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From:	General Secretariat of the Council
To:	Delegations
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Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing rules on support for strategic plans to be drawn up by Member States under the Common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulation (EU) No 1305/2013 of the European Parliament and of the Council and Regulation (EU) No 1307/2013 of the European Parliament and of the Council Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products, (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs, (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products, (EU) No 228/2013 laying down specific measures for agriculture in the outermost regions of the Union and (EU) No 229/2013 laying down specific measures for agriculture in favour of the smaller Aegean islands *- Joint declaration of Austria, Bulgaria, Croatia, Cyprus, Czech Republic, France, Hungary, Romania, Slovakia, Slovenia and Spain on the future CAP regarding the wine sector*

Delegations will find in the Annex a Joint declaration of Austria, Bulgaria, Croatia, Cyprus, Czech Republic, France, Hungary, Romania, Slovakia, Slovenia and Spain on the future CAP regarding the wine sector.

Joint declaration of Austria, Bulgaria, Croatia, Cyprus, Czech Republic, France, Hungary, Romania, Slovakia, Slovenia and Spain on the future CAP regarding the wine sector

Austria, Bulgaria, Croatia, Cyprus, Czech Republic, France, Hungary, Romania, Slovakia, Slovenia and Spain acknowledge the important and effective work undertaken by the different presidencies since the proposal for reform of the CAP presented by the Commission more than two years ago. With a view to reaching a general approach under German Presidency, they wish to recall their priorities for the wine sector.

The signatories would like to underline that the COVID-19 pandemic is causing a significant disturbance of the agricultural markets throughout the Union, and especially of the wine market. This major impact, which effects are likely to last on the long term, demonstrates the need for both short-term and structural regulation tools. In this particular context, the signatories would like to stress their attachment to an orderly growth of vine plantings, through a European system for the management of vine plantings.

They deem that deregulation bears a risk of overproduction that would lead to a decrease in prices and income for operators in the wine sector. They worry that untangled deregulation would lead to an industrialisation of wine production and to the disappearance of family holdings, which knit together their rural regions. They believe that regulation is key to protect the quality of products and their reputation.

This system is an essential tool for the organisation of the wine market: it has allowed the development of wine production and new products, price stabilisation and has secured producers' income. The management of vine plantings has also contributed to protect and preserve economic value created by quality wines. This system is also fully in line with a sustainable development policy with regard to environmental, social and economic issues. Thus, the signatories consider the regulatory system to be an essential part of the European model for the wine sector.

The need of economic actors for visibility and long-term stability commands that the application of a scheme of authorisations for vine plantings is extended after 2030 without delay.

To this end, the signatories recall that the Committee on Agriculture and Rural Development (COMAGRI) of the European Parliament has reached a compromise and has adopted in April 2019 an amendment extending the current system until 2050. Therefore, with a view to the upcoming trilogues, the signatories invite the Council to move towards this compromise and endorse an extension of the system.

Nevertheless, the signatories acknowledge that new challenges have emerged since the adoption of Regulation (EU) No 1308/2013 that might necessitate improvements of the current system. In particular, the need for installation of new wine producers, the preservation of a quality production and the response to market needs should be taken into account in this regard. They are convinced as well that some adjustments are necessary in order to ensure more subsidiarity and a better adaptation in each Member State.

Additionally, the signatories deem that the draft Strategic Plan Regulation provides a more adapted framework for intervention in the wine sector. However, they consider necessary to introduce further improvements in the future national support programmes.

Firstly, support for wine investments needs to be both extended and better targeted. The signatories support:

- the eligibility of viticultural investments, that could be especially oriented to reduce the use of plant protection products and to ensure the adaptation and sustainability of wine-growing with regards to climate change;

- Member States should be allowed to dedicate support for steeply sloping vineyards for the specific investments they require;

- providing the opportunity to purchase agricultural machinery and equipment in order to reduce production costs in viticulture and improve the efficiency of farms;
- the possibility for Member State to modulate the level of support depending on the size of the companies;
- an increase of the maximum support rate up to 75% as in the case of EAFRD support.

The support measure for promotion in third countries also needs to be targeted and renewed to better support companies facing export challenges while avoiding distortion of competition on the EU market:

- Member States should be allowed to apply a variable level of support depending on the size of the company, down to a zero rate for very large companies;
- Member States should not be allowed to co-finance with national funds;
- However, the maximum EU support rate shall be raised to 70%;
- Actions for market diversification and consolidation should be eligible;
- In addition, the creation of a new measure consisting of technical export assistance for SMEs could usefully complement the promotion measures in third countries.

The national support programmes should be considered as a key tool in making the European vineyards the most competitive and performant vineyards from an environmental perspective. For this reason, the support for information actions concerning Union wines carried out in Member States should be extended to organic wines or wines produced under environmental certification.

To finish with, the difficulties encountered by the wine sector and the environmental and climatic challenges the sector faces make it more necessary than ever to mobilize the national support programmes in the wine sector. The signatories are thus worried by the budget cuts proposed by the European Commission on the national support programmes for the wine sector from 2021 and ask the Commission to review its proposal for the next programming period.