COMMISSION DELEGATED REGULATION (EU) 2021/95

of 28 January 2021

amending Delegated Regulation (EU) 2020/592 on temporary exceptional measures derogating from certain provisions of Regulation (EU) No 1308/2013 of the European Parliament and of the Council to address the market disturbance in the fruit and vegetables and wine sectors caused by the COVID-19 pandemic and measures linked to it

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to 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 ([1]), and in particular Article 219(1) in conjunction with Article 228 thereof,

Whereas:

(1) Commission Delegated Regulation (EU) 2020/592 ([2]) introduced a number of derogations from existing rules, inter alia, in the wine sector, aimed at providing relief to wine operators and to help them cope with the impact of the COVID-19 pandemic. However, despite the usefulness of those measures, the wine market has not managed to regain its balance between supply and demand and is not expected to regain it in the short to medium term due to the ongoing pandemic.

(2) Furthermore, the measures adopted to address the COVID-19 pandemic are being continued in most Member States and across the world. Those measures include imposing restrictions in relation to the size of social gatherings and celebrations, and in relation to the possibilities to eat and drink outside the home. Lockdowns continue to be imposed in some areas, accompanied by the cancellation of public events and private parties. The knock-on effect of these restrictions has resulted in a further decrease in the consumption of wine in the Union and in a confirmed reduction in the export of wine to third countries. In addition, the uncertainty as to the duration of the crisis, which it is anticipated will likely extend beyond the end of the year 2020, is causing long term damage to the Union wine sector as wine consumption is unlikely to recover and export markets will be lost. This combination of factors is having a significant negative impact on pricing in the Union wine market. Stocks that were already at a record high at the beginning of the marketing year 2019-2020 have been increased. Finally, the upcoming high yielding 2020 harvest, which is expected to exceed the 2019 harvest by approximately 10 million hectolitres of wine, will only serve to further worsen the situation.

(3) Consequently, given the lengthy duration of the restrictions imposed by Member States to address the COVID-19 pandemic and the need to keep restrictions in place, the severe economic disruption to the main outlets for wine and the ensuing negative effects on the demand for wine are exacerbated.

(4) In light of this exceptionally severe market disturbance and of the accumulation of difficult circumstances encountered in the wine sector, which has its origin in the imposition by the United States of tariffs on the imports of Union wines in October 2019 and which continues now with the fall-out from the ongoing restrictive measures due to the worldwide COVID-19 pandemic, exceptional difficulties continue to be encountered by operators in the Union wine sector. Further assistance to the wine sector is therefore warranted.

([1]) OJ L 347, 20.12.2013, p. 671.

([2]) Commission Delegated Regulation (EU) 2020/592 of 30 April 2020 on temporary exceptional measures derogating from certain provisions of Regulation (EU) No 1308/2013 of the European Parliament and of the Council to address the market disturbance in the fruit and vegetables and wine sectors caused by the COVID-19 pandemic and measures linked to it (OJ L 140, 4.5.2020, p. 6).

(5) The continued implementation of the measures to address the crisis and the increases in maximum Union contribution introduced by Delegated Regulation (EU) 2020/592 are considered essential to improve the market situation in the Union wine sector. In particular, those measures are crucial for removing from the Union market quantities of wine, which are otherwise negatively affecting the market prices, and for improving operators' cash flow through a reduced own financial contribution to their operations. However, the implementation of Delegated Regulation (EU) 2020/592, as recently amended by Delegated Regulation (EU) 2020/1275 ([3]), has shown that the current deadline of 15 October 2020 set out in Article 10 of Delegated Regulation (EU) 2020/592, does not allow for all necessary measures to be efficiently implemented by the Member States and the operators in the wine sector. In particular, due to the unstable sanitary situation and the unpredictable timing of the different national restrictions imposed to control it, it has been difficult for Member States to plan and introduce additional measures in their support programmes in the wine sector so that operators could benefit from the measures and the increased financing within the deadline of 15 October 2020. Extending this deadline until 15 October 2021 would allow Member States to introduce some of the measures late in the season and would provide operators with additional possibilities to apply for support. Such extension would not only help to address the current market disturbance, but would also contribute to preventing further deterioration of the situation given that the COVID-19 pandemic is expected to continue beyond the end of the year 2020, and thus during a significant part of the financial year 2021.

(6) Therefore, it is considered necessary to extend the application of the measures laid down in Articles 2, 3 and 4 and Articles 5a to 9 of Delegated Regulation (EU) 2020/592 until 15 October 2021.

(7) Delegated Regulation (EU) 2020/592 should therefore be amended accordingly.

(8) For imperative grounds of urgency, in particular considering the ongoing market disturbance, its severe effects on the Union wine sector and its continuation and likely deterioration, it is necessary to take immediate action and urgently ensure the continued implementation of the measures already in place aimed on alleviating those negative effects. Delaying immediate action would threaten to aggravate the market disturbance in the wine sector and would be detrimental to the production and market conditions in that sector. In view of this, this Regulation should be adopted pursuant to the urgency procedure laid down in Article 228 of Regulation (EU) No 1308/2013.

(9) In view of the necessity to take immediate action, to avoid disruption in the implementation of the measures to address the crisis in the Union wine sector and to ensure a smooth transition between the two financial years, this Regulation should enter into force on the day of its publication in the *Official Journal of the European Union* and apply retroactively from 16 October 2020,

HAS ADOPTED THIS REGULATION:

Article 1

Amendments to Delegated Regulation (EU) 2020/592

Delegated Regulation (EU) 2020/592 is amended as follows:

(1) Article 2 is replaced by the following:

'*Article 2*

Derogations from Article 43 of Regulation (EU) No 1308/2013

By way of derogation from Article 43 of Regulation (EU) No 1308/2013, the measures set out in Articles 3 and 4 of this Regulation may be financed under support programmes in the wine sector through advance payments or payments during financial years 2020 and 2021.';

([3]) Commission Delegated Regulation (EU) 2020/1275 of 6 July 2020 amending Delegated Regulation (EU) 2020/592 on temporary exceptional measures derogating from certain provisions of Regulation (EU) No 1308/2013 of the European Parliament and of the Council to address the market disturbance in the fruit and vegetables and wine sectors caused by the COVID-19 pandemic and measures linked to it (OJ L 300, 14.9.2020, p. 26).

(2) in Article 7, paragraph 1 is replaced by the following:

'1. By way of derogation from Article 47(1) of Regulation (EU) No 1308/2013, during the years 2020 and 2021, 'green harvesting' means the total destruction or removal of grape bunches while still in their immature stage, on the whole holding or on part of the holding provided that the green harvesting is carried out on entire parcels.';

(3) Article 10 is replaced by the following:

'Article 10

Application of the temporarily increased Union contribution

Articles 5a, 6, 7(2), 8 and 9 shall apply to operations selected by the competent authorities in the Member States as of the date of entry into force of this Regulation and not later than 15 October 2021.'.

Article 2

Entry into force and application

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

It shall apply from 16 October 2020.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 28 January 2021.

For the Commission
The President
Ursula VON DER LEYEN