



Support Programmes for the Wine Sector in the Context of the Common Agricultural Policy



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Drama, Greece, 18-19 November 2014

Topics



1. Context of the common agricultural policy (CAP) for wine

- The 2008 wine reform: objectives and outcomes
- The wine sector in the post-2013 CAP

2. The National Support Programmes (NSP) in the wine sector

- Focus on measures aimed to increase the competitiveness of the sector

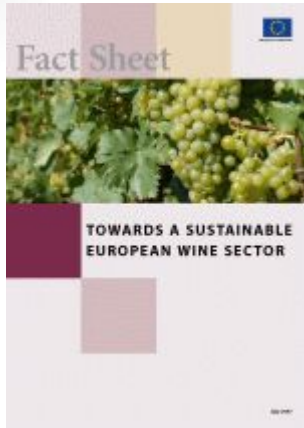




Why a reform of the wine sector in 2008?

- **Market imbalance:** 63% of EU funds = intervention measures
→ up to 40 M hl distilled yearly (20% of harvest)
- **Lack of competitiveness** of EU wines and loss of market shares





Objectives of 2008 Wine Reform

- *To increase the competitiveness of the EU wine sector*


1st phase (2009-2012) rebalanced the market:

- ✓ elimination of wine surpluses through distillation measures
- ✓ grubbing-up uncompetitive vineyards
- ✓ introduction of National Support Programmes (NSP)

2nd phase (2013-...) increases the competitiveness:

- ✓ *focused on structural measures*





Key points

Key Points of the 2008 Wine Reform

1. **National Support Programmes (NSP)**
2. **Abolition of planting prohibition** scheme
3. Improvement of quality policy (**Labelling rules, PDO/PGI**)



After 5 years ...

Use of National Support Programmes 2009-2013 by Measure

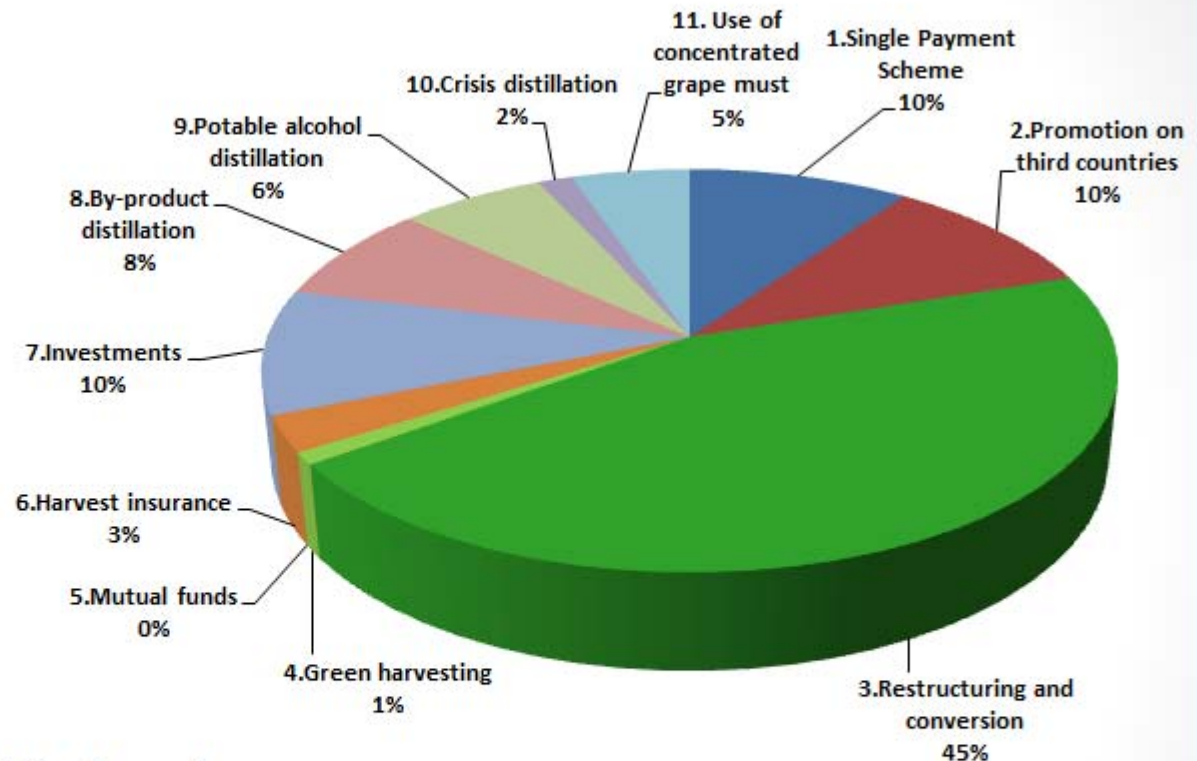
18 NSP:

BG, CZ, DE, EL, ES,
FR, IT, CY, LT, LU, HU,
MT, AT, PT, RO, SI, SK, UK

Total EAGF budget for wine:

6 884 M €

1. NSP: 5 319 M €
2. Transfers to RD: 491 M €
3. Grubbing-up: 1 074 M €



• Positive outcome of the 2008 wine reform:

- High execution rates of NSP (98%); MS & stakeholders expressed interest in their continuation
- Intervention measures phased out smoothly and without major problems
- 60% of NSP devoted to structural measures (promotion on TC, investments and restructuring and conversion)
- Contribution to improvement of competitiveness: more exports



And now?

The Wine Sector in the Context of Post-2013 CAP → Focus on National Support

Programmes (NSP)

General principle: Post-2013 CAP (R. (EU) No 1308/2013) largely keeps the decisions taken in the 2008 wine reform

Novelties concerning NSP:

➤ Three new eligible measures/sub-measures:

- **Promotion in Member States:** Information actions on responsible consumption and the EU PDO/PGI system
- **Innovation** in the wine sector
- **Replanting of vineyards** following compulsory grubbing-up due to health/phytosanitary reasons

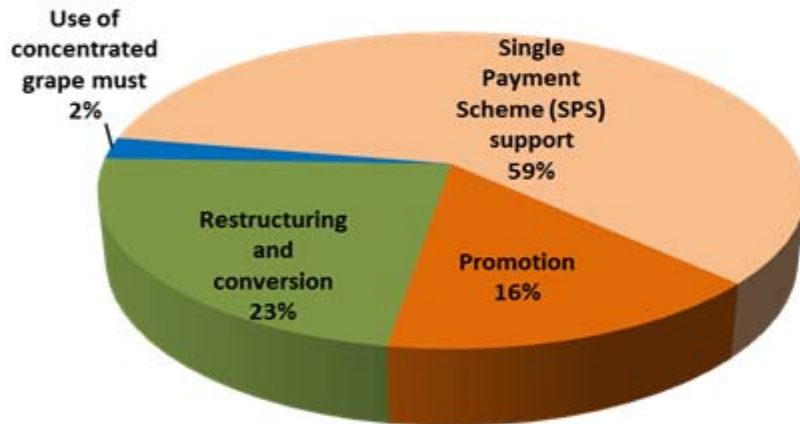
➤ 19 NSP for 2014-2018 approved

- **Total EU budget for NSP:** 6 214 M €
- **9 specific support measures** for the wine sector
(promotion, restructuring and conversion of vineyards, investments, innovation, harvest insurance, green harvesting, mutual funds and by-product distillation + transfers to single payment scheme)



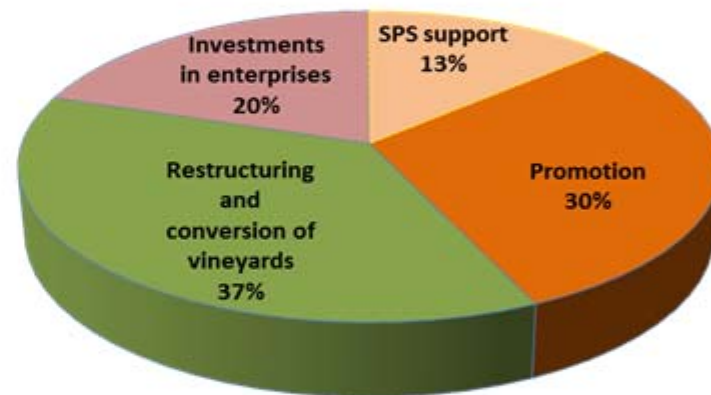
The National Support Programme of Greece

Allocation of Support Measures in Greece NSP 2009-2013



- **Financial envelope** of Greece: 101.5 M €
- Absorption rate: 97%

Allocation of Measures in Greece NSP 2014-2018



- **Financial envelope** of Greece: 119.815 M €
- **Promotion** grows in importance
- Introduction of **investments** measure



Promotion in Third Countries



EU

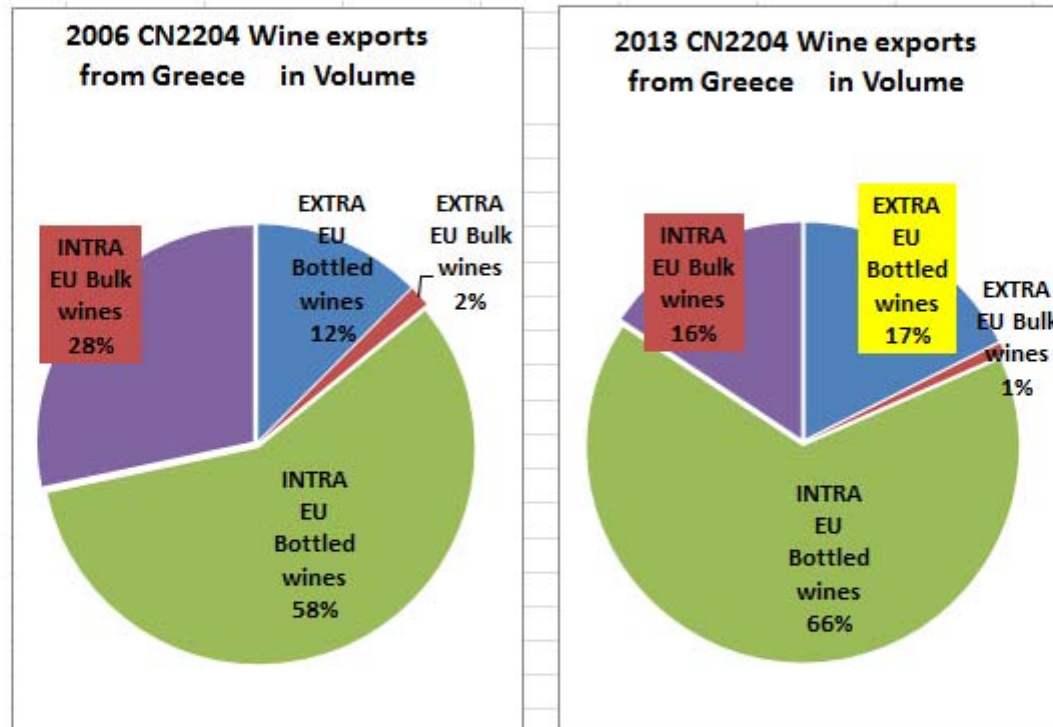
- **Successful measure:** absorbed ~ 10% of the EU NSP budget
- **Objective:** improve the competitiveness of wines with PDO/PGI or varietal wines
- **Led to increase of exports** in third countries
- **Commission Guidelines on Promotion** approved in 2013

Greece

- 15 M € spent through the NSP in 2009-2013
- 51 beneficiaries
- **Results:**
 - **Opening-up new markets**
 - Presence **consolidation** on **traditional markets**
 - Positive impact on export of Greek wines to **targeted markets: United States, Canada, Russia, Australia, China**
- **Union contribution:** up to 50% of the eligible expenditure
- **State aid** granted up to 30%



Wine exports from Greece



- Total Greek Wine Exports in 2013: 241 000 HI (~ 8% of production)
 - **Increased share of bottled wine exports** to both Extra EU and Intra EU
 - **Downward trend of bulk wine exports**





Restructuring and Conversion of Vineyards

EU

- Main measure of the 2009-2013 NSP
 - 45% of the NSP funds spent (i.e. 2,3 M €)
- Objectives:
 - increase the competitiveness of wine producers
 - improve sustainable production systems and the environmental footprint of the wine sector
 - better adapt MS production to the new market demands
- Activities:
 - varietal conversion
 - relocation of vineyards
 - improvements to vineyards management techniques
 - replanting of vineyards following mandatory grubbing up for health or phytosanitary reasons

Greece

- 2nd main measure (23%), after SPS, in 2009-2013
- ~ 2000 ha of vineyards (3% of area) restructured or converted in 2009-2013
- Increased interest manifested for this measure
- Positive evaluation by Greece





Investments & Innovation

- **Objectives:**
 - to **improve the overall performance of the enterprise** and its **adaptation to market demands**, as well as to **increase its competitiveness**
 - to **increase the marketability** and competitiveness of **grapevine products**
- At EU level, **investments** was the **2nd top measure** after restructuring and conversion in terms of allocated funds, **along with promotion and SPS**
- Between 2009 - 2013, the amount of aid allocated to investment aid has been multiplied by 11 (2009: 19 M €; 2013: 210 M €)
- 10% allocation in 2009-2013; 20% in 2014-2018
- **Greece introduced the investments measure** in its 2014-2018 NSP





Conclusions

- **Wine CMO reform positive for the EU wine sector**, with structural changes happening
- **NSP proved to be a coherent package of incentives** for wine operators
- Administrations should **focus on the use of structural measures**, to further simplify procedures and adapt to the needs of the EU wine sector
- The EU policy aims to help the EU grape producers and the wine sector **to further adapt to the market trends** and **to continue improving its position** in domestic and foreign markets





Challenges and Opportunities

- **Winegrowing – one of European agriculture's most dynamic sectors & competitive industries worldwide**
- **To maintain that trajectory:**
 - **Innovation and research** – essential: from the grapes on the vine to the wine in the bottle
 - **Investments** – required for maintaining the competitiveness of the sector and for becoming a leader in sustainable agricultural practices and innovative products
 - **Promotion** – encouraged so as to further strengthen the reputation of high-quality wines from the European Union. At the same time, producers are encouraged to preserve the best traditions of winegrowing, and to maintain links with their particular region, its culture and its history.
- EU wine sector needs **to further adapt to a growing world market**, stop losing market shares in key markets and continue improving its position in emerging markets





*Take home message

A good wine has to maintain its reputation, be in tune with consumer tastes, find new markets and.... be consumed in moderation. Answer the challenge to make the most out of the elements of tradition, authenticity and identity of the wines of your regions, while keeping the pace with the dynamics and demands of the sector!

