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european agri-cooperatives

VI(21)1793:1 - Art.

Mr Wolfgang Burtscher Director-Gene ral DGAGRI European Commission 200, ruedelaLoi B-1000 Brussels

Brussels, 16th March 2021

Re: Extraordinary measures to alleviate the effects of COVID-19 on the wine sector

Dear Director-Gener al.

In view of the upcoming Agriculture and Fisheries Council meeting on 22 and 23 March, where extraordinary measures to alleviate the effects of the COVID-19 crisis on the wine sector will be discussed, we would like to bring to your attention the dire straits in which the wine sector and European winegrowers find themselves and strongly emphasise the need for exceptional and urgent measures to counter the effects of COVID-19.

A year has passed since the initial outbreak of the pandemic, and the wine sector is experiencing severe challenges and mounting pressure. The lockdown measures still in force in most Member States and in importing countries have resulted in a significant decrease in wine consumption and a drop in exports both in value and volume. The closure of the Horeca sector and the collapse of agro-tourism have further aggravated the situation and caused winegrowers to lose a substantial part of their direct sales at wine cellars. Off-trade sales unfortunately do not suffice to offset the losses. On top of this comes the exponential rise in stocks negatively impacting the market. The risk oflong-term damage is real.

We salute the decision made by the EU and the US to suspend tariffs linked to the Airbus and Boeing trade dispute for four months and hope that a permanent solution will be found to avoid agriculture, and in particular the wine sector, paying a high-price for a dispute they are not involved in. We also welcome the :flexibility in the implementation of the national support programmes (NSPs), but regrettably, in light of the 3.9% budget decrease and the aforementioned situation, these measures are insufficient. Extraordinary times demand extraordinary measures.

We call on the Commission to come forward with an extraordinary budget, equivalent to an annual budget of the NSPs for the wine sector, and crisis management tools for one more year in order to support/save a sector that has been hit hard on all fronts and is on the brink of collapse.

Such a budget will be paramount to the improvement of the market situation as it will enable Member States to implement urgent measures adapted to their needs. It should come from outside the agricultural funds and differ from the NSP funds allocated to Member States.

In light of the unprecedented situation that the European wine sector is faced with and echoing letters sent to the Commission last year and demands from the European Parliament, we call for your support to avoid bankruptcy and the destruction of investments and jobs in rural areas. We, Copa and Cogeca, hope that you will consider our arguments and bring them to the discussion with the Ministers of Agriculture next week.

Please note that a copy of this letter will be sent to the permanent representations to the EU and the Committee of Agriculture and Rural Development of the European Parliament.

We remain at your disposal should you have any additional questions or wish to discuss any details.

Yours sincerely,

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Cc: Mr Roberto Berutti (Cabinet :	member in charge of wine) Art. 4.1(b) Privacy	
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