



Brussels,  
AGRI.DDG3.G/MS/RR(2021)3579927

## MINUTES

### *4<sup>th</sup> Meeting of the Expert Group Wine Market Observatory*

*Via videoconference (Interactio)*

**06/05/2021**

Chair: João Onofre (Head of Unit)

Present: all organisations were represented. All member organisations mentioned in the annex were present. DG AGRI: Unit G.2.

#### **1. Approval of the agenda and of the minutes of previous meeting:**

The meeting was opened by Head of Unit of G2, Joao ONOFRE, who chaired the meeting. Due to the COVID restrictions in Belgium, the meeting was held via videoconference with interpretation from FR – EN – IT – ES to FR – EN – IT – ES.

The Members of the Observatory approved the previous meeting's minutes and the agenda of the present one. Next, the chair reminded the objectives of the Wine Market Observatory (WMO) and stressed the necessity of the Members' commitment to make this initiative a success.

#### **2. Nature of the meeting:**

The purpose of this non-public meeting was to specify the expected short-term objectives of the WMO, as well as the role of each of its Members.

#### **3. List of points discussed:**

##### **3.1 Wine Market Observatory roadmap for 2021 (Deliverables and Vademecum):**

Commission services gave a presentation of the Vademecum which was drawn up with a view to specifying, clarifying, and planning the expected achievements of the WMO.

Commission services reminded the Members of the objectives and the scope of the WMO. In particular, the WMO shall:

- provide DG AGRI with most relevant knowledge of the market, which should include the information on the variety of prices set, production volumes, stocks, trends, consumption;
- provide DG AGRI with advice and expertise regarding the economic factors affecting the developments in vine growing and wine markets;
- provide DG AGRI with "first hand" information about the market situation including relevant data sets;
- highlight and assess the current market situation for the sake of economic operators and Commission services;
- identify and analyse wine market trends and challenges;
- contribute to the improvement of the price reporting system;
- contribute to the reports by virtue of expertise, discussion and written contribution;
- support the Commission services with impact assessments or any other pertinent background information in relation to the new policies.

Commission services underlined the importance and usefulness of the work of the WMO to improve knowledge on the wine market situation and to be able to assess short, medium and long-term trends. This was particularly relevant in the current crisis situation where policy decisions were being made. It was essential to have accurate and reliable data to underpin the decision making process. The example of consumption figures was given to illustrate a crucial market indicator.

Commission services presented also the working arrangements of the WMO (composition of the group, timeline, working languages, working documents and their publication, indicators and roadmap) and focused on the necessity to build-up by the end of this year a reliable, efficient and transparent new prices monitoring system.

### **3.2 The data sources to support the wine sector monitoring and the survey**

#### **- Analysis:**

Commission services thanked the Members of the WMO for their participation in the survey and presented the data they provided.

The questionnaire focused on three themes:

- in which segments of the wine circuits are statistical data available, external to those we already have?
- in what form do they exist?
- are there other themes than those suggested in this survey that the WMO should deal with?

The main points of interest underlined and presented by Commission services after studying this survey were the following:

- price data on the domestic market exist: 6 available sources are identified by the Members of the WMO,
- the level at which prices can be reported: two interesting access points are mentioned: at **producer** level (6 sources) and at **consumer** level (3 sources),
- on the other hand, at the intermediate level (traders) and on trade (restaurants), there seems to be much less data. A member of the WMO mentioned that this is due to fiscal reasons, and to the reluctance of the players in these sectors to publicly reveal the margins they achieve on sales in hotels and the catering industry.
- information on intra EU (6 sources) and extra EU (4 sources) consumption can also be used, as well as consumption by type of wine.

For other subjects raised in the survey (health analysis, organic wines, market developments), there are much less data available. However, this seems to be less important to monitor in the very short term.

Commission services detailed then the origin of the sources of data proposed by the Members of the WMO, and underlined the disparity of data and formats, which is a recurrent problem in the wine sector: Ministries, Isstat, OIV, Eurostat, Trade data, direct experience, Wine monitor Nomisma, etc...

Another idea was raised several times: to buy data on consumption, prices and market developments directly to Nielsen. Commission services declined this proposal, as this would raise ethical issues and challenge the real existence and role of this WMO.

Regarding other topics that the WMO could address, three corresponding topics to improve price monitoring were identified:

- the monitoring of direct sales in small farms and in wine tourism (ECVC proposal),
- the E-commerce sales (EFOW proposal),
- and the repartition of value in the cycle of distribution market (IRTA proposal).

The main question raised afterwards was how to use and aggregate these data to create later on a new meaningful wine prices market dashboard.

Commission services proposed to proceed as follows:

- 1) to focus on producer prices first, then on consumer prices,
- 2) to define what types of wines will be analysed. To go along with what we already have in our statistical data, the Commission services suggested the use the following categories, using a monthly frequency, to begin with but this frequency should be reduced in the future,
  - Category 1 - Still wines PDO / IGP / Grape varieties / Others,
  - Category 2 - Sparkling wines,
  - Category 3 - Bag-in boxes,
  - Category 4 - Bulk wine,
  - Then, by colours,
- 3) and finally to build a dashboard that will group together the data sent by the members (see annex 1).
- 4) Commission services suggested that, on the basis of the information provided in this survey, Members of the Observatory select a range of criteria (MS involved, selected wines, sources of data that will feed the future index). This should be done by the end of June by using a template, which Commission services will provide to Members as soon as possible (see annexe 1).
- 5) Commission services will then analyse and summarize the Members proposals during the summer, so that the result could be presented at the next WMO in November.

#### **4. Discussion:**

Members of the WMO agreed with this approach and to provide the necessary information for a better monitoring in the wine sector:

- Eurocommerce can provide data on hypermarket sales in FR,
- COPA / COGECA proposes that the members agree on the criteria to be selected. Data can be collected in IT on producer prices. It will be more complicated for the selling prices of bottled wines. In DE, data are coming from Nielsen and there are no information on producer prices.
- EFOW is also ready to participate in the process and has data on production prices. In catering, it is more difficult to collect data (for tax reasons) but for e-commerce, it would be worth analysing further.
- IRTA underlines that the price situation is very heterogeneous, but that it is possible to use the European and Spanish accounting network, as well as data from the Wine Observatory in Barcelona to follow the evolution of grape production costs.

Commission services ended by recalling that this exercise, if successful, could eventually lead to a review of the current legislation on price monitoring in the wine sector in order to bring the framework closer to today's market reality. Price recording is indeed a very complex matter, and expertise of the Members of the WMO is really needed to reach the objective to build a new adequate & efficient price reporting system.

#### **5. Conclusions and next meeting:**

Commission services took note of the experts' comments and feedback, and counts on their full active support for the further improvement of the WMO. The chair thanked experts for their participation. The meeting was opened at 14h30, and ended at 15h45.

The next meeting is foreseen on 9 November 2021.

#### **6. List of participants:**

See at the end the table

(e-signed)

Michael SCANNELL

List of participants– Minutes  
**Meeting of the Expert Group Wine Market Observatory**  
**06/05/2021**

ASSOCIATION OR ORGANISATION	NUMBER OF PERSONS
Comité Européen des Entreprises Vins (CEEV)	1
Confédération européenne des vignerons indépendants (CEVI)	1
Eurocommerce	1
European Coordination Via Campesina (ECVC)	1
European Council of Young Farmers (CEJA)	2
European agri-cooperatives (COGECA)	1
European farmers (COPA)	2
European Federation of Origin Wines (EFOW)	2
Institut de Recerca i Tecnologia Agroalimentaria (IRTA)	1
<b>TOTAL</b>	<b>12</b>

Annex 1: Draft proposal for a new price reporting system:

MONTHLY WINE PRICES REPORTING		Month:	In € / Hl												
Member State	Category	Producer level	P.D.O. wines			P.G.I. wines			Varietal			Other wines			Average
			Red	White	Rosé	Red	White	Rosé	Red	White	Rosé	Red	White	Rosé	
Germany	Sparkling wines	Wine 1													
Greece		Wine 2													
Spain		Wine 3													
France		Wine 4													
Italy		Wine 5													
.....	etc ...														
	Still wines bottled	Wine 1													
		Wine 2													
		Wine 3													
		Wine 4													
		Wine 5													
	etc ...														
	Still wines bag-in box	idem													
	Other wines	idem													
	Bulk wines	idem													
Member State	Category	Consumer level	P.D.O. wines			P.G.I. wines			Varietal			Other wines			Average
			Red	White	Rosé	Red	White	Rosé	Red	White	Rosé	Red	White	Rosé	
Germany	Sparkling wines	Wine 1													
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Italy		Wine 5													
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