EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

The Director-General

Brussels
AGRI.DDG3.G.2 Art. 4.1(b) P i (2021)3557475

Subject: **Extraordinary measures to alleviate the effects of COVID-19 on the wine sector – Our reference Ares (2021) 2958349 of 4 May 2021**

Dear Art. 4.1(b) Privacy,

Thank you for your letter of 16 March in which you call on the European Commission to provide additional funds to help the European wine sector alleviate the effects of the COVID pandemic.

I thank you for your positive welcome of the measures and flexibilities to help the wine sector face the COVID crisis, adopted by the Commission in the spring of 2020 and recently prolonged for 2021. This package includes a 20% increase in the Union's support rate granted in the framework of the wine support programmes, which is providing financial relief to European wine growers and producers. However, you underline that all these measures are insufficient.

Furthermore, I note that you consider as a good start the agreement on the recent bilateral arrangement with the United States that has led to the mutual suspension of the tariffs introduced in the context of the Airbus-Boeing conflict. This will have a positive influence on exports of European wine to the US and will help the European wine sector. Finding a lasting solution to this longstanding conflict remains a priority for the Commission.

As regards extra funds, following up on what was written to you in previous letters, I can only repeat that no additional budget was foreseen for COVID-related measures in the wine sector when the budgetary authority, the European Parliament and the Council, agreed the 2021 budget at the end of last year. Therefore, any additional exceptional support package for the wine sector could only be paid from the crisis reserve. This would be to the detriment of direct payments to farmers throughout Europe. Nevertheless, efforts to support the sector continue through the measures aimed at combatting COVID and re-opening society, including the travel, restaurant and tourism sectors on which the wine sector heavily depends. These will provide, in addition to the

Art. 4.1(b) Privacy
Art. 4.1(b) Privacy
COPA-COGECA
European Farmers European Agri-Cooperatives
61, Rue de Trêves
B - 1040 Bruxelles
www.copa-cogeca.eu

above-mentioned flexibilities and crisis measures, further help to address the current difficulties confronting the wine sector.

These difficulties are of particular concern to you. You mention the risk of bankruptcy and job loss in rural areas. This concern is shared by the Commission and is part of the reason why, last year, the Commission encouraged Member States to use rural development support to alleviate the economic impact of the coronavirus outbreak in agriculture and rural areas. Also, by Regulation 2020/872 of 24 June 2020 amending the Rural Development basic act, Regulation (EU) No 1305/2013, the Commission proposal for a new rural development measure was adopted. The measure allows Member States to pay lump-sums to farmers and small agri-food businesses particularly affected by the COVID-19 crisis, thus providing them with targeted liquidity support for ensuring continuity of their business activity. The measure can be included in Member States' Rural Development Programmes, where also wine processing businesses are eligible for support. The measure has been extended, meaning that the grant decisions should be made by 30 June 2021 at the latest and the payment to beneficiaries by 31 December 2021.

With no available additional funds, in view of the severity and duration of the crisis, I suggest addressing the wine market situation by making the best use of the tools and flexibilities offered to Member States and to the wine sector.

Yours faithfully,

In absence of the Director General
Wolfgang BURTSCHER

Art. 4 1(b) Privacy

Mihail DUMITRU
Deputy Director General