explains the decrease in production.

Participants agreed that looking into harvest without looking at other market indicators like stocks and trade data is not sufficient. **COPA-COGECA** and **FoodDrinkEurope** said export of wine is fundamental for the sector.

COPA-COGECA raised again the idea of having an economic observatory for wine. **EFFAT** supported the creation of such observatory, so long as it includes social and environmental issues.

4. Update on the implementation of the new authorization system on vine plantings

The **Commission** stated that on 1st March, Member States made public the percentage of area available, the allocation method, eligibility and priority criteria, and the area with restrictions. By 1st May, they received the applications, on 1st August granted the authorizations and will inform the Commission about granted areas on 1st November. It also explained that Portugal, France, Italy and Germany established regional limits.

COPA-COGECA said it would be also relevant to look at the list of priority criteria to understand why it has not been used in some Member States. It also raised the point that more flexibility should be granted to curb opportunistic trends, as is the case in Italy where applicants outside the wine sector requested authorization for new vine plantings. **FoodDrinkEurope** said that putting some ceiling for the applications could be an option. **EFOW** informed of some problems identified in France with the transfer of re-planting area between different regions.

FoodDrinkEurope recalled that one of the major advantages of this system is to give the wine growing sector security until 2030 and allows it not going to lose its specificities.

COM linked the complexity of the new system to the necessary compromise found to conciliate all the requests and specificities of each Member states. It is natural that unexpected situation might occur during the first year. In those cases, Member States may adjust their national implementation with the tools provided in the existing European provisions. They acknowledged the possibility for fine-tuning or for amending some of the regulatory measures and/or the way they are implemented only if relevant but stress that it would not be possible for 2017. COM also hopes that Member States will accompany their compulsory notification with comments and analysis of the implementation of the new system in Year 1 (2016).

5. State of play of the simplification process of the secondary legislation on wine

Commission stated that a single document with the provisions for GIs, labelling and traditional terms will be maintained.

Commission said that they have been working on new Delegated and Implementing Act for these programmes for the past 2 years. The rules came into effect in July 2016.

Regarding the implementation of the support programmes after 2018, the Commission has presented to Members States, in the framework of the wine committee meeting of 18 October, a draft regulation which will amend Implementing Regulation (EU) 2016/1150 for extending the support programme framework until 2023 with a reservation on the availabilities of funds after 2020.

CELCAA and **COPA-COGECA** welcomed the extension of the National Support Programmes framework until 2023.

Commission answered questions on the difference between authorisations for new plantings, authorizations for replantings and authorizations based on conversion. According to the rules of the new authorization system, authorizations for new plantings (article 64 of reg 1308/2013) are not eligible for financing operations of restructuring and conversion of vineyards. Converted planting rights arising from grubbing up are eligible for financing but those acquired from a reserve or from another producer will only be eligible in the framework of

the current programming period 2014-2018.

6. NSP guidelines for the implementation of the Commission Delegated Regulation EU 2016/1149 and Commission Implementing Regulation EU 2016/1150: state of play

CELCAA asked if they would keep specific measures for wine (as promotion) after 2020 or 2023 and if Commission services have somehow started to assess the possibility of horizontalizing measures, including support measures.

Commission said no official discussions were held on this issues and no impact assessment was carried out yet. However, following observations of, among others, the Court of Auditors, it was clear that some support measures might be included in the horizontal rural development measures.

COPA-COGECA encouraged the Commission to go beyond the deadline of 30 days granted for entries in the register, provided that a check can still be made at any time on the basis of other supporting documents and for products that do not present heavy risks of fraud. **FoodDrinkEurope** asked for keeping the possibility given to Member States to exempt from the use of the electronic accompanying document until the system is ready at national level. **CELCAA** said it supports the initiative of creating an export certificate but some conditions would need to be considered: (1) it should be kept clear that the certificate is to be voluntary, (2) it cannot call into doubt the use of other certificates at the moment, (3) it should be presented as a basis which can be adjusted based on third countries requests and (4) the Commission should commit to selling it in bilateral negotiations.

7. Update on National Support Programmes and perspectives post 2018

Commission said that they have been working on new Delegated and Implementing Act for these programmes for the past 2 years. The rules came into effect in July 2016.

Regarding the implementation of the support programmes after 2018, the Commission has presented to Members States, in the framework of the wine committee meeting of 18 October, a draft regulation which will amend Implementing Regulation (EU) 2016/1150 for extending the support programme framework until 2023 with a reservation on the availabilities of funds after 2020.

CELCAA and **COPA-COGECA** welcomed the extension of the National Support Programmes framework until 2023.

Commission answered questions on the difference between authorisations for new plantings, authorizations for replantings and authorizations based on conversion. According to the rules of the new authorization system, authorizations for new plantings (article 64 of reg 1308/2013) are not eligible for financing operations of restructuring and conversion of vineyards. Converted planting rights arising from grubbing up are eligible for financing but those acquired from a reserve or from another producer will only be eligible in the framework of the current programming period 2014-2018.

8. NSP guidelines for the implementation of the Commission Delegated Regulation EU 2016/1149 and Commission Implementing Regulation EU 2016/1150: state of play

CELCAA asked if they would keep specific measures for wine (as promotion) after 2020 or 2023 and if

Commission services have somehow started to assess the possibility of horizontalizing measures, including support measures.

Commission said no official discussions were held on this issues and no impact assessment was carried out yet. However, following observations of, among others, the Court of Auditors, it was clear that some support measures might be included in the horizontal rural development measures.

8. Codex Alimentarius

DG AGRI explained they are currently working on the authorization principles of additives in Codex and more precisely on how to set the maximum levels of use.

Commission explained that an electronic working group was created by Codex with a participation of 30 countries and 7 observer organizations. In the framework of the consultation, FIVS suggested that the maximum limit should be set with reference to scientifically justified recommendations from the OIV or recommendations from other international inter-governmental organization with recognized expertise in vitiviniculture. In addition this numerical limit should not be stricter than such recommendations.

Commission informed that the electronic working group will be invited to comment on FIVS proposal before 11 November. On 22 November, the conclusions of the electronic working group will be circulated and presented in March at the Codex Alimentarius food additives committee.

CELCAA requested the Commission to actively work on a compromise in the framework of the OIV October General Assembly and suggested the Commission to organize a meeting with the American counterpart in February or early March to secure a deal prior to the Codex meeting (march 2017).

9. Update on TAXUD Evaluation of Directive 92/83/EEC and state of play on distance sales' issue

a) Evaluation of Directive 92/83/EEC

From what **DG AGRI** knows, the outcome is more likely to lead to a status quo than to a reform.

CELCAA encouraged the Commission to ensure that Aromatised Wine Products containing alcohol for the sole purpose of flavouring will be classified in the fermented beverages category – relying on existing and well-functioning EU and national legislations. It also opposed the Consultant's recommendation to afford reduced rates for low strength alcohol, own consumption and for small producers.

FoodDrinkEurope stated that the wine sector is happy with the current classification of alcoholic beverages and recalled that the Directive could only be modified with the unanimity in the Council.

b) State of play on distance selling

DG AGRI explained TAXUD is currently working on distance selling on VAT. Once the work on VAT is advanced enough, they will start working on excise (nothing has been done so far).

FoodDrinkEurope welcomed the initiative and said that the model to be developed should be the same for all types of operators. **COPA-COGECA** stated that distance selling is a great opportunity for winegrowers. It welcomed the Commission's work on the one-stop-shop for VAT, and considered it as a solution to be developed for excise as well. **CELCAA** and **FoodDrinkEurope** expressed the necessity to rapidly develop a better-structured framework and an efficient fiscal system concerning distance selling and the one-stop-shop.

Disclaimer

"The opinions expressed in this report represent the point of view of the meeting participants from agriculturally related NGOs at Community level. These opinions cannot, under any circumstances, be attributed to the European Commission. Neither the European Commission nor any person acting on behalf of the Commission is responsible for the use which might be made of the here above information."