

The Reform of the Common Organisation of the Market in Wine

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Wine holds a very important position in European agriculture. The EU is the major producer, consumer, importer and exporter of wine in the world. There are around 2.4 million wine producers in the EU, and 2.2 million people work (in full-time equivalent) in the wine sector. EU wine production represents 5% of the total value of agricultural production, although in some regions this percentage may reach 25-30%.

What is the problem then? In the last decade wine consumption has been decreasing in the EU, mainly in the wine producing countries. On the other hand, in northern EU countries - where people are drinking more wine than before - the consumers choose New World wines. European winemakers are therefore losing market share while imports from Third Countries are increasing rapidly.

The consequence has been the increase of wine stocks during the last years, which has created a serious imbalance on the wine market. For this reason, around 500 million € out of the 1.3 billion € annual budget are spent simply to get rid of wine that has no market.

Therefore, the main objectives of the wine CMO reform are to:

- use the budget more intelligently in order to help our 2.4 million winegrowers to become more competitive
- create a wine legal framework with clear and simple rules
- preserve the best traditions of EU wine production
- inform consumers on moderate and responsible consumption patterns in the context of a healthy lifestyle
- reinforce the social fabric of rural areas
- increase the respect of the environment.

There will be national financial envelopes to allow individual countries to tailor measures to their local situations. This will include support measures for promotion campaigns in third countries while information campaigns within the EU on responsible consumption will be encouraged through the horizontal promotion programmes, for which the annual budget will be increased. These information actions have also been included among the objectives of the inter-branch organisations.

The recent wine CMO reform takes due account of health and consumer protection, mainly by envisaging the gradual removal of market measures that have led to the production of low quality wine. Europeans must be encouraged to "drink less but drink better" and the production of cheap and low quality wines will no longer be supported. The challenge today is to make a clear distinction between the advantages of a responsible drinking behaviour and risks associated with harmful alcohol consumption.

The new regulation will also reduce the possibility to increase wine alcohol content through enrichment. The principle that high alcohol content is synonymous with the quality of wine cannot be supported anymore. Moreover, consumers are starting to ask for and enjoy low alcohol wines. This new attitude must be supported and does not justify an excessive enrichment of wines.

The proposal has been adopted by the Commission on 4 July and a political agreement within the Council has been reached on 19 December 2007. The reform will come into force on 1st August 2008 (first phase).