

FRENCH REACTION TO THE AMERICAN TAX ON WINE AND CMO BY FRENCH MINISTER

OF ARGICULTURE DIDIER GUILLAUME

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USPA NEWS - he French Minister of Agriculture and Food, Didier Guillaume, deplores the heavy taxation of French wines on a sector for which the American market is important. It works to mobilize all the instruments of the European policy to support the sector. He made this request public point with his counterparts at the European Council last Monday in Luxembourg, and called for a firm and united response to US sanctions. As regards the payments for the 2018/2019 marketing year, under the schemes financed by the European Union under the Common Market Organization (CMO) of the wine sector, on 15 October, 265.3 million euros, more than 95% of the total.

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Several factors are responsible for this situation: the drop in the number of applications, the lack of demand for advances in several basins, and the complexity of the devices. The Minister reminds the wine industry that each eligible file deposited with FranceAgriMer will be paid normally. For the next campaigns, a consultation will be launched to open a new measure dedicated to innovation in the wine sector in order to better support the sector faced with ongoing changes and facilitate the consumption of the envelope. Faced with this difficult context, the Minister will receive the entire sector in the coming days.

2018-19 PAYMENTS MADE ON OCTOBER 15TH-----

The common agricultural policy provides for specific measures in favor of the wine sector, usually referred to as wine CMOs. This CMO falls under the EAGF (1st pillar of the CAP). As such, it does not call for co-financing by the French State. For the record, the French version of the Wine CMO includes four actions, the implementation of which has been entrusted to FranceAgriMer:

ü The restructuring of the vineyard (development of the competitiveness of vineyards and adaptation of production to market developments): € 109.4 million paid on October 15-----

\$\$Wine investments (modernization of processing capacities, winemaking and quality control tools): € 90.2 million paid on October 15-----

\$\$ Promotion in third countries (promotional activities carried out by wine exporters on third countries): € 29 million paid on 15 October-----

\$\$ The distillation of the by-products of winemaking (support for the collection and processing of marc and lees into alcohol for the biofuel market): € 36.6 million paid on 15 October. Source : Ministry fo Agriculture & Food

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