



**Ms Ursula von der Leyen
President of the European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels
Belgium**

Paris, 30 April 2021

Re: Exceptional measures to support the European Wine Sector

Dear President von der Leyen,

The European Confederation of Independent Winegrowers (CEVI) represents and defends the interests of the European Independent Winegrowers, which are at the head of family businesses, grow their own vine and produce themselves their wine. They directly sell the fruit of their labour to consumers and make substantial contributions to national and local economies, and are integral to entrepreneurship in rural areas.

Almost one year ago, we addressed you a letter to stress the difficulties the European wine sector were facing due to the Covid-19 pandemic, with the closure of bars, restaurants and hotels considerably impact our businesses. Almost at the same time, our industry had to face US tariffs imposed on Spanish, French and German wines, deteriorating the economic viability of many winegrowers exporting to the US market. We highly deplore the lack of extraordinary measures that should have been endorsed by the European Commission in such unprecedented times.

Indeed, as the situation has not really positively evolved, EU viticulture has been continuing suffering from the negative effect of the pandemic, relying on the crisis measures provided by the European Commission in its delegated acts to proceed with crisis distillation and private storage as a last resort, but with no adequate budget to efficiently implement those measures. Lately, the freeze did not spare winegrowers in France and Italy, locally affecting other Member States. Yet our sector needs to overcome this bad trend and relaunch investments in the vineyards.

CEVI – European Confederation of Independent Winegrowers

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Exceptional situations call for exceptional measures and CEVI urges once again the European Commission to propose viable solutions and to unlock additional funds (out of national support programmes) in order to support European winegrowers in the difficult years to come.

More precisely, European Independent Winegrowers believe that the following measures shall be provided as soon as possible, to complete the existing ones:

- **An extension of the gradual repayment of the secured loans provided at Member states level to all sectors impacted by the crisis.** The reimbursement of these loans has been limited to 6 years max so far by the European Commission in its communication on the temporary framework for state aid measures to support the economy in the current covid-19 outbreak. It would be a real breath of fresh hair if their reimbursements could be extended. Indeed, this extension would help preserving our SMEs' financial situation as Independent Winegrowers are suffering from a lack of liquidity due to the drop of sales, mainly linked to the closure of the Horeca sector.
- **An extension of vine planting and replanting authorisations that are due to expire in 2021 and 2022, as well as those of 2020 who benefitted from an extension in 2021** to reflect the current economic situation, which has not changed for winegrowers since March 2020. European winegrowers holding those authorisations can't reasonably implement them under the current market conditions and because of the total lack of visibility with regard to the economic recovery. They must be authorised to extend them until the end of December 2023 to avoid their loss. This would provide winegrowers with enough visibility to plan new vine planting at a more appropriate time and when investments will be possible again. This extension shall be granted without causing any administrative penalties to winegrowers who would decide not to use their rights for planting and replanting in 2021, or would not be able to do so without causing detrimental effects for their businesses.
- **A compensation fund to be allocated to European winegrowers who suffered from the 25% tariffs imposed by the US under the Airbus-Boeing dispute at WTO level.** Indeed, together with the pandemic negative effects, those tariffs have contributed to additional turnover and market share losses, while this conflict does not concern us at all and as European Winegrowers have been clearly taken hostage of this situation.
- **Finally, a real EU extra budget has to be unlocked as soon as possible to accompany the EU wine sector in the difficult years to come,** as the recovery will be preceded by investments to be made in the vineyards, while winegrowers have been focusing of the survival of their businesses for more than one year now, forcing them to use crisis distillation and private storage as a last resort. We already asked for such extra budget to support our sector in our previous letter, but never received any positive outcome from your services. We would like to raise this up again as it is crucial for the EU wine recovery and to efficiently complete the exceptional measures mentioned above.

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Those measures shall be taken together and as soon as possible for a maximisation of their effectivity, in close collaboration with all the actors of the European wine sector to ensure a coherent and common approach. Of course, I remain at your entire disposal to discuss these proposed solutions with your competent services.

Yours sincerely,



Thomas Montagne – President
European Confederation of Independent Winegrowers

Attachment:

- CEVI's letter to President von der Leyen of 13 May 2020

Cc:

- Commissioner Janusz Wojciechowski
- Director-General Wolfgang Burtscher

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