Common organisation of the market in wine

2007/0138(CNS) - 12/12/2007 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution based on the report drafted by Giuseppe **CASTIGLIONE** (EPP-ED, IT) by 497 votes for, 109 votes against and 89 abstentions, and made several amendments to the proposal a Council regulation on the common organisation of the market in wine.

The main amendments adopted in plenary were as follows :

Support Programmes: Parliament proposed that national aid programmes should be used not only to focus on support for third countries but also on areas affecting the internal market such as: restructuring of the sector, crisis prevention, research and development, cultivation practices and environmental standards, improvement of grape and wine quality, private storage of wines, alcohol and musts. A producer shall be eligible for more than one measure during the same campaign. Member States may, with the agreement of the Commission, include new measures in their support programmes. Moreover, support measures in third countries may cover the labelling of wines support programmes for the protection of wine geographical indications at international level, educational measures based on scientific studies into the beneficial effects of moderate wine consumption, and actions designed to improve knowledge of the market. The support shall be granted primarily to those measures which are carried out on the basis of partnerships between EU operators. The Community contribution to promotion activities must not exceed 50% of the eligible expenditure. In regions classified as convergence regions in accordance with Regulation (EC) No 1083/2006, the Community share of the costs of promotion must not exceed 75%. However, that share may rise to 100% in the case of programmes designed to protect geographical indications at international level and programmes involving actions or studies relating to the combating of wine-product counterfeiting in third countries and the removal of technical and plant-health obstacles.

Crisis Prevention: crisis prevention means all the cultivation, agricultural or oenological practices intended to curb the quantities of grapes produced or reduce grape to wine processing yields. Support for crisis prevention measures may consist of the granting of compensation in the form of a payment proportionate to the reduction in the quantities of grapes or wine produced as a result of the use of an identified practice.

Cross-compliance: Parliament deleted the Articles where farmers are penalised for non-compliance with the statutory management requirements and the good agricultural and environmental condition referred to in Regulation (EC) No 1782/2003.

Rural development: the article concerning the financial transfer of funds to rural development budget has been deleted.

Addition of sucrose/aid for must: Parliament proposes to maintain aid for concentrated or rectified grape must used to increase the alcoholic strengths of wine products. It also proposes to retain the option of adding sucrose in those wine-growing zones where the use of sucrose is traditionally allowed. The addition of sucrose may only be performed by dry sugaring and only in wine-growing regions in which it is traditionally practiced in accordance with legislation in force on 8 May 1970, in cases where, owing to unfavourable climatic conditions, this practice is necessary in order to obtain the minimum alcohol strength. Parliament also proposes that the limits on increases in the alcoholic strength may be reduced gradually following the impact assessment into the reform to be carried out by the European Commission in 2012.

Oenological practices: Parliament proposes that a positive list of the oenological practices permitted on Community territory be established. The Council should continue to be responsible for updating those practices and approving new ones. Parliament is also opposed to the idea that oenological practices and restrictions recognised by the International Organisation of Vine and Wine (OIV), and not the authorised Community oenological practices and restrictions, shall apply to products covered by the Regulation which are produced for export.

By-products of winemaking: in order to guarantee the quality of wine intended for the market and to safeguard the environment, Parliament proposes to maintain by-products distillation by prohibiting the overpressing of grapes and paying an aid for the collection and distillation of by-products. Under no circumstances may the alcohol obtained from such distillation be destined for human consumption. In years when climatic conditions have been exceptional and, despite regulatory agricultural measures to prevent surpluses, very high levels of production are anticipated, bringing with them the danger of serious market disruption, the alcohol content of the by-products may be increased so as to avoid surplus production entering the market. Such an increase may be applied in specific Member States or regions in response to market conditions. In such cases, flat-rate aid shall be granted to producers. Parliament specified that the overpressing of grapes, whether or not crushed, and the pressing of wine lees shall be prohibited. The refermentation of grape marc for purposes other than distillation shall be prohibited. The quantity of alcohol contained in the by-products must be at least equal to 10% in relation to the volume of alcohol contained in the wine produced if the wine has been made directly from grapes. Save in the case of derogations for technically justified cases, it may not be less than 5% where the wine has been made by vinification of grape musts, partially fermented grape musts or new wines in fermentation.

Potable alcohol: Parliament wished to preserve aid for distilling potable alcohol, which could be granted via national budgetary envelopes. A new clause states that the Community may establish aid for the processing of wine to be used in food products. The purpose of that aid shall be to support the wine market and hence the potable-alcohol sector in cases where the use of such alcohol is traditional and there is a market outlet.

Designations of origin and geographical indications: Members considered it essential that the production, including processing and preparation, and, where appropriate, refining and bottling, of protected designation of origin wines and protected geographical indication wines should take place in the geographical areas in question. These areas may, in exceptional cases, correspond to the territory of a small Member State and a derogation is envisaged which would enable such wine to be obtained or worked in a neighbouring zone provided that it is expressly authorised by the Member State concerned. The Commission, acting on the basis of a duly substantiated request from a Member State, a third country or a natural or legal person having a legitimate interest, shall take action to ensure the effective protection of the protected designation of origin or protected geographical indication. Producer Member States may, taking due account of fair and traditional practices, lay down all additional or more rigorous requirements or production, preparation and movement conditions for wines with protected designations or origin or geographical indications.

Labelling: Parliament stated that the description, designation and presentation of the products covered by this Regulation are a decisive factor in their marketability. As regards labelling, distinctions based on the different categories of wine should be maintained, as should a system to protect existing traditional terms, so that the product can be identified and consumers provided with certain essential items of information. The label must contain the name or trading name of the bottler, the district and Member State in which the bottler is established. Such information shall appear in characters of the same size and must always be preceded by the words 'Bottled by' or variants of these which are authorised under Community or Member-State law. Where bottling or shipping takes place in a district other than that of the bottler or shipper or in a neighbouring district, the labelling information shall be accompanied by a remark specifying the district in which the operation has taken place. Where bottling or shipping takes place in another Member State, that Member State shall be indicated. The Parliament’s text specifies that the marketing in the Community

of products governed by the Regulation that have been labelled in a manner contravening its provisions shall be prohibited.

Restricted market access: a new clause states that a duty shall be levied on imported wines not produced and prepared in accordance with the minimum environmental protection standards applicable to domestic wine growers. The revenue from this duty shall be paid into a fund from which, in keeping with the principle of sustainable rural development, resources shall be made available for projects which foster more environmentally-friendly production practices in third countries.

Planting rights: Parliament opposes the full liberalisation of planting rights as of 1 January 2014 for wines protected by designations of origin and geographical indications. For other wines, it believes the decision to liberalise should be taken in the light of a report, to be produced by 2012, on measures for balancing the market. If regional reserves exist in a Member State, the Member State must lay down rules permitting the transfer of planting rights between regional reserves. If both regional and national reserves exist in a Member State, the Member State must also allow for transfers between those reserves. The Chapter on planting rights will not apply in Member States where wine production does not exceed 50 000 (rather than 25000) hectolitres per wine year.

Grubbing up: Parliament states that the package of subsidies for grubbing up over five years should be distributed over three years, so as to allow winegrowers wishing to stop production to do so as quickly as possible. The amounts in question are as follows: EUR 510 million for 2009/2010, EUR 337 million for 2010/2011, EUR 223 million for 2011/2012 instead of EUR 430 million for 2008/2009, EUR 287 million for 2009/2010, EUR 184 million for 2010/2011, EUR 110 million for 2011/2012 and EUR 59 million for 2012/2013. Parliament also stressed that the scales proposed by the Commission for the grubbing-up premiums should set the minimum and maximum levels of premium that Member States can grant, on the basis of yield.

Implementation of the reform: Parliament considered that the time limit set out by the Commission was unrealistic (1 August 2008), and it therefore proposed that this date be postponed until 1 August 2009.