COMMISSION DELEGATED REGULATION (EU) 2021/2027

of 13 September 2021

amending Delegated Regulation (EU) 2020/884 as regards the derogations from Delegated Regulation (EU) 2016/1149 to address the crisis caused by the COVID-19 pandemic in the wine sector, and amending Delegated Regulation (EU) 2016/1149

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 ([1]), and in particular Articles 62(1) and 64(6) thereof,

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 ([2]), and in particular Article 53, points (b) and (h), thereof,

Whereas:

(1) Commission Delegated Regulation (EU) 2020/884 ([3]) introduced a number of temporary derogations from existing rules, inter alia, from Commission Delegated Regulation (EU) 2016/1149 ([4]) in the wine sector, aimed at providing relief to operators 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.

(2) The COVID-19 pandemic is not under control. Vaccination campaigns in some regions of the Union and across the world are insufficient and movement restrictions and social distancing measure are still applied in most countries. Those measures continue to include restrictions related to travel, size of social gatherings, private parties, public events and to the possibility to eat and drink outside the home. Those restrictions result in a further decrease in the consumption of wine in the Union, larger stocks and more generally in market disturbance. In some Member States, one third of wine consumption is related to tourism. Therefore, wine consumption has continued to decline and stocks remain high. Those effects of the pandemic coupled with the tariffs imposed by the United States and the frost snap in Europe in April 2021 have had a severe negative impact on the income of wine producers in the Union. It is estimated that the combination of all those factors has had the effect of reducing on average by 15 to 20 % the turnover of the Union wine sector, with some companies having reported losses of up to 40 %.

(3) In addition, the uncertainty as to the duration of the crisis, which remains difficult to predict due to the rapid mutability of the virus, further deepens the existing significant disturbance of the Union wine market. This means that the recovery of the sector will take longer than could be foreseen at the beginning of 2021. Consequently, it is appropriate to continue to offer temporary and exceptional support to the Union wine sector to avoid the increase in bankruptcies that has been reported.

([1]) OJ L 347, 20.12.2013, p. 549.

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

([3]) Commission Delegated Regulation (EU) 2020/884 of 4 May 2020 derogating in respect of the year 2020 from Delegated Regulation (EU) 2017/891 as regards the fruit and vegetables sector and from Delegated Regulation (EU) 2016/1149 as regards the wine sector in connection with the COVID-19 pandemic (OJ L 205, 29.6.2020, p. 1).

([4]) Commission Delegated Regulation (EU) 2016/1149 of 15 April 2016 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards the national support programmes in the wine sector and amending Commission Regulation (EC) No 555/2008 (OJ L 190, 15.7.2016, p. 1).

(4) As the COVID-19 pandemic and its effects on the wine market are expected to continue beyond the year 2021 and thus during a considerable part of the financial year 2022, it is necessary to extend the application of the measures laid down in Article 2(1), (3), (4) and (6) of Delegated Regulation (EU) 2020/884 for the duration of the financial year 2022.

(5) Article 25(1) of Delegated Regulation (EU) 2016/1149 provides that the support for mutual funds referred to in Article 48 of Regulation (EU) No 1308/2013 are to be limited to 10 %, 8 % and 4 % of the contribution of the producers to the mutual fund respectively in the first, second and third year of its implementation. However, experience to date has shown that such support rates do not encourage Member States to include that measure in their support programmes in the wine sector and operators to apply for support thereunder. Given that mutual funds are an important instrument to manage risks, including risks linked to adverse climatic events such as the late and particularly long spells of severe frost that occurred in April 2021 and those linked to market disturbances such as those resulting from the COVID-19 pandemic, it is appropriate to double the support rates provided for in Article 25(1) of Delegated Regulation (EU) 2016/1149 to increase the incentive for operators in the wine sector to set up mutual funds and provide the tool and support for them to protect themselves against future risks.

(6) It is also appropriate for that increased incentive to cover more than one marketing year, because experience has shown that the uptake of support for the setting up of mutual funds has been very limited in the past. Thus, it is essential to have enough time to inform and encourage Member States and operators in the wine sector to make use of that exceptional rate of support. Furthermore, setting up mutual funds can take more than one year. Therefore the increased support should cover at least two years. For all these reasons, it is necessary to increase the Union financial contribution to the support for mutual funds until the end of the programming period 2019-2023.

(7) Delegated Regulations (EU) 2020/884 and (EU) No 2016/1149 should therefore be amended accordingly.

(8) In order to ensure continuity between financial years 2021 and 2022, this Regulation should enter into force on the third day following that of its publication in the *Official Journal of the European Union* and apply from 16 October 2021,

HAS ADOPTED THIS REGULATION:

Article 1

Amendments to Delegated Regulation (EU) 2020/884

Article 2 of Delegated Regulation (EU) 2020/884 is amended as follows:

(1) paragraph 1 is replaced by the following:

‘1. By way of derogation from Article 22 of Delegated Regulation (EU) 2016/1149, during the years 2020, 2021 and 2022, green harvesting may be applied on the same parcel for two or more consecutive years.’;

(2) in paragraphs 3, 4 and 6, the date ‘15 October 2021’ is replaced by ‘15 October 2022’.

Article 2

Amendment to Delegated Regulation (EU) 2016/1149

In Article 25 of Delegated Regulation (EU) 2016/1149, paragraph 1 is replaced by the following:

‘1. Where the support referred to in Article 48 of Regulation (EU) No 1308/2013, is used to finance the administrative cost of setting up mutual funds, it shall be limited to the following proportion of the contribution of the producers to the mutual fund in the first, second and third year of its implementation: 20 %, 16 % and 8 %.’.

Article 3

Entry into force and application

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

It shall apply from 16 October 2021.

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

Done at Brussels, 13 September 2021.

For the Commission
The President
Ursula VON DER LEYEN