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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulations (EU) No 1308/2013, (EU) 2021/2115 and (EU) No 251/2014 as regards certain market rules and sectoral support measures in the wine sector and for aromatised wine products

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• **Reasons for and objectives of the proposal**

While the Union remains the global leader in wine production, consumption, and exported value, societal and demographic changes are impacting the amount, quality, and types of wine consumed. Wine consumption in the Union has been steadily declining and is at its lowest level of the past three decades, while traditional export markets for Union wines are impacted by a combination of de-consumption and geopolitical factors, leading to more uncertain export patterns.

In addition, production is becoming unpredictable, given the wine sector's vulnerability to climate change. With the resulting oversupply putting pressure on prices, winegrowers have less income to invest in their business and low financial reserves they can fall back on if one of the more frequent and often localised severe weather events hits their region.

The High-Level Group on Wine Policy (HLG) was established to discuss these challenges and identify possible opportunities for the Union wine sector. The HLG was made up of Directors-General of the agricultural ministries of Union Member States and, during the first meeting, representatives of the major stakeholder organisations were also invited to present their analysis of the situation. The discussions centred around how to better support the sector in view of the current structural challenges by managing the production potential, enhancing competitiveness and exploring new market opportunities. After four meetings, the Group endorsed a document with policy recommendations¹ in December 2024. The recommendations were broadly welcomed by stakeholders and by MEPs in the meeting of the Committee on Agriculture and Rural Development (COMAGRI) of 13 January 2025.

In view of the positive reaction to the HLG recommendations, it is now expected that the most urgent and sector specific recommendations would be translated into legislative proposals as soon as possible to help the wine sector to face the serious challenges and to become more competitive. If the Commission does not act quickly, the situation will deteriorate further, with irreversible consequences for many rural areas in terms of abandoned vineyards and the loss of growth and employment opportunities.

• **Consistency with existing policy provisions in the policy area**

Regulation (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products lays down provisions for the scheme of authorisations for vine plantings, which will be amended by this proposal in line with the recommendations of the HLG on the management of the production potential, making it easier for Member States to address or prevent risk of surplus production capacity in certain areas and market segments. This proposed regulation also amends the current rules on labelling to facilitate the production of wine products with a lower alcohol content and to allow for new ways to inform consumers about the characteristics of the wine they buy.

Regulation (EU) No 251/2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products is also amended to take the amendments to Regulation (EU) No 1308/2013 concerning wines with a lower alcohol

¹ https://agriculture.ec.europa.eu/document/download/f9ee9420-2b95-4788-8dc2-faa3cfb8171a_en?filename=policy-recommendations-wine-sector-hlg_en.pdf

content into account in order to allow the production of aromatised wine products based on such wines with a lower alcohol content. To ensure that consumers are correctly informed of the nature of aromatised wine products with a lower alcoholic content, the labelling rules are also amended in line with the ones for grapevine products.

Regulation (EU) 2021/2115 establishing rules on support for strategic plans is amended by this proposal to give Member States the possibility to combine the efficient restructuring of vineyards with the need to avoid an increase of production, as recommended by the HLG. Furthermore, producer groups managing protected designations of origin and geographical indications will be able to benefit from support for developing wine tourism in their region and the maximum duration of the support for promotion and communication operations carried out in third countries will be extended. To strengthen cooperation in the wine sector, certain investments carried out by producer organisations will benefit from the maximum rate of Union financial assistance. To support producers in respect of climate change mitigation and adaptation, Member States will be given the possibility to increase the maximum Union financial assistance that can be provided for investments pursuing such objective.

The proposed policy measures should be implemented within a coherent national strategic framework to maximise their effectiveness. Member States must evaluate their impact to ensure efficiency, cost-effectiveness, and long-term benefits. Key priorities include avoiding market imbalances, preserving landscapes, sustaining rural employment, and enhancing the competitiveness of vine growers and wine producers.

- **Consistency with other Union policies**

By facilitating the production of wine products and aromatised wine products with a lower alcohol content, this proposal provides consumers the opportunity to reduce their alcohol intake while still enjoying wine. Giving producer groups managing protected designations of origin and geographical indications access to support for developing wine tourism in their region is in line with the aim to create opportunities for employment and growth in rural areas

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 42 and Article 43(2) thereof.

- **Subsidiarity (for non-exclusive competence)**

The provisions that need to be amended to implement the recommendations of the HLG are laid down in Regulations of European Parliament and of the Council, therefore Member States cannot implement those recommendations if the Union legislation is not amended accordingly. In line with the principle of subsidiarity, several provisions of this proposal provide national authorities with wider leeway to manage the production potential more attuned to the specific situation of the wine producing regions.

- **Proportionality**

The policy choices of the proposal are based on the recommendations of the HLG, which represent an unanimously endorsed compromise reached after four rounds of discussions on different policy options and are supported by all Member States. The HLG discussions were

informed by an in-depth analysis conducted by experts from the Wine Market Observatory². These experts dedicated three special sessions, spanning from December 2023 to the second quarter of 2024, to assessing the state of the wine market, exploring different policy options to address current challenges and help the sector seize potential future opportunities. This proposal remains within the limit of what is necessary to achieve the objectives already pursued by the amended existing rules.

- **Choice of the instrument**

The rules that need to be amended to implement the recommendations of the HLG are laid down in three Regulations of the European Parliament and of the Council. Therefore, the chosen instrument must also be a Regulation of European Parliament and of the Council.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

Not applicable

- **Stakeholder consultations**

Given the urgency to adopt the initiative, no call for evidence or public consultation is planned.

- **Collection and use of expertise**

The HLG recommendations were the result of a wide and in-depth discussion and analysis starting already prior to the setting-up of the HLG, at first with the wine experts in the Market Observatory and stakeholders and then in the framework of the HLG with the Directors-General of the agricultural ministries of all Member States. Key stakeholders were also invited to one of the meetings of the HLG to present their views. The legal proposal is based on the HLG recommendations which were endorsed at unanimity by Member States and are supported by stakeholders and welcomed by COMAGRI.

- **Impact assessment**

Given the urgency to adopt the initiative, no impact assessment will be carried out. The costs and benefits of the initiative will be assessed in a Staff Working Document to be published within 3 months of its adoption.

- **Regulatory fitness and simplification**

This proposal aims to minimize compliance costs for SMEs above the already existing possibility to provide the list of ingredients and the nutrition declaration by electronic means, simplifying trade between Union Member States. Currently, the identification on the package or on a label attached thereto of the link (e.g. a QR-code) to the electronic means containing the list of ingredients and nutrition declaration through words (e.g. “ingredients” and/or “nutrition declaration”) is cumbersome for wine producers, and rules for the identification differ among Member States. With the proposed Regulation, the Commission will be empowered to develop, in cooperation with Member States, rules for a common approach to such identification, which will reduce costs and administrative burden especially for small producers who will be able to sell their wines in different countries with the same label. The

² https://agriculture.ec.europa.eu/document/download/83588b14-0c75-43a4-b8ab-c5718bee6b01_en?filename=future-prospects-of-the-eu-wine-sector-june-2024.pdf

sales denominations of the wines with a reduced alcohol content are also harmonised across the Union and will be made clearer by using terms more familiar to consumers.

- **Fundamental rights**

The proposal respects the fundamental rights and observes the principles recognised, in particular by the Charter of Fundamental Rights of the European Union.

4. BUDGETARY IMPLICATIONS

This proposal has no quantifiable budgetary implications. Any changes in the Union financial assistance for the interventions under the strategic plan are made within the framework of the national financial envelopes.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

In view of the crisis the Union wine sector is currently facing, the measure should enter into force as soon as possible, except for the new labelling rules, which need to apply later to give producers time to adapt and allow for the sale of products labelled according to the previously applicable rules until the stock is exhausted.

The wine market observatory is continuously monitoring the supply and demand of different types of wine on the Union market and it will provide an insight on the developments of the market segment of low-alcohol wines, the development of which this proposed regulation aims to support. The effects of the changes to the scheme of authorisations for vine plantings will be monitored in the framework of the obligatory annual communications submitted by Member States on the implementation of the scheme.

- **Explanatory documents (for directives)**

Not applicable

- **Detailed explanation of the specific provisions of the proposal**

If a vineyard is grubbed up, the vine grower can request a replanting authorisation which is valid for three years (6 years if the replanting takes place on the same parcel of land). The HLG recommended a longer validity of 8 years for all replanting authorisations to give, in this uncertain situation, vine growers more time to explore the possibility to plant varieties which are better adapted to market demand or the changing climatic conditions or to use new vineyard management techniques.

Furthermore, to alleviate pressure on winegrowers, the administrative penalties applied when a replanting authorisation is not used during its validity period, should be abolished. On the contrary, the HLG agreed to maintain the administrative penalty applied if new planting authorisations remain unused in order to discourage speculative applications from growers who do not have the intention to plant a vineyard. However, in view of the current decline in demand for wine, winegrowers who hold still valid, unused authorisations for new plantings granted to them before 1 January 2025 should be allowed to renounce, by a certain date, these authorisations without incurring an administrative penalty to remove the incentive to plant vineyards where there might be no demand for the wine they will produce.

Member States already have the possibility to set regional limits for new planting authorisations, for specific areas eligible for the production of wines with a protected designation of origin, for areas eligible for the production of wines with a protected

geographical indication, or for areas without a geographical indication. They should also be given the possibility to limit the issuing of new planting authorisations at regional level for specific areas with excess supply where national or Union measures aimed to reduce the supply, such as distillation, green harvesting or grubbing up of vineyards, are or have been implemented in order to avoid further increasing the production potential of regions where supply already outstrips demand.

However, where a Member State decides to set regional limits for specific areas to avoid an excessive growth of the production potential, the Member State should also be authorised to request that the authorisations granted for the area concerned by the limit are used in that area because otherwise there is a risk that newcomers are totally excluded, which would discourage new entrants and young farmers.

While the replanting of a grubbed-up vineyard does not increase the vineyard area as a whole, Member States should be given the possibility to set rules for the replanting in order to better manage the territorial distribution of vineyards. Replanting authorisations may be used on the same holding on which the grubbing up was undertaken. Given that holdings can contain vineyards in different regions, Member States should be able to avoid the relocation of vineyards between regions when maintaining viticulture in the initial geographical region is important for socio-economic or environmental reasons, for instance for preserving vineyards on slopes and terraces or preserving landscape and avoid soil erosion. Member States should also be given the possibility to set special conditions for replanting authorisations to encourage the use of varieties and production methods that do not increase average yields.

In a context of diminishing consumption, monitoring the overall production potential is very important for the future balance of the market. The application of the planting authorisation scheme has this objective and should apply in all wine-producing Member States when a certain vineyard area is reached.

In recent years there has been an ever-evolving consumer demand for grapevine products with a reduced alcohol content. For such products, consumers are familiar with terms such as zero-alcohol, alcohol-free and low alcohol, which are however regulated differently in various Member States. Indeed, in absence of specific Union rules regarding nutrition claims referring to low alcohol levels, or the reduction or absence of alcohol or energy in beverages which normally contain alcohol, relevant national rules may apply in accordance with Article 4(4) of the Regulation (EC) No 1924/2006 on nutrition and health claims made on foods (Claims Regulation). There is therefore a need to harmonise the use of these terms and to define the alcohol content linked to each of them across the EU. This should also be reflected in the rules on labelling of wine products in order to better inform the consumer of the characteristics and production methods of grapevine products with a reduced alcohol content, allowing the Union wine sector to benefit from this development in consumer demand while maintaining high quality production standards.

High consumer demand for sparkling wine products with a lower alcohol content or without alcohol represents an opportunity for the sector, but technological limitations exist for their production with the current production rules on de-alcoholisation. According to the rules currently in force, wine products must have reached the characteristics and the minimum actual alcoholic strength of the category before undergoing the de-alcoholisation process. The de-alcoholisation process removes the CO₂ from sparkling wines. Therefore, it should be allowed to produce sparkling and aerated wines from de-alcoholised or partially de-alcoholised still wines through second fermentation or the addition of CO₂, under the condition that they are labelled in a way that does not mislead the consumer.

The possibility to provide the list of ingredients and the nutrition declaration by electronic means has proven an effective means for operators for providing information to consumers while facilitating the functioning of the internal market and wine exports, especially for small producers. However, the absence of harmonised rules on the identification of the electronic means on the physical label and the consequent diverging solutions applied by the Member States have caused fragmentation of the single market affecting the proper marketing of wines across the Union. The Commission should thus be empowered to develop, in cooperation with Member States, rules for the identification of the electronic means providing information to consumers, in particular through a language-free system, in order to minimise costs and administrative burden for operators, and to ensure a common approach across the Union market, while taking into account the need to make information accessible to consumers. This draft regulation empowers the Commission also to adapt the electronic labelling rules to new needs arising from the fast and constant progress of digitalisation and the increasing amount of information that should be made accessible to consumers.

Member States have the possibility to adopt marketing rules to regulate the supply in the wine sector to improve and stabilise the operation of the common wine market. In the current context of a structural consumption decrease and recurrent situations of oversupply in certain regions and market segments, it is appropriate to clarify that such rules can include the setting of maximum grape yields and the management of wine stocks. Moreover, producer organisations can play an important role in strengthening winegrowers' position in the food supply chain and adapting supply to market trends. Therefore, Member States should also be able to adopt marketing rules in the wine sector taking into account proposals adopted by recognised producer organisations or by recognised interbranch organisations, when they are representative in the economic area concerned.

In case of market imbalances, Member States are currently authorised to make national payments to wine producers for the voluntary or mandatory distillation of wine. This proposal aims to authorise national payments for voluntary green harvesting and voluntary grubbing up of productive vineyards as additional supply management tools, given the cost-effectiveness to remove surplus wine from the market before it is produced. Limits are set for the overall amount of national payments authorised in a Member State in any given year for distillation and green harvesting to avoid a distortion of competition. For grubbing up, given the structural nature of the measure and its higher costs, the limit for national payments will be set case by case on the basis of the specific market circumstances of the Member State and the wine regions in which it would be implemented.

Aromatised wine products are another important outlet for grapevine products. However, the current legislation does not allow to use the sales denominations reserved for aromatised wine products for beverages which do not reach the minimum alcohol content for each product category. In view of the increasing consumer demand for innovative alcoholic beverages with a lower actual alcoholic strength by volume, it should be allowed to obtain aromatised wine products from de-alcoholised or partially de-alcoholised wines. In order to ensure that consumers are correctly informed of the nature of aromatised wine products with a lower alcoholic content, it is appropriate to lay down rules for the labelling of de-alcoholised or partially de-alcoholised wines, so that those aromatised wine products may use the same descriptive terms in their presentation and labelling as the grapevine products with the corresponding alcoholic strength. To improve the clarity of the information to consumers, the provisions concerning the labelling of the nutrition declaration and the list of ingredients of aromatised wine products by electronic means should be aligned to those applied to grapevine products.

In order to meet new consumer demand and the need for product innovation, the requirements for the aromatised wine product category ‘Glühwein’ are amended to allow the use of rosé wine. At the same time, provisions are made to forbid the use of the term ‘rosé’ in the labelling of a ‘Glühwein’ produced by combining red and white wine or any of those with rosé wine. A labelling derogation is introduced to allow alcoholic beverages produced with the same requirements as those laid down for ‘Glühwein’, but by using fruit wine instead of grapevine products as main ingredient, to use the sales denomination ‘Glühwein’ in their presentation and labelling to meet consumer demand for such products.

In the framework of the CAP Strategic Plans, the restructuring and conversion of vineyards can be supported. In order to strike a balance between the need for Member States to ensure efficient restructuring of vineyards and the need to avoid an increase of production that may lead to oversupply, Member States will be allowed to set conditions for the implementation of the restructuring and conversion type of interventions with the aim to avoid an increase in yield and thus an increase of production for the vineyard subject to this type of interventions.

With a view to developing wine tourism in wine regions with protected designations and protected geographical indications, producer groups managing protected designations of origin and geographical indications can now be beneficiaries of the type of interventions promoting wine tourism in production regions.

Stakeholders and Member States have repeatedly stated that the current maximum duration of three years for the support granted for promotion and communication operations carried out in third countries in relation to consolidation of market outlets is too short to achieve this aim. The maximum duration is therefore extended from three to five years.

To provide an additional incentive for cooperation in the wine sector, certain investments carried out by recognised producer organisations will benefit from the same maximum rate of Union financial assistance as it is currently already the case for micro, small and medium-sized enterprises.

With a view to further supporting producers in respect of climate change mitigation and adaptation, Member States are given the choice to increase the maximum Union financial assistance that can be provided for investments pursuing such objective to up to 80% of the eligible investment costs.

In order to clarify the conditions applicable to Union financial assistance for investments in innovation, it is explicitly stated that no such Union financial assistance is to be granted to enterprises in difficulty within the meaning of the Commission Communication entitled ‘Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty’.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulations (EU) No 1308/2013, (EU) 2021/2115 and (EU) No 251/2014 as regards certain market rules and sectoral support measures in the wine sector and for aromatised wine products

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 42, first subparagraph, and Article 43(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee³,

Having regard to the opinion of the Committee of the Regions⁴,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) While the Union remains the global leader in wine production, consumption, and exported value, societal and demographic changes are impacting the amount, quality, and types of wine consumed. Wine consumption in the Union is at its lowest level of the past three decades while traditional export markets for Union wines are impacted by a combination of decreasing consumption trends and geopolitical factors, leading to more uncertain export patterns. In addition, production is becoming unpredictable, given the wine sector's vulnerability to climate change. With the resulting oversupply that leads to a decrease in prices, winegrowers have less income to invest in their business and low financial reserves they can fall back on, if one of the more frequent and often localised severe weather events hits their region.
- (2) The High-Level Group on Wine Policy ('HLG') was established to discuss these challenges and to identify possible opportunities for the Union wine sector. It reflected on how to better support the sector in facing current structural challenges by managing the production potential, enhancing competitiveness and exploring new market opportunities. After four meetings, the HLG endorsed a document with policy recommendations⁵.
- (3) In order to provide the best possible support to wine producers facing the above challenges, it is appropriate to reflect the most urgent recommendations of the HLG in the legal framework applicable to wines and aromatised wine products.

³ OJ C , , p. .

⁴ OJ C , , p. .

⁵ https://agriculture.ec.europa.eu/document/download/f9ee9420-2b95-4788-8dc2-faa3cfb8171a_en?filename=policy-recommendations-wine-sector-hlg_en.pdf

- (4) In view of the current decline in demand for wine, winegrowers who hold valid unused authorisations for new plantings and authorisations resulting from the conversion of planting rights granted to them before 1 January 2025 should be allowed to waive these authorisations without incurring an administrative penalty, with a view to removing the incentive for planting authorisation holders to plant vineyards where there might be no demand for the wine they will produce. For the new planting authorisations granted after that date, the administrative penalty should continue to apply in case of non-use of these authorisations in order to discourage speculative applications from winegrowers who do not have the intention to plant a vineyard.
- (5) Concerning the management of the production potential, a longer validity period of replanting authorisations should be foreseen to give producers more time to explore the possibility to plant varieties which are better adapted to the market demand or to the changing climatic conditions or to use new vineyard management techniques. Furthermore, to alleviate pressure on winegrowers, they should not face administrative penalties if they decide not to use a replanting authorisation.
- (6) Member States should be given the possibility to limit the issuing of new planting authorisations at regional level for specific areas with excess supply where national or Union measures aimed to reduce the supply (i.e. distillation, green harvesting or grubbing up of vineyards) are or have been implemented in order to avoid further increasing the production potential.
- (7) Where a Member State decides to set regional limits for specific areas to avoid an excessive growth of the production potential, it is appropriate to allow that Member States require that the authorisations granted for the area concerned by the regional limit are used in that area. In order to better take into account recent trends in the wine sector, Member States should have the flexibility to set regional limits for specific areas as low as 0%, in view to adapting the production potential to the market demand.
- (8) While the replanting of a grubbed-up vineyard does not increase the vineyard area, Member States should be given the possibility to set rules for replanting in order to better manage the territorial distribution of vineyards, for instance to avoid the relocation of vineyards to regions with a market imbalance or away from slopes and terraces, where they play an important role in the preservation of the landscape and avoid soil erosion. Member States should also be given the possibility to set conditions on the use of varieties and production methods to avoid an increase in yields and to ensure preservation of traditional grape varieties and production methods.
- (9) In order to ensure a proportionate approach to the application of the planting authorisations scheme while taking into consideration the serious risks that oversupply represents to the market, it is appropriate to establish a maximum threshold of hectares of planted vineyards under which Member States are exempted from the obligation to apply the scheme of planting authorisations.
- (10) In recent years, there has been an ever-evolving consumer demand for grapevine products with a reduced alcohol content, which are at present produced by de-alcoholisation by using certain techniques allowed in the Union. Consumers are familiar with terms such as '0,0%', 'alcohol-free' and 'alcohol-light', which are widely used but regulated differently in various Member States. It is therefore necessary to harmonise the use of these terms across the Union. The rules on the labelling of wine products should therefore be amended in order to better inform the consumer of the characteristics of grapevine products with a reduced alcohol content, while keeping the obligation to provide information on the production method

consisting of a de-alcoholisation. This should allow the Union wine sector to benefit from this development in consumer demand while maintaining high quality production standards.

- (11) High consumer demand for sparkling wine products with a lower alcohol content or without alcohol represents an opportunity for the sector. However, the current rules for the production of de-alcoholised wines impose certain technological limitations for the production of such wines. According to the rules currently in force, wine products must have reached the characteristics and the minimum alcoholic strength of the corresponding category before undergoing the de-alcoholisation process, which implies that de-alcoholised sparkling wines can be produced only from sparkling wines. However, the de-alcoholisation process removes entirely any CO₂ from the initial sparkling wine. Consequently, in order to produce a sparkling wine with lower or no alcoholic content, it is necessary to reintroduce CO₂ in the partially or totally de-alcoholised wine that has lost its initial CO₂ content, through a new, separate process. Therefore, it should be allowed to produce de-alcoholised sparkling and aerated sparkling wines directly from de-alcoholised or partially de-alcoholised still wines through a second fermentation or the addition of CO₂, respectively.
- (12) The possibility to provide the list of ingredients and the nutrition declaration of wine products by electronic means has proven effective for operators for presenting important information to consumers, while facilitating the functioning of the internal market and wine exports, especially for small producers. However, the absence of harmonised rules on the identification, on the package or the label attached thereto, of the electronic means providing the list of ingredients and/or the nutrition declaration, is causing diverging practices by operators and different rules by national authorities, affecting the proper marketing of wines. In order to minimise costs and the administrative burden for operators, and to ensure a common approach across the Union market, while taking into account the need to make such information accessible to consumers, the Commission should be empowered to develop, in cooperation with Member States, rules on the identification on the package or the label attached thereto of the electronic means providing consumers with the list of ingredients and the nutrition declaration in a harmonised way, including through a language-free system.
- (13) The Commission should be empowered to adapt the rules on electronic labelling to new needs arising from the fast and constant progress of digitalisation and to accommodate other compulsory or relevant information to consumers that may be presented electronically.
- (14) Member States have the possibility to adopt marketing rules to regulate the supply in the wine sector to improve and stabilise the operation of the common wine market. In the current context of structural consumption decrease and recurrent situations of oversupply in certain regions and market segments, it is appropriate to clarify that such rules can include the setting of maximum grape yields and the management of wine stocks. Moreover, producer organisations can play an important role in strengthening the winegrowers' position in the food supply and in adapting supply to market trends. Therefore, Member States should also be able to adopt marketing rules in the wine sector taking into account proposals adopted by recognised producer organisations or by recognised interbranch organisations, when they are representative in the concerned economic area or areas.
- (15) Member States may currently be authorised to make national payments to wine producers for the voluntary or mandatory distillation of wine. Given the cost-

effectiveness of removing surplus production from the market before wine is produced, it is appropriate to also provide for the possibility to authorise Member States, in justified cases of crisis, to make national payments for voluntary green harvesting and voluntary grubbing up of productive vineyards. This Regulation should set limits for the overall amount of national payments authorised in a Member State in any given year for distillation and green harvesting to avoid a distortion of competition. For grubbing up, given the structural nature of the measure and its higher costs, it is not appropriate to set an overall maximum amount of national payments. However, Member States should justify in their notification the limit for national payments case by case on the basis of their specific market circumstances and those of the wine regions in which the measure would be implemented.

- (16) Aromatised wine products are a natural outlet for grapevine products. However, Regulation (EU) No 251/2014 of the European Parliament and of the Council⁶ does not allow to use the sales denominations reserved for aromatised wine products for beverages which do not reach the minimum alcohol content laid down in that Regulation for each product category. In view of the increasing consumer demand for innovative alcoholic beverages with a lower actual alcoholic strength by volume, it should be allowed to place on the market beverages obtained from de-alcoholised or partially de-alcoholised wines produced in accordance with Regulation (EU) No 1308/2013 of the European Parliament and of the Council⁷ bearing in their presentation and labelling sales denominations reserved for aromatised wine products.
- (17) In order to ensure that consumers are correctly informed of the nature of aromatised wine products with a lower alcoholic content, it is appropriate to lay down rules in line with those laid down in Regulation (EU) No 1308/2013 for the labelling of de-alcoholised or partially de-alcoholised wines, so that aromatised wine products obtained from de-alcoholised or partially de-alcoholised wines are described in their presentation and labelling by the same terms as grapevine products with the corresponding alcoholic strength.
- (18) The issues highlighted above for grapevine products in relation to the identification of the electronic means containing the nutrition declaration and the list of ingredients are valid also for aromatised wine products. Therefore, the Commission should be empowered to develop, in cooperation with Member States, rules on the identification on the package or the label attached thereto of the electronic means for aromatised wine products. To ensure simplicity and clarity, these rules should be the same as those applied to grapevine products.
- (19) In order to meet new consumer demands and the need for product innovation, rules on the production and labelling of the aromatised wine product category ‘*Glühwein*’ should be amended to allow for the use of rosé wine. At the same time, the use of the term ‘rosé’ in the presentation and labelling of a *Glühwein* produced by combining red and white wine or any of those with rosé wine should be prohibited. For the same

⁶ Regulation (EU) No 251/2014 of the European Parliament and of the Council of 26 February 2014 on the definition, description, presentation, labelling and the protection of geographical indications of aromatised wine products and repealing Council Regulation (EEC) No 1601/91 (OJ L 84, 20.3.2014, p. 14, ELI: <http://data.europa.eu/eli/reg/2014/251/oj>).

⁷ Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (OJ L 347, 20.12.2013, p. 671, ELI: <http://data.europa.eu/eli/reg/2013/1308/oj>).

reasons, it is also appropriate to lay down a derogation allowing alcoholic beverages produced with the same requirements as those laid down for *Glühwein* but by using as main ingredient fruit wine instead of grapevine products to use the sales denomination *Glühwein* in its presentation and labelling.

- (20) With a view to developing wine tourism in wine regions with protected designations and protected geographical indications, it is appropriate to allow for producer groups managing protected designations of origin and geographical indications in accordance with Regulation (EU) 2024/1143 of the European Parliament and of the Council⁸ to be beneficiaries of the type of interventions referred to in Article 58(1), first subparagraph, point (i), of Regulation (EU) 2021/2115 of the European Parliament and of the Council⁹.
- (21) In order to strike a balance between the need for Member States to ensure efficient restructuring of vineyards and the need to avoid an increase in production that may lead to oversupply, Member States should be allowed to set up conditions for the implementation of the restructuring and conversion of vineyards as referred to in Article 58(1), first subparagraph, point (a), of Regulation (EU) 2021/2115. These conditions should aim at avoiding an increase in yield and thus an increase in production for the vineyards subject to this type of interventions.
- (22) To adapt to market trends and harness efficient market opportunities, the maximum duration of the support for promotion and communication operations carried out in third countries in relation to the consolidation of market outlets should be extended from three to five years.
- (23) To strengthen cooperation in the wine sector, investments referred to in Article 58(1), first subparagraph, point (b), of Regulation (EU) 2021/2115 carried out by producer organisations recognised under Regulation (EU) No 1308/2013 should benefit from the maximum rate of Union financial assistance set out in Article 59(2) of Regulation (EU) 2021/2115 as it is already the case for micro, small and medium-sized enterprises within the meaning of Commission Recommendation 2003/361/EC¹⁰.
- (24) To further support producers in respect of climate change mitigation and adaptation, it is pertinent to provide for the possibility for Member States to increase the maximum Union financial assistance for investments pursuing that objective to up to 80% of the eligible investment costs.
- (25) Moreover, it is necessary to clarify that the Union financial assistance for innovation referred to in Article 58(1), first subparagraph, point (e), of Regulation (EU)

⁸ Regulation (EU) 2024/1143 of the European Parliament and of the Council of 11 April 2024 on geographical indications for wine, spirit drinks and agricultural products, as well as traditional specialities guaranteed and optional quality terms for agricultural products, amending Regulations (EU) No 1308/2013, (EU) 2019/787 and (EU) 2019/1753 and repealing Regulation (EU) No 1151/2012 (OJ L, 2024/1143, 23.4.2024, ELI: <http://data.europa.eu/eli/reg/2024/1143/oj>).

⁹ Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 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 Regulations (EU) No 1305/2013 and (EU) No 1307/2013 (OJ L 435, 6.12.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/2115/oj>).

¹⁰ Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36, ELI: <http://data.europa.eu/eli/reco/2003/361/oj>).

2021/2115 should not be granted to enterprises in difficulty within the meaning of the Commission Communication ‘Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty’ as it is the case for Union financial assistance for investments referred to in Article 58(1), first subparagraph, point (b), of that Regulation.

- (26) Regulations (EU) No 1308/2013, (EU) No 251/2014 and (EU) 2021/2115 should therefore be amended accordingly.
- (27) In order to allow time to producers to adapt to the new requirements concerning the designation of grapevine products with a low alcoholic content, those new requirements should start to apply 18 months from the date of entry into force of this Regulation. It is also appropriate to provide transitional rules to allow grapevine products labelled prior to the application of the new requirements to continue to be placed on the market until stocks are exhausted.

HAVE ADOPTED THIS REGULATION:

Article 1
Amendments to Regulation (EU) No 1308/2013

Regulation (EU) No 1308/2013 is amended as follows:

- (1) Article 62(3) is replaced by the following:

‘3. The authorisations referred to in paragraph 1, granted in accordance with Articles 64 and 68, shall be valid for three years from the date on which they were granted. A producer who has not used an authorisation granted in accordance with Articles 64 and 68 during its period of validity shall be subject to administrative penalties as provided for in Article 90a(4).

By way of derogation from the first subparagraph, producers who hold valid authorisations in accordance with Articles 64 and 68 granted before 1 January 2025 shall not be subject to the administrative penalty referred to in Article 90a(4) provided that they inform the competent authorities before the date of expiry of the authorisation and at the latest by 31 December 2026 that they do not intend to make use of their authorisation.

Authorisations granted in accordance with Article 66 on replantings shall be valid for eight years from the date on which they were granted. Producers who have not used an authorisation granted in accordance with Article 66 during its period of validity shall not be subject to the administrative penalty referred to in Article 90a(4).’

- (2) Article 63 is amended as follows:

- (a) paragraph 2 is replaced by the following:

‘2. Member States may:

- (a) apply at national level a lower percentage than the percentage set out in paragraph 1;

- (b) limit the issuing of authorisations at regional level, for specific areas eligible for the production of wines with a protected designation of origin, for areas eligible for the production of wines with a protected geographical indication, or for areas without a geographical indication

(c) limit the issuing of authorisations for new plantings at regional level, for specific areas where national or Union measures concerning distillation of wine, green harvesting or grubbing up have been implemented in justified cases of crisis.

For the purposes of point (c), ‘green harvesting’ means the total destruction or removal of grape bunches while still in their immature stage, thereby reducing the yield of the relevant area to zero, and excluding non-harvesting comprising of leaving commercial grapes on the plants at the end of the normal production cycle. Member States that limit the issuing of authorisations for new plantings at regional level in accordance with the first subparagraph, points (b) or (c), may require such authorisations to be used in those regions.’;

(b) in paragraph 3, first subparagraph, the introductory sentence is replaced by the following:

‘3. Any of the limitations referred to in paragraph 2 shall contribute to adapting the production potential to the market demand and shall be justified on one or more of the following specific grounds:’

(3) In Article 66(3), the following second subparagraph is added:

‘A Member State may also subject the granting of the replanting authorisations referred to in paragraph 1 to one or more of the following conditions:

(a) the authorisation shall be used in the same geographical area where the corresponding grubbed up vines were located, where maintaining viticulture in that geographical area is justified by socio-economic or environmental reasons,

(b) only varieties and production methods that do not increase the average yield compared to the grubbed up vines or only traditional varieties and production methods of a given region shall be used where the corresponding grubbed up area was located in a production region that the Member State has qualified as affected by a structural market imbalance, or

(c) the authorisation shall not be used in a production region that is different from the one where the grubbed up area is located where the Member State has qualified that different production region as affected by a structural market imbalance.’

(4) Article 67 is replaced by the following:

‘Article 67
De minimis

The scheme of authorisations for vine plantings established in this Chapter shall not apply in Member States where the vineyard area has not exceeded 10 000 ha in at least three of the previous five marketing years. Where that condition is no longer fulfilled in a Member State, the scheme of authorisations for vine plantings shall apply in that Member State as from the beginning of the marketing year following that in which the condition ceased to be fulfilled.’

(5) Article 119(1) is amended as follows:

(a) point (a) is replaced by the following:

‘(a) the designation for the category of the grapevine product in accordance with Annex VII, Part II. For grapevine product categories defined under Annex VII, Part II, point (1) and points (4) to (9), where a de-alcoholisation treatment

in accordance with Annex VIII, Part I, section E, has been applied to the totality or to part of the product, the designation of the category shall be accompanied by:

(i) the term ‘alcohol-free’ if the actual alcoholic strength of the product does not exceed 0,5 % by volume; accompanied by the expression ‘0,0%’, if the actual alcoholic strength of the product does not exceed 0,05% by volume;

(ii) the term ‘alcohol-light’ if the actual alcoholic strength of the product is above 0,5% by volume and is at least 30% below the minimum actual alcoholic strength of the category before de-alcoholisation.

(b) the following point (k) is added:

‘(k) For grapevine products referred to in point (a), second sentence, the expression ‘produced by de-alcoholisation.’

(6) In Article 122(1), point (d), the following points are added:

‘(v) the identification on the package or the label attached thereto of the electronic means referred to in Article 119(4) and (5), including by means of a pictogram or symbol instead of words;

(vi) the form and layout of the information provided by electronic means, to simplify its presentation, adapt it to future technological progress, to new requirements on information relevant to consumers as provided for by Union or national legislation, or to improve consumer accessibility.’

(7) In Article 167(1), the first subparagraph is replaced by the following:

‘1. In order to improve and stabilise the operation of the common market in wines, including the grapes, musts and wines from which they derive, producer Member States may lay down marketing rules to regulate supply, including the setting of maximum yields and setting rules for the management of stocks. Member States shall take into account proposals adopted by producer organisations recognised under Articles 152 and 154 or interbranch organisations recognised under Articles 157 and 158 when such organisations are considered to be representative for the wine sector, in accordance with Article 164(3), in the economic area or areas where the rules are intended to be applied.’

(8) Article 216 is amended as follows:

(a) the title is replaced by the following:

‘National payments for distillation of wine, green harvesting or grubbing up in justified cases of crisis’

(b) paragraph 1 is replaced by the following:

‘1. Member States may make national payments to wine producers for the voluntary or mandatory distillation of wine, voluntary green harvesting and voluntary grubbing up of productive vineyards in justified cases of crisis.

For the purposes of this article, ‘green harvesting’ means the total destruction or removal of grape bunches while still in their immature stage, thereby reducing the yield of the relevant area to zero, and excluding non-harvesting comprising of leaving commercial grapes on the plants at the end of the normal production cycle.

The payments referred to in the first subparagraph shall not exceed the costs of the product, where relevant, and of the operation concerned, plus an incentive to engage in such operation, to allow for the crisis to be addressed.

The overall amount of payments available in a Member State in any given year for national payments for distillation and green harvesting shall not exceed 20% of the globally available funds per Member State for that year as laid down in Annex VII to Regulation (EU) 2021/2115.

(c) paragraph 2 is replaced by the following:

‘2. Member States wishing to make use of the national payments referred to in paragraph 1 shall submit a duly substantiated notification to the Commission. In their notifications, Member States shall justify the appropriateness of the measure, its duration and the amounts of support and other modalities on the basis of their specific market circumstances and those of the wine regions in which the measure would be implemented.’

The Commission shall decide, without applying the procedure referred to in Article 229(2) or (3), whether the amount, duration and other modalities of the measure are approved and whether the payments to wine producers may be made.

(d) paragraph 4 is replaced by the following:

‘4. The Commission may adopt delegated acts in accordance with Article 227 to supplement this Article by laying down rules concerning minimal requirements for the existence of a crisis situation and concerning the calculation of the national payments.’

(9) In Part II of Annex VII, the following paragraph is added as second subparagraph to the introductory wording:

‘Grapevine products of the categories set out in points (4) and (7) may also be obtained, respectively, by second fermentation of, or by addition of carbon dioxide to, de-alcoholised or partially de-alcoholised wines referred to in point (1).

Article 2 ***Amendments to Regulation (EU) No 251/2014***

Regulation (EU) No 251/2014 is amended as follows:

(1) In Article 3, the following paragraph is added:

‘5. By way of derogation from the minimum alcoholic strength thresholds laid down in paragraph 2, point (g), paragraph 3, point (g), and paragraph 4, point (f), and in Annex II for each product category, aromatised wine products may have a lower actual alcoholic strength by volume where they are obtained from grapevine products that have undergone in their totality or in part a de-alcoholisation treatment in accordance with Section E of Part I of Annex VIII to Regulation (EU) No 1308/2013.’

(2) In Article 5, the following paragraph is inserted:

‘1a. Where aromatised wine products have been obtained from grapevine products that have undergone in their totality or in part a de-alcoholisation treatment in accordance with Section E, Part I of Annex VIII to Regulation (EU) No 1308/2013, their sales denominations shall be supplemented by the same terms as those laid down for those grapevine products in Article 119(1), point (a), second sentence, and

in Article 119(1), point (k), of Regulation (EU) No 1308/2013 under the same conditions.’

(3) In Article 6a, the following paragraph is added :

‘4a. In order to take into account the specific characteristics of the aromatised wine sector, the Commission shall be empowered to adopt delegated acts in accordance with Article 34(2) to supplement this Regulation by adopting rules on:

- (a) the identification on the package or the label attached thereto of the electronic means referred to in paragraph 2 and 3, including by means of a pictogram or symbol instead of words;
- (b) the form and layout of the information provided by electronic means, to simplify its presentation, adapt it to future technological progress, to new requirements on information relevant to consumers as provided for by Union or national legislation, or to improve consumer accessibility.’

(4) In Part B of Annex II, point (8) is replaced by the following:

‘(8) *Glühwein*

Aromatised wine-based drink

- which is obtained exclusively from red or white or rosé wine or a combination thereof,
- which is flavoured mainly with cinnamon or cloves, or both, and
- which has an actual alcoholic strength by volume of not less than 7 % vol..

Without prejudice to the quantities of water resulting from the application of Annex I, point 2, the addition of water is forbidden.

Where it has been prepared from white wine, the sales denomination ‘Glühwein’ shall be supplemented by words indicating white wine, such as the word ‘white’.

Where it has been prepared exclusively from rosé wine, the sales denomination ‘Glühwein’ shall be supplemented by words indicating rosé wine, such as the word ‘rosé’. The word ‘rosé’ shall however not be used where the Glühwein is obtained by combining red wine with white wine or any of those wines with rosé wine.

By way of derogation from Article 5(1) and (3) of this Regulation, the sales denomination ‘*Glühwein*’ may be used in the presentation and labelling of alcoholic beverages produced in accordance with the above requirements, but which have been obtained from fermented beverages obtained from fruits other than grapes. In that case, the sales denomination ‘*Glühwein*’ must be supplemented by words indicating that it has been obtained from a fruit wine, or one of the following terms: ‘*Heidelbeer-Glühwein*’, ‘*Apfel-Glühwein*’ or ‘*Frucht-Glühwein*’.’.

Article 3

Amendments to Regulation (EU) 2021/2115

Regulation (EU) 2021/2115 is amended as follows:

(1) Article 58(1) is amended as follows:

(a) point (i) is replaced by the following:

‘(i) actions undertaken by interbranch organisations recognised by Member States in the wine sector in accordance with Regulation (EU) No 1308/2013 or by producer groups managing protected designations of origin and protected geographical indications in accordance with Regulation (EU) 2024/1143* aiming at enhancing the reputation of Union vineyards by promoting wine tourism in production regions;

_____;

* Regulation (EU) 2024/1143 of the European Parliament and of the Council of 11 April 2024 on geographical indications for wine, spirit drinks and agricultural products, as well as traditional specialities guaranteed and optional quality terms for agricultural products, amending Regulations (EU) No 1308/2013, (EU) 2019/787 and (EU) 2019/1753 and repealing Regulation (EU) No 1151/2012 (OJ L, 2024/1143, 23.4.2024, ELI: <http://data.europa.eu/eli/reg/2024/1143/oj>).

(b) the following second subparagraph is inserted after the first subparagraph:

‘For the purposes of the first subparagraph, point (a), Member States may lay down in their CAP Strategic Plans specific agronomic, viticultural or any other kind of conditions which ensure that there is no increase in yield for the vineyard subject to this type of interventions after the varietal conversion, the relocation of the vineyard, the replanting of the vineyard or the improvement of the vineyard management techniques.’

(c) the second subparagraph becomes the third subparagraph and is replaced by the following:

‘The first subparagraph, point (k), shall apply only to wines with a protected designation of origin or a protected geographical indication or wines with an indication of the wine grape variety. Promotion and communication operations aimed at the consolidation of market outlets shall be limited to a maximum non-extendable duration of five years and shall concern only the Union quality schemes covering designations of origin and geographical indications.’;

(2) Article 59 is amended as follows:

(a) paragraph 2 is replaced by the following:

‘2. The Union financial assistance for investments referred to in Article 58(1), first subparagraph, point (b), shall not exceed:

- (a) 50 % of eligible investment costs in less developed regions;
- (b) 40 % of eligible investments costs in regions other than less developed regions;
- (c) 75 % of eligible investment costs in the outermost regions;
- (d) 65 % of eligible investment costs in the smaller Aegean islands.

The Union financial assistance at the maximum rate set out in the first subparagraph shall only be granted to micro, small and medium-sized enterprises within the meaning of Commission Recommendation 2003/361/EC** and to producer organisations recognised under Regulation (EU) No 1308/2013. However, it may be granted to all enterprises in the outermost regions and in the smaller Aegean islands.

For enterprises, other than producer organisations recognised under Regulation (EU) No 1308/2013, which are not covered by Article 2(1) of the Annex to Recommendation 2003/361/EC, with fewer than 750 employees or with an annual turnover of less than EUR 200 million, the maximum levels of Union financial assistance set out in the first subparagraph shall be halved.

By way of derogation from the first subparagraph, the Union financial assistance for investments referred to in Article 58(1), first subparagraph, point (b), may be increased to up to 80% of eligible investment costs for investments linked to the objective of contributing to climate change mitigation and adaptation set out in Article 57, point (b).

No Union financial assistance shall be granted to enterprises in difficulty within the meaning of the Commission Communication ‘Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty’***.

_____;

** Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36, ELI: <http://data.europa.eu/eli/reco/2003/361/oj>).

*** OJ C 249, 31.7.2014, p. 1, ELI: [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014XC0731\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014XC0731(01)).

(b) in paragraph 4, the following subparagraph is added:

‘However, the Union financial assistance for investments referred to in Article 58(1), first subparagraph, point (m), may be increased to up to 80% of eligible investment costs for investments linked to the objective of contributing to climate change mitigation and adaptation set out in Article 57, point (b).’;

(c) paragraph 6 is replaced by the following:

‘6. The Union financial assistance for innovation referred to in Article 58(1), first subparagraph, point (e), shall not exceed:

- (a) 50 % of eligible investment costs in less developed regions;
- (b) 40 % of eligible investment costs in regions other than less developed regions;
- (c) 80 % of eligible investment costs in the outermost regions;
- (d) 65 % of eligible investment costs in the smaller Aegean islands.

The Union financial assistance at the maximum rate set out in the first subparagraph shall only be granted to micro, small and medium-sized

enterprises within the meaning of Commission Recommendation 2003/361/EC and to producer organisations recognised under Regulation (EU) No 1308/2013. However, it may be granted to all enterprises in the outermost regions and in the smaller Aegean islands.

For enterprises, other than producer organisations recognised under Regulation (EU) No 1308/2013, which are not covered by Article 2(1) of the Annex to Recommendation 2003/361/EC, with fewer than 750 employees or with an annual turnover of less than EUR 200 million, the maximum levels of Union financial assistance set out in the first subparagraph shall be halved.

By way of derogation from the first subparagraph, the Union financial assistance for investments referred to in Article 58(1), first subparagraph, point (e), may be increased to up to 80% of eligible investment costs for investments linked to the objective of contributing to climate change mitigation and adaptation set out in Article 57, point (b).

No Union financial assistance shall be granted to enterprises in difficulty within the meaning of the Commission Communication ‘Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty’.

Article 4 ***Transitional provision***

Grapevine products which have been labelled in accordance with Article 119(1), point (a), second sentence, of Regulation (EU) No 1308/2013 prior to [*specific date - 18 months from the date of entry into force*] may continue to be placed on the market until stocks are exhausted.

Article 5 ***Entry into force and application***

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

However, Article 1(5) shall apply from [*specific date – 18 months from the date of entry into force*].

Done at Brussels,

For the European Parliament
The President

For the Council
The President

LEGISLATIVE FINANCIAL AND DIGITAL STATEMENT

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1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) No 1308/2013, (EU) 2021/2115 and (EU) No 251/2014 as regards certain market rules and sectoral support measures in the wine sector and for aromatised wine products.

1.2. Policy area(s) concerned

Programme cluster 8 - Agriculture & Maritime Policy under Heading 3 of the Multiannual Financial Framework (MFF) 2021-2027.

1.3. Objective(s)

1.3.1. General objective(s)

In order to address structural challenges faced by the European wine sector, the objective of the proposal is to enhance the sector's competitiveness and resilience, preserve the economic importance of the EU wine sector and its social relevance, particularly helping maintain the vitality of many rural areas.

1.3.2. Specific objective(s)

The proposal aims at providing long-lasting policy tools to support Member States and the wine sector to achieve the following specific objectives:

- 1) Address the management of the production potential.
- 2) Increase the resilience of the EU wine sector against climate change and tensions of shifting markets
- 3) Adapt the sector to market trends and help it harness new market opportunities

1.3.3. Expected result(s) and impact

The main expected results are:

- The EU wine sector continues to lead globally the wine market
- The balance between the wine production potential and the trends in demand from the domestic and international markets is re-established.
- Member States are able to adopt measures to address challenges and difficulties with enhanced flexibility.
- Farmers and producer organisations benefit for a more flexible policy framework for taking decisions aligned with the market trends.
- The EU wine sector improves its capacity to improve its position in emerging and new markets, and to diversify sources of income.

- The EU wine sector is able to better confront the uncertainties affecting the market, including climate change.

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1.3.4. *Indicators of performance*

The proposal does not affect the CAP monitoring framework.
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1.4. **The proposal/initiative relates to:**

- a new action
- a new action following a pilot project / preparatory action¹¹
- the extension of an existing action
- a merger or redirection of one or more actions towards another/a new action

1.5. **Grounds for the proposal/initiative**

1.5.1. *Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative*

<p>The current proposal responds to the most urgent and specific recommendations endorsed by the High Level Group (HLG) on wine policy in December 2024, by amending the existing legal framework to the extent necessary to contribute to achieve the defined objectives. The proposal, once adopted, will allow Member States and the wine sector take action quickly, bringing relief to the many challenges confronted.</p> <p>The modifications proposed might be further supplemented in future policy reforms, to give response to some additional recommendations that are not sector specific or cannot be implemented within the current context.</p>

1.5.2. *Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone.*

The cross-border and global nature of key challenges faced by the EU wine sector and the wide regulatory framework the wine is subject to in the EU require a common response at the EU level, securing the functioning of the single market and the level playing field established by the CAP.
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1.5.3. *Lessons learned from similar experiences in the past*

N/A

¹¹ As referred to in Article 58(2), point (a) or (b) of the Financial Regulation.

1.5.4. *Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments*

The proposal does not affect the multiannual financial framework and does not change the current CAP budget or the distribution of budget between the two pillars, or the design of measures under the two pillars.

1.5.5. *Assessment of the different available financing options, including scope for redeployment*

Any CAP related expenditure will remain within the envelopes of the National Support Programmes for the wine sector. Other measures may be financed with national funds.

1.6. Duration of the proposal/initiative and of its financial impact

limited duration

in effect from [DD/MM]YYYY to [DD/MM]YYYY

financial impact from YYYY to YYYY for commitment appropriations and from YYYY to YYYY for payment appropriations.

unlimited duration

- Implementation with a start-up period from YYYY to YYYY,
- followed by full-scale operation.

1.7. Method(s) of budget implementation planned¹²

Direct management by the Commission

- by its departments, including by its staff in the Union delegations;
- by the executive agencies

Shared management with the Member States

Indirect management by entrusting budget implementation tasks to:

- third countries or the bodies they have designated
- international organisations and their agencies (to be specified)
- the European Investment Bank and the European Investment Fund
- bodies referred to in Articles 70 and 71 of the Financial Regulation
- public law bodies
- bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees

¹² Details of budget implementation methods and references to the Financial Regulation may be found on the BUDGpedia site: <https://myintracomm.ec.europa.eu/corp/budget/financial-rules/budget-implementation/Pages/implementation-methods.aspx>.

- bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees
- bodies or persons entrusted with the implementation of specific actions in the common foreign and security policy pursuant to Title V of the Treaty on European Union, and identified in the relevant basic act
- bodies established in a Member State, governed by the private law of a Member State or Union law and eligible to be entrusted, in accordance with sector-specific rules, with the implementation of Union funds or budgetary guarantees, to the extent that such bodies are controlled by public law bodies or by bodies governed by private law with a public service mission, and are provided with adequate financial guarantees in the form of joint and several liability by the controlling bodies or equivalent financial guarantees and which may be, for each action, limited to the maximum amount of the Union support.

Comments

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2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

No changes are foreseen with respect to the performance, monitoring and evaluation framework in place under the current CAP.

2.2. Management and control system(s)

2.2.1. Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed

No changes are foreseen to the present delivery model of the CAP concerning budget implementation methods, funding implementation mechanisms, payment modalities and the control strategy.

2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them

N/A

2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)

No changes are foreseen with respect to the status quo.

2.3. Measures to prevent fraud and irregularities

No changes are foreseen with respect to the status quo.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

This proposal does not have any quantifiable budgetary impact.

In line with the recommendations of the HLG on wine, the proposal includes measures aiming at managing the production potential, enhancing competitiveness and exploring new market opportunities of the sector.

Some measures (listed under Point 5 Detailed explanation of the specific provision of the proposal) may accelerate the implementation and consequently increase the expenditure of the wine budget, but any related expenditure will remain under the Member States financial allocations for the wine sector.

The proposal contains provisions giving Member States a degree of flexibility to increase the Union financial assistance for certain types of interventions and beneficiaries, in the framework of the CAP Strategic Plans. Thus, producer groups managing protected designations of origin and geographical indications can now be beneficiaries of the type of interventions promoting wine tourism in production regions. The maximum duration of the support for promotion and communication operations carried out in third countries is extended from three to five years. Certain investments carried out by recognised producer organisations will benefit from the same maximum rate of support as it is already the case for micro, small and medium-sized enterprises. Member States may increase the support rate for investments on climate change mitigation and adaptation.

The impact of the flexibilities introduced in the policy framework cannot be quantified at this stage.

– Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff. ¹³	from EFTA countries ¹⁴	from candidate countries and potential candidates ¹⁵	From other third countries	other assigned revenue
3	[08.02.02.03] Types of interventions in certain sectors under the CAP Strategic Plans – wine sector	Diff./Non-diff.	YES/ <u>NO</u>	YES/ <u>NO</u>	YES/ <u>NO</u>	YES/ <u>NO</u>

¹³ Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

¹⁴ EFTA: European Free Trade Association.

¹⁵ Candidate countries and, where applicable, potential candidates from the Western Balkans.

	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO

– New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.	from EFTA countries	from candidate countries and potential candidates	from other third countries	other assigned revenue
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO
	[XX.YY.YY.YY]	Diff./Non-diff.	YES/NO	YES/NO	YES/NO	YES/NO

3.2. Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

- The proposal/initiative does not require the use of operational appropriations
- The proposal/initiative requires the use of operational appropriations, as explained below

3.2.1.1. Appropriations from voted budget

EUR million (to three decimal places)

Heading of multiannual financial framework	Number
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DG: AGRI			Year	Year	Year	Year	TOTAL MFF 2021-2027
			2024	2025	2026	2027	
Operational appropriations							
Budget line	Commitments	(1a)					0.000
	Payments	(2a)					0.000
Budget line	Commitments	(1b)					0.000
	Payments	(2b)					0.000
Appropriations of an administrative nature financed from the envelope of specific programmes ¹⁶							
Budget line		(3)					0.000
TOTAL appropriations for DG AGRI	Commitments	=1a+1b+3	0.000	0.000	0.000	0.000	0.000
	Payments	=2a+2b+3	0.000	0.000	0.000	0.000	0.000

Mandatory table

	Year	Year	Year	Year	TOTAL MFF 2021-2027
	2024	2025	2026	2027	

¹⁶ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

TOTAL operational appropriations	Commitments	(4)	0.000	0.000	0.000	0.000	0.000
	Payments	(5)	0.000	0.000	0.000	0.000	0.000
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.000	0.000	0.000	0.000	0.000
TOTAL appropriations under HEADING <....> of the multiannual financial framework	Commitments	=4+6	0.000	0.000	0.000	0.000	0.000
	Payments	=5+6	0.000	0.000	0.000	0.000	0.000

DG: AGRI		Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021- 2027
• Human resources		0.000	0.000	0.000	0.000	0.000
• Other administrative expenditure		0.000	0.000	0.000	0.000	0.000
TOTAL DG <.....>	Appropriations	0.000	0.000	0.000	0.000	0.000

DG: <.....>		Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021- 2027
• Human resources		0.000	0.000	0.000	0.000	0.000
• Other administrative expenditure		0.000	0.000	0.000	0.000	0.000
TOTAL DG <.....>	Appropriations	0.000	0.000	0.000	0.000	0.000

TOTAL appropriations under HEADING 7 of the multiannual financial framework	(Total commitments = Total payments)	0.000	0.000	0.000	0.000	0.000
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EUR million (to three decimal places)

		Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021-2027
TOTAL appropriations under HEADINGS 1 to 7	Commitments	0.000	0.000	0.000	0.000	0.000
of the multiannual financial framework	Payments	0.000	0.000	0.000	0.000	0.000

3.2.2. *Estimated output funded from operational appropriations (not to be completed for decentralised agencies)*

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ↓			Year 2024		Year 2025		Year 2026		Year 2027								TOTAL		
	OUTPUTS																		
	Type 17	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost	
SPECIFIC OBJECTIVE No 1 ¹⁸ ...																			
- Output																			
- Output																			
- Output																			
Subtotal for specific objective No 1																			
SPECIFIC OBJECTIVE No 2 ...																			
- Output																			
Subtotal for specific objective No 2																			

¹⁷ Outputs are products and services to be supplied (e.g. number of student exchanges financed, number of km of roads built, etc.).

¹⁸ As described in Section 1.3.2. 'Specific objective(s)'

TOTALS																	
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3.2.3. Summary of estimated impact on administrative appropriations

- The proposal/initiative does not require the use of appropriations of an administrative nature
- The proposal/initiative requires the use of appropriations of an administrative nature, as explained below

3.2.3.1. Appropriations from voted budget

VOTED APPROPRIATIONS	Year	Year	Year	Year	TOTAL 2021 - 2027
	2024	2025	2026	2027	
HEADING 7					
Human resources	0.000	0.000	0.000	0.000	0.000
Other administrative expenditure	0.000	0.000	0.000	0.000	0.000
Subtotal HEADING 7	0.000	0.000	0.000	0.000	0.000
Outside HEADING 7					
Human resources	0.000	0.000	0.000	0.000	0.000
Other expenditure of an administrative nature	0.000	0.000	0.000	0.000	0.000
Subtotal outside HEADING 7	0.000	0.000	0.000	0.000	0.000
TOTAL	0.000	0.000	0.000	0.000	0.000

3.2.4. Estimated requirements of human resources

- The proposal/initiative does not require the use of human resources
- The proposal/initiative requires the use of human resources, as explained below

3.2.4.1. Financed from voted budget

Estimate to be expressed in full-time equivalent units (FTEs)

VOTED APPROPRIATIONS		Year 2024	Year 2025	Year 2026	Year 2027
• Establishment plan posts (officials and temporary staff)					
20 01 02 01 (Headquarters and Commission's Representation Offices)		0	0	0	0
20 01 02 03 (EU Delegations)		0	0	0	0
01 01 01 01 (Indirect research)		0	0	0	0
01 01 01 11 (Direct research)		0	0	0	0
Other budget lines (specify)		0	0	0	0
• External staff (inFTEs)					
20 02 01 (AC, END from the 'global envelope')		0	0	0	0
20 02 03 (AC, AL, END and JPD in the EU Delegations)		0	0	0	0
Admin. Support line [XX.01.YY.YY]	- at Headquarters	0	0	0	0
	- in EU Delegations	0	0	0	0
01 01 01 02 (AC, END - Indirect research)		0	0	0	0
01 01 01 12 (AC, END - Direct research)		0	0	0	0
Other budget lines - Heading 7		0	0	0	0
Other budget lines - Outside Heading 7		0	0	0	0

TOTAL	0	0	0	0
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3.2.5. *Overview of estimated impact on digital technology-related investments*

Compulsory: the best estimate of the digital technology-related investments entailed by the proposal/initiative should be included in the table below.

Exceptionally, when required for the implementation of the proposal/initiative, the appropriations under Heading 7 should be presented in the designated line.

The appropriations under Headings 1-6 should be reflected as “Policy IT expenditure on operational programmes”. This expenditure refers to the operational budget to be used to re-use/ buy/ develop IT platforms/ tools directly linked to the implementation of the initiative and their associated investments (e.g. licences, studies, data storage etc). The information provided in this table should be consistent with details presented under Section 4 “Digital dimensions”.

TOTAL Digital and IT appropriations	Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021 - 2027
HEADING 7					
IT expenditure (corporate)	0.000	0.000	0.000	0.000	0.000
Subtotal HEADING 7	0.000	0.000	0.000	0.000	0.000
Outside HEADING 7					
Policy IT expenditure on operational programmes	0.000	0.000	0.000	0.000	0.000
Subtotal outside HEADING 7	0.000	0.000	0.000	0.000	0.000
TOTAL	0.000	0.000	0.000	0.000	0.000

3.2.6. *Compatibility with the current multiannual financial framework*

The proposal/initiative:

- can be fully financed through redeployment within the relevant heading of the multiannual financial framework (MFF)

N/A - No quantifiable financial impact.

- requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation

- requires a revision of the MFF

3.2.7. *Third-party contributions*

The proposal/initiative:

- does not provide for co-financing by third parties
- provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year 2024	Year 2025	Year 2026	Year 2027	Total
co-financing body					
TOTAL appropriations co-financed					

3.3. Estimated impact on revenue

- The proposal/initiative has no financial impact on revenue.
- The proposal/initiative has the following financial impact:
 - (3) on own resources
 - on other revenue
 - revenue assigned to expenditure lines

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative ¹⁹			
		Year 2024	Year 2025	Year 2026	Year 2027
Article					

For assigned revenue, budget expenditure line(s) affected.

[...]

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

[...]

4. DIGITAL DIMENSIONS

4.1. Requirements of digital relevance

Reference to the requirement	Requirement description	Actor affected or concerned by the requirement	High-level Processes	Category
Article 1(6)	The Commission is empowered to define rules and provisions on the electronic	- Commission - Stakeholders - General public	Labelling of grapevine products	Digital solution

¹⁹ As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20% for collection costs.

	labelling of mandatory information defined in Article 119 of the regulation.			
Article 2(3)	As above for aromatised wine products.	- Stakeholders - General public	Labelling of aromatised wine products	Digital solution

4.2. Data

The proposed provisions provide: a) an empowerment to the Commission to issue rules supplementing existing rules on electronic labelling of certain mandatory information from operators to consumers in the wine sector (article 1(6)). Personal data protection is already considered in the regulation in force and is not under the scope of this regulation; b) the alignment of the provisions concerning the electronic labelling of the nutrition declaration and the list of ingredients of aromatised wine products to those applied to grapevine products (article 2(3)).

Alignment with the European Data Strategy

In line with the EU strategy for data, the delegated power for electronic labelling of grapevine and wine products will harmonise terms and rules on the identification of information by electronic means to consumers, which will ensure a common approach across the Union market. Ultimately, such approach will allow labels to flow within the EU for the benefit of citizens and consumers. The specific elements concerning the alignment with the European Data Strategy should be assessed case by case whenever the empowerment would be used.

Alignment with the once-only principle

Not applicable. Public administrations are not concerned.

Data flows

Not applicable.

4.3. Digital solutions

Digital solution: provision of empowerment concerning mandatory labelling information presented by electronic means.

Ref. to requirements: Article 1(6)

The Commission may develop delegated acts to establish a common identification on the package or the label of grapevine products of the electronic means that provide mandatory information to consumers, as well as to adapt the rules on electronic labelling to future technological progress if needed (e.g. increased requirements on provision of electronic information between operators or from operators to consumers). New rules would thus improve accessibility and understandability of digital labels across the EU, reducing the costs for operators and increasing clarity for consumers.

Body responsible: European Commission (for the empowerment); the economic operators (for implementation).

Digital solution: provision allowing the labelling of mandatory information by electronic means.

Ref. to requirements: Article 2(3)

The rules on identification of the electronic means for aromatised wine products would be aligned with those of the wine sector, with a single system across sectors. Main mandated rules in force for wine that would be mirrored: operators can provide certain mandatory information (list of ingredients, nutrition declaration) on the physical label or by electronic means identified on the package or on a label attached thereto. The system must avoid any collection or tracking of user data and must not provide information aimed at marketing purposes.

Body responsible: the economic operator.

At present, the policy initiative does not foresee the use of AI technologies for the identified digital solution.

4.4. Interoperability assessment

The requirements set by the policy initiative do not concern digital public services.

4.5. Measures to support digital implementation

Article 1(6): The Commission shall adopt delegated acts, when it will be deemed necessary (not within a specific timeline). Member States shall be involved.

Article 2(3): the provision simply extends to aromatised wines the rules on electronic labelling applied to wine. Member States shall be involved. Operators shall implement the rules.