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## MINUTES

### *Meeting of the CDG on Agricultural Markets - Wine*

**10 November 2023**

Chair: DG AGRI E.2

Following organisations were represented: CEJA, CELCAA, CEVI, COGECA, COPA, ECVC, EFOW, EuroCommerce, FoodDrinkEurope and IFOAM

#### **1. Adoption of the agenda**

Agenda was adopted.

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

Hybrid – non-public

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

##### **2.1. Packaging and Packaging Waste (PPW) review: state of play and impact on the EU wine sector**

The Commission updated on the latest developments in the co-decision process for adoption of the Packaging and Packaging Waste Regulation, as adopted by the Commission in November last year. The Commission focused its intervention on the latest discussions concerning reuse targets and minimisation requirements, which are of specific relevance for the wine sector.

The Commission took note of the concerns expressed by the participants, which focused on the need to exempt wine from the mandatory reuse targets (and that this exemption should include aromatised wine) and on the need to exclude packaging protected under PDO as well as packaging “shape” from the minimisation requirements.

##### **2.3. Wine labelling within the new CMO Regulation**

The Commission presented an update on developments since the last meeting, in particular: a) the publication, on 8 August, of the new delegated regulation (DR (EU) 2023/1606, of 30 May 2023, providing rules on, inter alia, the presentation of compulsory particulars and on the indication and designation of ingredients for

grapevine products; b) the publication of a Corrigendum to Regulation (EU) 2021/2117, amending the CMO Regulation by rectifying its Article 5(8), on the transitional provisions for wine; c) A draft Q&A document widely discussed with Member States since April 2023, containing 40 questions and answers structured in 3 sections (List of Ingredients, Nutrition declaration and Electronic Labelling) that would be adopted by the college in the coming days (finally it was adopted on 22 November and published in the OJ on 24 November).

CELCAA thanked the COM for providing legal certainty through the guidance, but showed concern on the reply to Question 38 on the identification of the QR code, arguing that it would be disruptive for operators to change labels already printed and attached to bottles, and pointing to possible problems with the use of languages on the text presenting the QR code. CEVI, supported by CELCAA, showed concern about the timing of publication of the guidance document. COPA recognised the great advantage electronic labels represent for the wine sector, but asked the possible consideration of language-free labels (i.e. by using the “i” symbol). Cogeca asked for more precision on the individual oenological practices that could be allowed before and after a product can be considered ‘produced’.

The Commission took note of all concerns, and reminded the limited empowerment received in the CMO to provide rules only regarding the list of ingredients; on other topics (nutrition declaration, and on the electronic means) the Commission could only interpret the legislation on info to consumers that applies to wines (stemming from the CMO and the FIC). On the ‘i’ to present the information by electronic means, the Commission insisted that the interpretation given is the only legally sound and recalled the rules for electronic labelling not allowing to link the compulsory information with information with commercial purposes. The Commission insisted that the language regime specific to wine labelling has not been modified and applies also to the new labelling particulars. On possible conflicts with national laws of third countries, a specific legal provision in the CMO avoids them to happen. On specifying oenological practices before and after wine is ‘produced’, the COM replied that the reply to the question in the Q&A is explicit enough.

#### **2.4. Wine National Support Programmes: state of play**

The Commission presented the state of play of the expenditure of the national support programmes for wine by the 15th of October 2023. At the end of the financial year 2023, 978 Mio €, or 92.1% of the NSPs maximum financial envelopes had been spent. This amount improves the execution of the previous year (89.6%) but represents an under-execution of 84 Mio€.

Main actions financed so far are, in descending order: a) Restructuring and conversion (328 Mio €); b) Investments (319 Mio€); c) Promotion (179 Mio€); d) By-product distillation (82 Mio€); e) Crisis distillation Covid (34 Mio€); f) Crisis distillation market crisis: 10 Mio€ (only France).

CELCAA regretted the underutilisation of the budget, while CEVI asked for more flexibility for small producers, COPA blamed on the many challenges faced by the sector and the difficulty to invest and asked for increased support and more flexibility.

#### **2.5. Wine market situation and trade developments: presentation and round table**

The COM presented the market situation.

Production: estimated wine and must production 2023/24 notified by Member States by the end of September stands at 154 Mio HI (7% decrease from previous campaign), below the five-years average (-4%), with IT, FR and ES totalling 80% of the Union production. PT increased production, FR kept slightly (3%) above their five-years average, and IT (44 MioHI, 12% drop compared to 2022), and ES (35 MioHI, 15-16% below 2022) notifying decreasing volumes, due mostly to climatic hazards and associated vine diseases. A majority of EU wines are quality wines (47% PDOs, 22% PGIs). Over the last decade, there is a trend towards a slight increase in the production of PDOs and varietal wines, a stability of the level of production of PGIs and a downward trend in the production of wines without appellations.

Exports achieved a record in value, with 17.9 Bio€ (+4%) compared to 2021/22 (+692 Mio€). However, there is a slowdown in exported volumes as from April 2023. Over the entire 2022/23 campaign, exported volumes fell by 1 MioHI (-3% compared to 2021/22) totalling 31 MioHI, showing for the first time a decrease in the last 5 years. Possible reasons are a reduction in wine consumption, the energy crisis and the disruptions in the global supply chain, and inflation. Quality wines (PDOs/PGIs) represent 72% of the volume exported, with bottled still wines on the lead (67% of volume), followed by sparkling wines (20%) and bulk wine (10%). Italy is the exports leader (33% of volume), followed by France (23%) and Spain (20%).

Stocks: at the start of the 2023/24 campaign, they amount to 180 MioHI: 56% of red and rosé wines, and 44% of white wines. Most stocks are PDO wines, held by producers (60%) and traders (40%). Over 5 years, there is an upward trend in stocks of red wines while those of white wines tend to decrease. This tension on stocks should be partly alleviated by the crisis distillation measures adopted in June 2023: it is expected that 3.8 MioHI should be withdrawn from stocks by 31/01/2024, mainly in France, but also in Italy, Spain, Portugal, Germany, and Hungary.

CELCAA pointed out that consumers are evolving, competition is intense, and new consumers have different tastes, and the wine sector should be able to respond to this societal change. Cogeca and CELCAA asked for enhanced cooperation between the Commission and associations to support the sector along the needed transition, aiming at revising the policy framework, notably on the production side.

The Commission informed the group that the Expert Group Wine Market Observatory will start a reflection with experts on the current wine market situation to have the full picture of the situation and address reasons for concern, be they conjunctural and structural.

## **2.6. The wine market in the USA. State of play and prospects - presentation followed by discussion**

The CELCAA representative provided a presentation of the situation of the USA market. In 2021, wine accounts for only 10% of the total beverages market, with beer dominating at 70%. Among consumers, 70% prefer domestic wines, and 50% of total imports are from the EU. In the US, new generations allocate less spending on wine, associating it with special events rather than daily consumption. Notably, online wine sales constitute 9% of total sales, prompting increased investment in e-commerce. The wine sector allocates \$90 million to marketing, while the beer sector dedicates \$900 million. The presenter suggested the need to reconnect with the new generation

of consumers by crafting a fresh message. Young generations are particularly interested in organic wine, the production process, and sustainability.

CEVI pointed out that organic wines are defined differently in the EU and the US and highlighted that convergence between the two sets of legislation would be beneficial by fostering clarity and consistency across regions.

## **2.7. Revision of Geographical Indications: state of play**

The Commission gave a presentation on the state of play of the Regulation's on geographical indications revision.

The main achievements of the political agreement reached on 24<sup>th</sup> of October are: strengthening of protection (in particular as regards the use of the GIs in the names of products that use GIs products as an ingredient and on the internet); strengthening of enforcement (in particular as regards the actions to stop illegal use of names and domain names and the attestation of compliance with the product specification); streamlining of the legal framework (only one set of protection rules, one Register and one GI Committee, stricter deadlines, optimisation of procedures). Furthermore the scope has been aligned to WTO agreement on agriculture; a new category of Recognised Producer Groups (RPGs) has been created with additional powers while GI producer groups benefit of a better GIs management. Besides, GI producers are encouraged to incorporate sustainability aspects in the product specifications; the producer's name must be indicated in the same field of vision of the GI to increase the transparency in labelling, PDO and PGI as abbreviations can be used in wine label and controls for food and spirit drinks are back in the GI Regulation (controls for wine remain in Regulation (EU) No 1308/2103). Overall the international credibility of the EU GI system will be enhanced.

Questions were raised if the Commission has already exactly identified the administrative tasks in which it would be assisted by EUIPO and about the yearly Commission report on these activities to the Council and European Parliament. Furthermore, clarifications were asked on transitional period.

Commission replied that the administrative tasks for which such an assistance could be requested have not been identified yet, as well as the content and modality of the reporting. It was explained that the Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union with the exception of some Articles -covering national procedure of opposition and the attestation of compliance with product specification- that shall apply as of 1 January 2025 to allow some MS to adopt the appropriate measures for the implementation of these provisions.

## **2.8. Wine Sustainability certification – presentation followed by discussion**

CELCAA made a presentation. The concept of sustainability holds different meanings, including at the level of producers, governments, retailers, and consumers, each requiring tailored approaches. The existence of different sustainability standards at both national and European levels further contributes to this complexity and can cause perplexity among consumers. Addressing these challenges necessitates a coordinated effort to streamline and harmonize sustainability definitions and labelling practices for the benefit of all stakeholders involved.

EFOW proposed to establish specific sustainability criteria, particularly for Geographical Indications (GIs). Conversely, smaller producers should be given sustainability objectives rather than rigid criteria, recognizing their scale and resources, given the cost of certification. Emphasizing the dynamic nature of sustainability, all objectives should be subject to change, reflecting the evolving understanding of sustainable practices. An EU level research project on sustainability in GIs is integral for identifying common grounds, in order to define shared objectives and set up an auditing and monitoring system to enhance sustainability practices within the wine industry. CELCAA said that retailers are setting the rules, and this should be changed to safeguard producers from undue influence or control by retailers.

The Commission referred to the Green Claims initiative, aiming at restricting additional certification and scrutinizing existing certification and audit systems. It invited the sector to reflect on the private initiatives within this framework and with the support of the Commission.

## **2.9. Other**

The Commission provided brief updates on other initiatives, which are further developed in these minutes:

### *Sustainable Use of Pesticide Regulation (SUR)*

Main developments have been as follows since the May meeting:

Commission responded in July to Article 241 Council Decision (requesting COM to submit to the Council a study complementing the impact assessment of the proposal): [https://food.ec.europa.eu/system/files/2023-07/pesticides\\_sup\\_comm-response\\_2022-2572\\_en.pdf](https://food.ec.europa.eu/system/files/2023-07/pesticides_sup_comm-response_2022-2572_en.pdf), with an accompanying cover letter: [https://food.ec.europa.eu/system/files/2023-07/pesticides\\_sup\\_commission-response\\_art-241\\_vp-to-council.pdf](https://food.ec.europa.eu/system/files/2023-07/pesticides_sup_commission-response_art-241_vp-to-council.pdf). The response document was discussed in a public session of the 25 July AGRIFISH Council: <https://video.consilium.europa.eu/event/en/26992>. Discussions in the Council Working Party are ongoing, the ES Presidency publicly stated their ambition to possibly agree a general approach by December. EP COMAGRI adopted its opinion, while COMENVI (lead committee) expected to adopt its opinion soon. EP may adopt its final opinion in plenary in November.

### *Excise duties:*

One-stop shop excise duties: work is still on going, and the Commission will come back to stakeholders when sufficient progress has been achieved. The revision of excise duties on alcohol and alcoholic beverages: the process for evaluation of the Directive has not started. Stakeholders will be informed in due course.

### *Health warning on alcoholic beverages*

On the Europe's Beating Cancer Plan and the Commission's intention to work towards alcohol health warnings, preparatory work and evidence-gathering on potential initiatives are ongoing.

## **10. AOB**

Sweden enforces a strict alcohol sales model through Systembolaget, which holds a near-total monopoly on consumer alcohol sales, with limited exceptions for restaurants, duty-free, and private import. The recent government intends to permit alcohol producers, like vineyards, to sell directly on-site, exclusively for local producers. During the meeting, the European Commission was alerted to Sweden's action, as it was deemed a trade barrier and a potential disruption to the single market.

The Commission informed the group of the tentative dates for next year meetings: 14 May (hybrid) and 15 November (online).

#### **4. Next meeting**

Next meeting is planned to take place next 14 May, 2024. (Tentative)

#### **5. List of participants**

In annex.

(e-signed)

Pierre BASCOU

Annex. List of participants– Minutes  
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CEJA - European Council of Young Farmers
CELCAA - European Liaison Committee for the Agricultural and AGRI-Food Trade
CEVI - Confédération Européenne des Vignerons Indépendants / European Confederation of Independent Winegrowers
COGECA - European agri-cooperatives / General Confederation of Agricultural Co-operatives of the European Union
COPA - European farmers / Committee of Professional Agricultural Organisations of the European Union
ECVC - European Coordination Via Campesina
EFOW - European Federation of Origin Wines
EuroCommerce
FoodDrinkEurope
IFOAM - International Federation of Organic Agriculture Movements European Regional Group