

FOLLOWEFOW

The word of the President

Dear reader,

The ongoing reform of the Common Agricultural Policy (CAP) is a strategic issue for EFOW.

Discussions on the Multiannual Financial Framework are ongoing and it is crucial that Agriculture remains a priority of the European Union with an allocated budget which reflects the challenges we face.



EFOW and its members are strongly committed to the CAP reform process. We have made important proposals to the European Institutions on several fronts: from the quality policy to the management of our holdings.

As far as the quality policy is concerned, it is essential to have an ambitious and modern European legal framework. Europe must be at the forefront of Geographical Indications (GIs) protection at the international level and, to do so, we need rules which allow us to adapt to new realities. This is why EFOW proposes to strengthen the protection of our GI wines in order to effectively fight against usurpations on the Internet, especially as far as domain names are concerned, and when our GIs are used as an ingredient. In addition, we believe that the work carried out in the "Lisbonisation" process of Regulation 607/2009, which should considerably simplify procedures to modify specifications by allowing standard amendments to be processed at Member State level and Union amendments at the European Commission level, must be introduced into the Common Markets Organisation (CMO) Regulation. These are essential elements of our legislation which must be present in our main legal text and not simply in a Delegated Act. Finally, EFOW believes, it is crucial to maintain the human factor in the definition of what constitutes a Designation of Origin as man plays an essential role in the production of our PDO wines.

GI wines producers are very attached to the system of planting authorisations, an instrument which allows us to grow and adapt to market demands and which is a key pillar of the European viticulture's success. We do not see

it as a transitional framework and we believe it must be maintained beyond 2030. EFOW calls for this tool to be improved. This requires adapting the definition of holding to viticulture. Today, the holding is defined at the national level and this is not consistent with the regional approach to our production potential management system. In addition, we consider it essential to provide for procedures enabling public authorities to take better account of the opinions of representative professional organisations in order to define together the rules of the game.

European winegrowers are increasingly present on international markets, but competition is fierce. We benefit from valuable support to conquer new markets. However, it is essential that the CMO also provides for the possibility of financing the consolidation of our wine's presence on these new markets.

EFOW proposes that wine-based non-alcoholic beverages should not be regulated by the CMO but in another regulation. We are not against the existence of these products, but we are no fools. What is at stake is the ability for industrial operators to have access to promotion or investment funds from the agricultural budget. It should be noted that wine-based non-alcoholic beverages are processed industrial products which require flavouring in addition to sweetening to give them a drinkable character. The result is an industrial product, of secondary processing, far removed from the agricultural nature of wine. Therefore, if there is a need to regulate these drinks from a legal point of view, let us do so in another regulation such as the one on aromatised wines.

Finally, EFOW supports the introduction in the future CMO of provisions to better inform consumers about the nutritional value and list of ingredients for wine.

In invite you to read below the very interesting interviews of with the Members of the European Parliament, rapporteurs on the Strategic Plans and the CMO who present their proposals for the future CAP.

I wish you a very good read,

Bernard Farges, President of EFOW

www.efow.eu



Event

EFOW, in collaboration with **MEP De Castro** and **MEP Dorfmann**, is pleased to invite you to the European Parliament on 4 December for a seminar on the challenges for GI wines in the digital age.

On the agenda: the latest trends in online sales, innovative projects and a discussion on the difficulties facing GI wines on the Internet.

More information on our website

EFOW's Seminar

“Opportunities and challenges for Geographical Indication wines in the online market”



Interviews

MEP Esther Herranz Garcia (EPP, ES), rapporteur for the AGRI committee of the European Parliament on the CAP Strategic Plans.

Could you highlight the main aspects of your draft report?

The draft report that I prepared contains three key ideas. Firstly, it is essential for the European agricultural sector that the Multiannual Financial Framework retains the budgetary envelope currently available to the CAP. Although the decision does not fall within the competence of the European Parliament's Committee for Agriculture, I believe it is necessary to send a clear political message along these lines to the negotiators.



Secondly, given the timescale we are dealing with and the radical paradigm shift that this reform entails, I propose that the implementation of the strategic plans be postponed to 2023 so that the Member States have a reasonable amount of time to draw them up and avoid any risk of delaying payments to producers. Finally, I believe it is essential to strengthen the common elements of the Agricultural policy. Although a certain level of subsidiarity is necessary for Member States to adapt the CAP to the reality of their territories, this cannot in any way lead to the existence of 27 different Agricultural policies. The main objective is to avoid distortions of competition between Member States and regions.

More specifically, as far as the wine sector is concerned, what do you propose?

In the wine chapter, I propose increasing the EU funding from 50% to 75% to cover the costs of restructuring and conversion of vineyards, regardless of the size of the holding. With regard to the financial support for innovation, I defend the need to offer the same level of the support through national programmes to all companies regardless of their size, as I believe that the efforts made by the largest companies have a domino effect on the rest of companies; that should not be underestimated.

With regard to trade, I believe it is important to support the sector not only entering new markets but also consolidating markets in which European wines are already present. There is no point in conquering new markets if their permanence in time is not guaranteed. I propose increasing the rate of co-financing for promotion from 50% to 80%, matching the level of co-financing that currently exists in promotion measures financed through the horizontal regulation.

When do you expect the future CAP to enter into force?

The European Commission proposes the date of January 2021, coinciding with the implementation of the new Multiannual Financial Framework. However, I do not believe that there is enough time for the Member States to have their strategic plans ready by that date. In the various European fora, the date originally planned by the European Commission has been already dropped because it is completely unrealistic.

MEP Esther Herranz Garcia

MEP Eric Andrieu (S&D, FR), rapporteur for the AGRI committee of the European Parliament on the Common Markets Organisation

Could you highlight the main aspects of your draft report?

While agriculture is facing major farm income issues linked to price volatility and downstream concentration within sectors, the European Commission remains totally silent on the economic part of the CAP. In my report, I propose a real overhaul of the rules to strengthen market regulation. My objective is to create an effective framework for the prevention and management of agricultural crises. This includes holding the Commission accountable by setting a performance framework to force it to act in the event of market disruption. I also propose the introduction of a system of voluntary production withdrawal in the event of a crisis applicable to all sectors. Finally, I propose to strengthen the power of farmers in the food chain, in particular by clarifying the article of the Regulation on price clauses, which is now outdated, and by giving inter-branch organisations the possibility of tripartite contracts for value sharing beyond the first buyer.

More specifically, as far as the wine sector is concerned, what do you propose?

For the wine sector, I call for the maintenance of the system of planting authorisations beyond 2030, while retaining the obligation to carry out an evaluation in 2023.

*I support the Commission's proposal to extend the vine varieties which may be planted to *Vitis Labrusca* species and to lift the ban on the five banned varieties, hence leaving Member States and winegrowers the choice to use them.*



I also propose, in line with the sector's demand, to make the labelling of the energy value of wines and the list of ingredients mandatory. This important information for consumers may be conveyed in a dematerialised form for ingredients and a single symbol could be used for nutritional value in order to overcome the language barrier. Finally, I propose to strengthen the protection of GI wines.

When do you expect the future CAP to enter into force?

The objective is to achieve the reform as soon as possible: the current CAP does not satisfy farmers, NGOs nor consumers-tax payers! However, it is not clear how an agreement could be reached before the European elections in May 2019. The Commission is proposing a simple administrative reform where we are demanding a thorough reform, in order to meet the challenges of climate change, environmental protection and the persistent problems of farmers' incomes.

MEP Eric Andrieu

"Because origin matters"

EFOW is a Brussels-based organisation representing wines with an Appellation of Origin or Geographical Indication from the European Union. As the voice of the European origin wines towards European and international institutions, it is actively lobbying for a better protection and promotion of these wines within the EU and throughout the world.

Its current members are the national associations in charge of origin wines from France (CNAOC), Hungary (HNT), Italy (FEDERDOC) and Spain (CECRV), as well as the Port and Douro Wines Institute (IVDP) from Portugal.

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