



COMMISSION OF THE EUROPEAN COMMUNITIES

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**REPORT FROM THE COMMISSION
TO THE EUROPEAN PARLIAMENT AND THE COUNCIL**

on management of planting rights

pursuant to Chapter I of Title II of Council Regulation (EC) No 1493/1999

TABLE OF CONTENTS

1.	Introduction	3
2.	New planting rights	4
2.1.	New planting rights of an administrative nature	4
2.2.	New planting rights to meet demand for quality wines produced in specified regions (quality wines psr) and table wines with geographical indication	4
3.	Changes in the production potential.....	6
3.1.	Replanting rights held by the producers.....	6
3.2.	Reserves of planting rights (or “non-reserve system”)	7
3.3.	Area planted with vines.....	9
3.4.	The total production potential	10
4.	Regularisation of irregular plantings.....	11

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1. INTRODUCTION

Council Regulation (EC) No 1493/1999 on the common organisation of the market (CMO) in wine¹, in Article 7(3) provides that “By 31 December 2003, and at three-yearly intervals from the date, the Commission shall submit a report to the European Parliament and the Council on the operation of this Chapter [i.e. the chapter on ‘Planting of vines’]. The report may be accompanied, if appropriate, by proposals for the grant of further newly created planting rights.” In line with this obligation, a report was submitted to the European Parliament and the Council early in 2004².

The present document intends to be the *update* of the report of 2004. While doing so,

- in order to observe and evaluate trends, it takes stock of the entire period since the date of application of the current CMO on 1 August 2000;
- it does not repeat information concerning the explanation of the background and the content of the Community legislation. Where appropriate, the structure of this report follows that of the 2004 report;
- the scope has been widened to include the 10 new Member States which joined on 1 May 2004 (EU 10) but not to those new Member States which joined on 1 January 2007. However, for the sake of better presentation, and since data for the new Member States is available only for a shorter period, the graphs in this document only present data of the Member States that were members of the Community before 2004 (EU 15).

The communication discipline of the Member States improved considerably in the last years. Also, as a result of controls (clearance of accounts missions) carried out by the Commission services, the data communicated in the framework of Commission Regulation (EC) No 1227/2000³ became more in consistent with the data bases (vineyard register) kept by the Member States.

However, in spite of the improvement of the availability of data, in some cases they are still not communicated. So as to be able to provide as good a picture as possible in spite of these missing data, figures of the preceding or, when necessary, of the following wine year were used in some tables and graphs, in order to give an approximate picture of the situation and the tendencies. In such cases, the figures taken over from the preceding/following wine year

¹ OJ L 179, 14.7.1999, p. 1.

² COM(2004) 161 final of 12.3.2004.

³ laying down detailed rules for the application of Council Regulation (EC) No 1493/1999 as regards production potential (OJ L 143, 16.6.2000, p. 1).

are indicated in Italics. Other codes used in the table are the following: NR = not relevant, NC = not communicated.

This report is intended to be purely factual and does not contain any policy recommendation. However, it provides useful background information in the context of the ongoing debate on the reform of the CMO in wine launched by the Commission Communication on 22 June 2006⁴.

2. NEW PLANTING RIGHTS

2.1. New planting rights of an administrative nature

The new planting rights of an administrative nature are defined in Article 3(1) of Regulation (EC) No 1493/1999. The new planting rights granted according to this provision during the period 2000–2006 are the following:

Table 1. Area of additional new planting rights granted

<i>(ha)</i>	Compulsory purchase	Land consolidation	Experiments	Graft nurseries	Family consumption	Total
<i>Czech Republic</i>	0,00	117,99	4,34	0,00	0,00	122,33
<i>Germany</i>	0,00	4,95	7,84	0,00	0,63	13,42
<i>Spain</i>	182,58	282,75	36,55	92,55	0,00	594,43
<i>France</i>	16,29	18,30	19,17	61,36	0,00	115,12
<i>Italy</i>	19,28	5,02	97,83	151,07	4 292,21	4 565,41
<i>Portugal</i>	0,00	0,00	0,80	27,73	0,00	28,53
<i>Slovakia</i>	0,00	0,00	0,00	617,00	0,00	617,00
Total	218,15	429,02	166,54	949,70	4 292,84	6 056,25

Source: Communications of the Member States according to Table 2.1 of the Annex to Regulation (EC) No 1227/2000.

No planting rights of an administrative nature were granted during the above mentioned period in Greece, Cyprus, Luxembourg, Hungary, Malta, Austria and Slovenia.

2.2. New planting rights to meet demand for quality wines produced in specified regions (quality wines psr) and table wines with geographical indication

Out of the “quota” of the newly created planting rights provided for in Article 6(1) of Regulation (EC) No 1493/1999, new planting rights could be granted by the Member States no later than 31 July 2003 for the production of quality wines psr or table wines described by means of a geographical indications where it was recognised that, owing to their quality, the production of the wines in question was far below demand (see Article 3(2) to (5) and Article 6 of the Regulation (EC) No 1493/1999). The uptake of the “quota” of newly created planting rights for this purpose is shown in Table 2.

⁴ COM(2006) 319 final of 22.6.2006.

Table 2. Use of the newly created planting rights for planting vineyards to produce quality wines and table wines with geographical indication

	New planting rights (Art. 3(2) of R. 1493/1999) (ha)	“Quota” (Art. 6(1) of R. 1493/1999) (ha)	Percentage of use (%)
<i>Germany</i>	471	1 534	31
<i>Greece</i>	1 098	1 098	100
<i>Spain</i>	17 107	17 355	99
<i>France</i>	9 377	13 565	69
<i>Italy</i>	3 688	12 933	29
<i>Luxembourg</i>	0	18	0
<i>Austria</i>	0	737	0
<i>Portugal</i>	3 041	3 760	81
Total	34 783	51 000	68

Source: Communications of the Member States according to Table 2.2 of the Annex to Regulation (EC) No 1227/2000 and Article 6 of Regulation (EC) No 1493/1999.

The utilisation of these new planting rights is shown in Table 3.

Table 3. Area of new planting rights granted to meet demand for quality wines and table wines with geographical indication

2000/2001–2002/2003	Quality wines (ha)	Table wines with GI (ha)	TOTAL (ha)	% of quality wines
<i>Germany</i>	471	0	471	100
<i>Greece</i>	362	736	1 098	33
<i>Spain</i>	16 126	981	17 107	94
<i>France</i>	6 875	2 502	9 377	73
<i>Italy</i>	3 423	265	3 688	93
<i>Luxembourg</i>	0	0	0	–
<i>Austria</i>	0	0	0	–
<i>Portugal</i>	2 456	585	3 041	81
Total	29 714	5 069	34 783	85

Source: Communications of the Member States according to Table 2.2 of the Annex to Regulation (EC) No 1227/2000.

According to the Act of Accession⁵, the Czech Republic was granted 385,23 hectares of newly created planting rights for the production of quality wines psr which had to be allocated to the reserve.

With the same Act of Accession, newly created planting rights were allocated to Malta for the production of quality wines psr up to a total planted wine area of 1 000 ha. The part of these rights that was not used by the 2005/2006 wine year had to be allocated to the reserve.

3. CHANGES IN THE PRODUCTION POTENTIAL

3.1. Replanting rights held by the producers

The amount of replanting rights held by the producers according to Article 4 of Regulation (EC) No 1493/1999 and Article 4 of Regulation (EC) No 1227/2000 are shown in Table 4 and Graph 1.

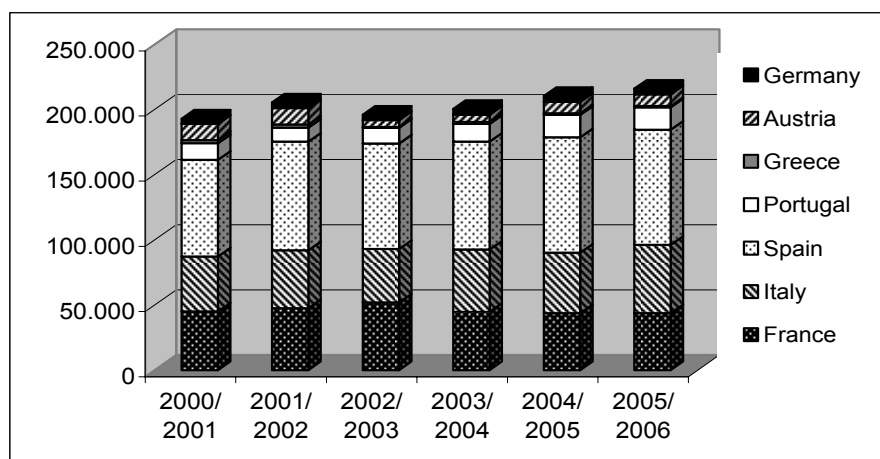
Table 4. Replanting rights held by the producers

(ha)	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
<i>Czech Republic</i>	NR	NR	NR	0	154	192
<i>Germany</i>	3 900	4 235	4 184	4 366	4 436	4 285
<i>Greece</i>	2 376	2 376	560	1 682	1 206	987
<i>Spain</i>	74 189	83 315	80 949	82 814	88 475	88 412
<i>France</i>	45 094	47 611	51 942	44 823	43 749	43 702
<i>Italy</i>	42 056	44 448	41 103	47 748	46 502	52 465
<i>Cyprus</i>	NR	NR	NR	467	596	596
<i>Luxembourg</i>	0	0	0	12	0	0
<i>Hungary</i>	NR	NR	NR	12 509	13 525	14 266
<i>Malta</i>	NR	NR	NR	0	0	0
<i>Austria</i>	12 592	12 695	5 313	5 501	8 897	9 030
<i>Portugal</i>	12 809	10 737	12 045	13 541	17 124	17 124
<i>Slovenia</i>	NR	NR	NR	0	276	251
<i>Slovakia</i>	NR	NR	NR	0	500	500
Subtotal EU 15	193 016	205 417	196 097	200 488	210 390	216 004
Subtotal EU 10	NR	NR	NR	12 976	15 051	15 805
Total	193 016	205 417	196 097	213 463	225 441	231 809

Source: Communications of the Member States according to Table 7.2 and, where applicable, Table 7.1 of the Annex to Regulation (EC) No 1227/2000.

⁵ Act concerning the conditions of accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic and the adjustments to the Treaties on which the European Union is founded – Annex II: List referred to in Article 20 of the Act of Accession – 6. Agriculture – A. Agricultural legislation (OJ L 236, 23.9.2003, p. 346–380).

Graph 1. Replanting rights held by the producers (ha, EU-15)



3.2. Reserves of planting rights (or “non-reserve system”)

According to Article 5(1) of Regulation (EC) No 1493/1999, Member States shall create a national reserve, and/or as the case may be, regional reserves, of planting rights. By derogation, Member States may choose not to implement the reserve system provided that they can prove that an *effective system* for managing planting rights exists throughout their territory (see Article 5(8) of Regulation (EC) No 1493/1999).

Table 5 shows which Member States apply a reserve system and on what level.

Table 5. Reserve systems

	National reserve	Regional reserves	”Non-reserve system”
<i>Czech Republic</i>	yes	no	no
<i>Germany</i> ⁶	no	yes	yes
<i>Greece</i>	yes	no	no
<i>Spain</i>	yes	yes	no
<i>France</i>	yes	no	no
<i>Italy</i>	no	yes	no
<i>Cyprus</i>	yes	no	no
<i>Luxembourg</i>	no	no	yes
<i>Hungary</i>	no	no	yes
<i>Malta</i>	yes	no	no
<i>Austria</i>	yes	yes	no
<i>Portugal</i>	yes	no	no
<i>Slovenia</i>	yes	no	no
<i>Slovakia</i>	yes	no	no

Source: Communications of the Member States.

All the new Member States have adopted the national reserve system, except Hungary which has chosen the “effective system”.

⁶ Germany has a mixed system: reserves in certain regions and the “effective system” in others.

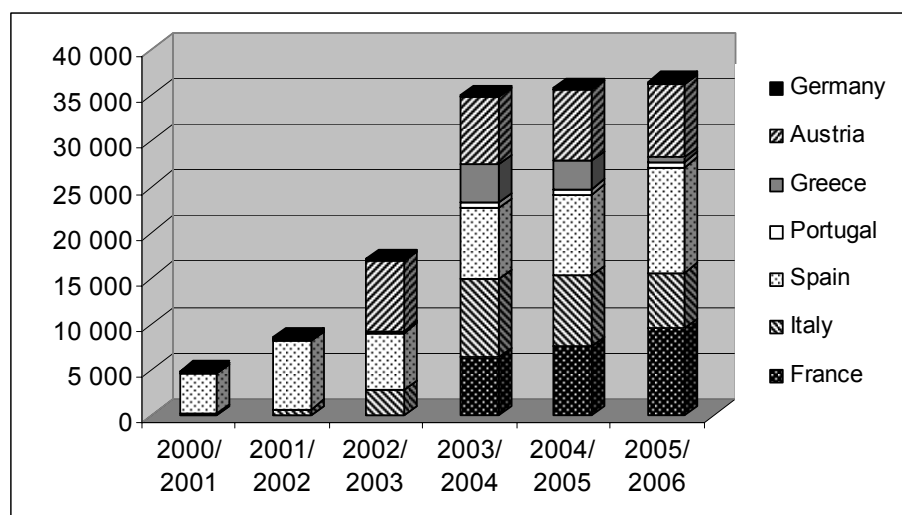
Table 6 shows the quantity of the existing planting rights in the reserves.

Table 6. Existing planting rights in the national/regional reserves

(ha)	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
<i>Czech Republic</i>	NR	NR	NR	385	385	263
<i>Germany</i>	65	200	178	165	207	235
<i>Greece</i>	0	0	0	4 161	3 129	555
<i>Spain</i>	4 448	7 457	6 242	7 789	8 913	11 519
<i>France</i>	0	NC	NC	6 286	7 580	9 475
<i>Italy</i>	109	658	2 780	8 679	7 671	6 173
<i>Cyprus</i>	NR	NR	NR	2 000	1 998	1 998
<i>Luxembourg</i>	NR	NR	NR	NR	NR	NR
<i>Hungary</i>	NR	NR	NR	NR	NR	NR
<i>Malta</i>	0	0	0	0	0	NC
<i>Austria</i>	50	50	7 745	7 396	7 756	7 965
<i>Portugal</i>	206	206	208	590	590	606
<i>Slovenia</i>	NR	NR	NR	5 609	4 249	4 148
<i>Slovakia</i>	NR	NR	NR	2 037	1 052	1 052
Subtotal EU 15	4 878	8 571	17 153	35 066	35 846	36 528
Subtotal EU 10	NR	NR	NR	10 031	7 684	7 460
Total	4 878	8 571	17 153	45 097	43 529	43 988

Source: Communications of the Member States according to Table 7.2 and, where applicable, Table 7.1 of the Annex to Regulation (EC) No 1227/2000.

Graph 2. Planting rights in the reserve (ha, EU-15)



The figures presented in Table 4 (replanting rights held by the producers) and even more those in Table 6 (planting rights in the reserve) and Table 9 (total of planting rights) show an increasing tendency of the accumulation of the planting rights. This may demonstrate the reduced interest of producers to plant but also the limitations in some Member States of the authorisation of new planting and replanting rights due to the unfavourable market situation.

The allocation of newly created planting rights to the reserves could also be a reason for the increase of the planting rights in them.

3.3. Area planted with vines

Table 7. Area planted with vines

(ha)	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
<i>Czech Republic</i>	NR	NR	NR	19 262	19 107	19 081
<i>Germany</i>	104 211	103 527	103 122	102 714	102 483	102 432
<i>Greece</i>	77 589	77 589	80 794	64 778	66 284	66 682
<i>Spain</i>	1 124 433	1 115 322	1 120 568	1 116 950	1 104 512	1 099 765
<i>France</i>	902 908	907 669	896 155	893 073	897 067	879 859
<i>Italy</i>	772 513	768 995	748 680	728 213	726 985	730 439
<i>Cyprus</i>	NR	NR	NR	16 811	15 047	13 068 ⁷
<i>Luxembourg</i>	1 342	1 342	1 309	1 293	1 300	1 299
<i>Hungary</i>	NR	NR	NR	87 017	86 000	85 260
<i>Malta</i>	NR	NR	NR	710	840	910
<i>Austria</i>	50 456	50 350	51 136	51 030	50 988	50 681
<i>Portugal</i>	238 073	240 265	241 119	239 952	236 704	238 831
<i>Slovenia</i>	NR	NR	NR	16 351	16 597	16 704
<i>Slovakia</i>	NR	NR	NR	21 047	21 531	21 531
Subtotal EU 15	3 271 525	3 265 059	3 242 884	3 198 002	3 186 324	3 169 988
Subtotal EU 10	NR	NR	NR	161 197	159 122	156 554
Total	3 271 525	3 265 059	3 242 884	3 359 199	3 345 446	3 326 542

Source: Communications of the Member States according to Table 7.2 and, where applicable, Table 7.1 of the Annex to Regulation (EC) No 1227/2000.

The area planted with vines has been constantly decreasing during the years considered. The increase in the total EU vine area in 2003/2004 can be attributed to the enlargement of the Community but since then, the tendency of decrease has continued.

The grubbing-up measure according to Article 8 of Regulation (EC) No 1493/1999 could contribute to the decrease: it was applied on a relatively larger scale in Germany (1 514 hectares grubbed up between 2000/2001 and 2005/2006), France (15 340 hectares grubbed up between 2000/2001 and 2005/2006), in Cyprus (1 979 ha grubbed up in 2004/2005) and in Hungary (3 574 ha grubbed up in 2005/2006)⁸.

In addition, the decrease of the area actually planted, just as the increased availability of replanting rights at the producers can be attributed partially to the increased grubbing-up within the frame of the restructuring and conversion scheme.

⁷ Data for Cyprus have not yet been communicated for the wine year 2005/2006; the figure indicated for this year represents the area under vine in the previous wine year minus the grubbed-up area.

⁸ Source: Communications of the Member States according to Table 3.1 of the Annex to Regulation (EC) No 1227/2000.

However, the diminution of the area actually planted exceeds the augmentation of the replanting rights, showing that apparently, areas are abandoned without premium for the grubbing-up and without the producers' asking for replanting right, being yet another sign of the unfavourable market situation in the wine sector. This presumption seems to be confirmed also by the data about the total production potential (see Table 8).

3.4. The total production potential

Table 8 shows the totality of the Community production potential, including the areas actually planted and all the planting rights, whether held by the producers or attributed to a reserve.

Table 8. Community production potential

(ha)	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
<i>Czech Republic</i>	NR	NR	NR	19 647	19 647	19 647
<i>Germany</i>	108 419	108 065	107 578	107 332	107 158	106 976
<i>Greece</i>	80 016	80 016	81 354	71 718	71 302	71 243
<i>Spain</i>	1 216 007	1 213 221	1 211 149	1 209 093	1 201 931	1 199 696
<i>France</i>	949 389	957 220	951 123	944 182	948 396	933 036
<i>Italy</i>	822 932	819 380	799 937	790 622	786 644	796 701
<i>Cyprus</i>	NR	NR	NR	19 278	17 641	15 662 ⁷
<i>Luxembourg</i>	1 342	1 342	1 309	1 305	1 300	1 299
<i>Hungary</i>	NR	NR	NR	99 526	99 525	99 526
<i>Malta</i>	NR	NR	NR	1000	1000	1000
<i>Austria</i>	63 098	63 094	64 244	63 928	67 641	67 676
<i>Portugal</i>	254 848	252 115	254 847	254 083	254 418	254 164
<i>Slovenia</i>	NR	NR	NR	21 960	21 122	21 103
<i>Slovakia</i>	NR	NR	NR	23 084	23 083	23 083
Subtotal EU 15	3 496 051	3 494 454	3 471 542	3 442 263	3 438 790	3 430 791
Subtotal EU 10	NR	NR	NR	184 494	182 017	180 021
Total	3 496 051	3 494 454	3 471 542	3 626 757	3 620 807	3 610 812

Source: Communications of the Member States according to Table 7.2 and, where applicable, Table 7.1 of the Annex to Regulation (EC) No 1227/2000.

Table 8 shows a slight decrease in the total production potential along the years from 2000 to 2006, both in total and in case of most of the Member States, though in case some of them, the production potential remained at a constant level. Like in the case of the areas planted with vines, the increase of the production potential in 2003/2004 is due to the enlargement of the Community in 2004. This proves that the system of reserves has helped to maintain production potential on a more or less stable level, by preventing the extinction of planting rights not actually used.

The total of planting rights in Table 9 represents the sum of the new rights allocated to producers but not yet used, replanting rights held by the producers, new rights awaiting allocation to reserve (Article 3(2) of Regulation (EC) No 1493/1999) and existing rights in reserve.

Table 9. Total of planting rights

(ha)	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
<i>Czech Republic</i>	NR	NR	NR	385	540	566
<i>Germany</i>	4 208	4 538	4 456	4 619	4 675	4 543
<i>Greece</i>	2 427	2 427	560	6 941	5 018	4 562
<i>Spain</i>	91 574	97 899	90 581	92 143	97 419	99 931
<i>France</i>	46481	49 551	54 968	51 109	51 329	53 177
<i>Italy</i>	50 419	50 385	51 257	62 410	59 659	66 262
<i>Cyprus</i>	NR	NR	NR	2 467	2 594	2 594
<i>Luxembourg</i>	0	0	0	12	0	0
<i>Hungary</i>	NR	NR	NR	12 509	13 525	14 266
<i>Malta</i>	NR	NR	NR	290	160	90
<i>Austria</i>	12 642	12 745	13 108	12 897	16 653	16 995
<i>Portugal</i>	16 775	11 850	13 728	14 131	17 714	15 333
<i>Slovenia</i>	NR	NR	NR	5 609	4 524	4 399
<i>Slovakia</i>	NR	NR	NR	2 037	1 552	1 552
Subtotal EU 15	224 526	229 395	228 658	244 261	252 466	260 803
Subtotal EU 10	NR	NR	NR	23 297	22 895	23 467
Total	224 526	229 395	228 658	267 558	275 361	284 270

Source: Communications of the Member States according to Table 7.2 and, where applicable, Table 7.1 of the Annex to Regulation (EC) No 1227/2000.

On the assumption of an average Community yield of 53 hl/ha⁹, this corresponds to a potential production of approximately 15 millions hl.

4. REGULARISATION OF IRREGULAR PLANTINGS

Article 2(3) of Regulation (EC) No 1493/1999 foresees the possibility of regularisation of vineyards planted in contravention of the Community legislation before 1 September 1998. Table 10 gives the areas for which regularisation applications were lodged.

⁹ Average yield of EU-25 over the last five years.

Table 10. Regularisation of irregular plantings

<i>(ha)</i>	Regularised	Regularisation refused	Under examination	Total identified irregular plantings
Germany	2	2	0	4
Greece	8 141	0	4 128	12 268
Spain	43 470	11 079	540	55 088
France	270	173	0	444
Italy	753	6	51 846	52 604
Portugal	60	0	39	100
Total	52 696	11 259	56 552	120 507

Source: Communications of the Member States according to Table 1 of the Annex to Regulation (EC) No 1227/2000.

Luxembourg and Austria state that they have not received any applications for regularisation. As for the new Member States (EU 10), the provision is not relevant.

Article 2(3) of Regulation (EC) No 1493/1999 required regularisation procedures to be terminated by 31 July 2002 but several Member States have encountered difficulty in applying the Community rules. In response to Member States' requests, the Commission has deferred the final date: according to the final amendment concerned¹⁰, the possibility of regularisation runs out on 31 December 2007.

¹⁰ Regulation (EC) No 1216/2005 (OJ L 199, 27.9.2005, p. 32).