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How much government assistance do European wine producers receive?

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How much government assistance do European wine producers receive?

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Abstract

The European Union's long-standing financial support for its wine industry has been non-trivial but very difficult to estimate. The OECD's generic Producer Support Estimate (PSE) methodology has been able to capture some of the supports, but it excludes such measures as subsidized distillation of low-quality wine, grants to promote wine generically, protection via import tariffs, and grubbing-up premiums. Nor does the OECD disaggregate EU supports to individual member countries. This paper provides a new set of more-complete estimates of support to EU wine producers. It also reveals how unevenly those supports are spread across EU member countries. The new estimates suggest that during 2007-12, annual assistance amounted to around 700 Euros per hectare of vines or 0.15 Euros per litre of wine produced in the EU as measured at the winery gate. That is equivalent to a nominal rate of direct plus indirect producer assistance of around 20 percent.

Keywords: Producer subsidies, government assistance, Common Market Organization for Wine

JEL codes: F14, H25, L66, Q18

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How much government assistance do European wine producers receive?

For decades the European Union (EU) and its predecessors have had a Common Market Organization (CMO) for wine that has heavily regulated or influenced the quantity, quality and price of winegrapes and wine produced in the EU (Spahni 1988; Meloni and Swinnen 2013; Gaeta and Corsinovi 2014). Following a review in 2006 (European Commission 2006), the policy went through a major reform in 2008, which included a 3-year grubbing-up program that paid growers to remove vines. Meanwhile, financial support for generic promotion of EU wines has been expanding considerably, and is budgeted for further expansion during 2014-18.

The OECD has tracked support for farm industries in its member countries since 1986. In the case of the EU (but not other member countries) that has included support for the wine industry. However, using the OECD's generic methodology means that various support measures are not included in its producer support estimates. It also means support is shown only for the EU as a whole, not for individual EU member countries. The omitted measures include subsidies for distillation of low-quality wine, and any domestic price-raising effect of tariffs on imports of non-EU wines. The industry has also benefitted, along with other farm industries, from non-product-specific support to the rural sector of EU member countries. That support is treated as a generic rural benefit rather than supporting of winegrowers or producers of any other particular industry.

This paper is not meant as a criticism of that generic OECD methodology. Rather, its purpose is to provide a set of more-complete estimates of government support to EU wine producers, since many other countries' wine producers are struggling and would like to compare the types and extent of EU support with that from their own government.

The focus is on the period 2007 to 2012, after which the OECD changed its generic methodology. We show how much the level and types of support have altered over that period and how unevenly they are spread across EU member countries. The paper begins by describing the data sources.

Results presented in tables and figures are then discussed. The final section draws out implications and concludes.

Data

The OECD's Producer Support Estimates (PSE) database has altered its methodology several times since it was first released more than two decades ago. The latest version, uploaded in July 2015 (OECD 2015), not only has updated numbers to 2014 but also has altered past numbers back to 1986. The latest estimates are summarized in Table 1. They suggest EU wine producers benefitted from transfers from consumers and taxpayers to the extent of about 800 million Euros per year in the latter 1980s and the 1990s, but that this fell to less than 500 million Euros per year in the past ten years. Most of that was market price support prior to the policy reforms that began in the early 1990s, but these estimates suggest that has now disappeared, with producer returns being raised by just 0.3 percent during 2007-13 and zero in 2014 (see the nominal rate of protection row in Table 1), down from around 7 percent in the latter 1980s and 1990s. This recent estimate, however, is not consistent with the fact that tariffs still apply on the EU's wine imports from all countries without a free-trade or association agreement with the EU28. Those tariffs would have some positive impact on the domestic price of wine in EU countries, but the OECD chooses not to try to measure that because of the heterogeneous nature of wines.

It is possible to amend the OECD's estimates using the data contained in its database plus data available from EUROSTAT. In Appendix Table 1 we focus on aggregated EU27 wine production from 2007 to 2012 and domestic support given directly to the industry's producers. That table is built up following the OECD's PSE structure prior to its latest methodology revision, which categorizes payments as either 'single commodity transfers' (SCT) or group commodity transfers (GCT). To that we have added a pro rata fraction of 'all commodity transfers' (ACT), based on wine's share of agriculture's gross value of production,¹ and 'other transfers to producers' (OTP)

¹ For example, ACT payments given to the agricultural sectors of EU countries in 2012 amounted to €18.7 billion, of which €1.6 billion were national payment (according to information provided by the OECD) while the remainder were EU-funded payments. We allocated that residual to member countries in proportion to their national payments. The types of support that amounted to more than 5% of that 2012 total are: Investments in agricultural holdings (25%), Fuel

that are specific to grape and wine production. At the top of that table, the value of production (at the farm gate, inclusive of transfers) is taken directly from the PSE tables and originates from the Eurostat Dissemination Database, formerly New Cronos database (NCRONOS), the official European Union (EU) data portal. The single farm payment scheme data for wine are from the European Commission (2013), since the OECD no longer itemizes those payments by commodity..²

Appendix Table 2 includes additional payments not specifically linked to the wine industry and specified by the OECD as ‘general services support estimates’ (GSSE), again for the EU27 as a whole and for the period 2007 to 2012. These include some general payments from which the wine industry could benefit, so these are calculated as a pro rata fraction based on wine’s share of agriculture’s gross value of production within the EU27 each year.

It might be argued that basing shares on gross production value in these two tables exaggerates the shares attributable to the wine industry because wine’s share of total agricultural production exceeds considerably its share of total utilized agricultural land (4.2% compared with 1.8% in 2012, for example). For that reason we also calculated how much lower the total support would be had we used the land share instead of the production value share to calculate that non-direct assistance. It turns out to be about one-ninth lower (see footnote b of Table 2).

Appendix Tables 3 and 4 are structured the same as Appendix Tables 1 and 2 but they decompose the EU27 data into the various receiving member countries, but just for 2012 in the interests of journal page space. The GSSE payments in the OECD database that are not commodity-specific are allocated in Appendix Table 4 to each member country using (a) official (but not publicly available) EU data taken from the Clearance Audit Trail System database that includes both EU-funded and national payments by member states, and (b) wine CMO financial execution data on the national support program (EUROPA 2013).

tax rebates/subsidies (22%), Less-favored area payments (16%), Environmentally friendly production (10%), Disaster payments (6%) and Extensive management of land (6%).

² Note also that the EU’s Farm Accounting Data Network (FADN) provides subsidy information on a per hectare basis, albeit just for their sample farms, at http://ec.europa.eu/agriculture/rca/database/database_en.cfm

In all tables, support payments are expressed in millions of Euros. The vine bearing area and wine production volumes are shown as well, allowing the calculation of support per hectare of vines and per litre of wine produced. Those summary estimates are depicted in Figures 1 and 2, while the key forms of support since 2007 are summarized in Figure 3.

Table 2 aggregates the data at the bottom of Appendix Tables 1 and 2 for the years 2007 to 2012. These can now be compared with the OECD's estimates of transfers to producers, as summarized in Table 1. In Table 2 we report also what our estimates imply in terms of a nominal rate of assistance (NRA). The NRA is broader than the OECD's NRP in Table 1, the latter referring just to price-support measures whereas the NRA also includes the other identified transfers to producers that may not alter the price they receive for their output (see Anderson et al. 2008).

Results

The comparison of Tables 1 and 2 suggests the OECD estimates, at least since 2007, understate considerably the full extent of government support to the EU wine industry. In contrast to the OECD's estimate of an average transfer of less than 500 million Euros per year during 2007-12, our Table 2 suggests the number is over 2,300 million Euros per year – and it has not been declining (see also Figure 1). This implies gross returns are about one-fifth above what they would be without those supports (an average nominal rate of assistance for the 2007-12 period of 20.4 percent). That annual assistance amounts to around 700 Euros per hectare of vines, or 0.15 Euros per litre of wine produced in the EU as measured at the winery gate (Table 2 and Figure 2).

{Insert Figures 1 and 2 and Tables 1 and 2 about here}

Even these new estimates probably understate the transfers to producers. One reason the numbers in Table 2 are likely to be understated is because the effect of tariffs on imports of non-EU wine in raising producer prices is not included. An upper bound on the extent to which tariffs raised the domestic producer price in 2012 is 5.8 percent, which is the import-weighted average tariff that year when converted to ad valorem terms. A lower bound might be one-sixth of that (bearing in mind that the EU accounts for a large share of the global wine market and thus is hardly a price taker). As

reported in footnote c of Table 2, the 2012 NRA would then be not 18.7% but 26.4% (or 20.0%), and the estimated support per hectare of vines would rise from 712 to 946 (or 754) Euros and the support per kilolitre of wine produced would rise from 144 to 191 (or 152) Euros.

However, the numbers in Table 2 assume wine's shares of General Services Supports are proportional to the gross value of total agricultural production. Had we assumed they are proportional to the share of vines in the total area of land used for agriculture, the numbers in the 2012 column of that table, apart from direct support, would be one-tenth lower. This may more or less than offset the effect of omitting tariff protection.

It might also be argued that payments for grubbing up vines should be omitted because they are unrelated to current production and are reducing the future EU and hence global supply of wine. However, since this paper is trying to estimate not price distortions but financial support to the industry, their inclusion is appropriate.

In addition to an overview estimate of the size of payments given to the wine sector in the EU27 as a whole, there is also an interest in the allocation of payments between EU member countries. In Appendix Tables 3 and 4, estimates of the individual payments by country are given for the year 2012 for all of the EU27's wine-producing countries. These are summarized in Figures 1 and 2. Of course France, Italy and Spain get the lion's share of total payments, being by far the largest wine producers (Figure 1). But per hectare support ranges from 300 Euros in Greece to 2350 Euros in Austria (Figure 2(b)), and support per litre of wine produced ranges from 0.11 Euros in Greece to 0.37 Euros in Austria (Figure 2(c)).

By far the largest – and still growing – category of support is for marketing and generic promotion of EU wines. It accounts for about two-fifths of the estimated total in aggregate (Figure 3(a)). Direct price supports were most important in 2007, but since then they have been eclipsed by other direct supports and support for marketing and promotion. While grubbing-up support was non-trivial during the 2008-10 reform period, those payments are no longer being made. In 2012 direct supports were relatively more important to Germany, Slovenia, the Czech Republic and Spain, while marketing and promotion supports were relatively more important to Bulgaria and Romania (Figure 3(b)).

{Insert Figure 3 about here}

Implications and conclusion

According to the above new estimates, government support for European wine producers continued unabated between 2007 and 2012, albeit in changing forms. The support per hectare of vineyard in 2011 and 2012 exceeded 700 Euros in the WU in aggregate and more than 1000 Euros in Austria, Cyprus, France and Germany. That almost certainly exceeds the support provided by governments in any other major wine-producing country. It is equivalent to an average of 0.15 Euros per litre of wine produced, and more than 0.25 Euros in Cyprus (at 1.02 Euros, not shown in Figure 2(b)), Austria, and Slovakia.

Generic promotion accounted for a growing share of total EU support, amounting in 2012 to 0.009 Euros per litre of wine produced. By contrast, Australia's expenditure on generic promotion that year was half that (Anderson 2015). The EU provided a total of 522 million Euros for wine promotion during 2008/09-2012/13 (Appendix Table 2) and, despite the uncovering of many misappropriations, that expenditure is to be more than doubled to 1156 million Euros for the period 2013/14-2017/18 (European Court of Auditors 2014). Given that this promotion item (an average annual 231 million Euros) is but one-tenth of the total support to the EU industry in 2012, it is little wonder that other wine-producing countries worry about their ability to compete in international markets against supported EU producers. True, vineyard planting restrictions may have reduced the extent to which the above financial supports add to EU wine output and exports (Deconinck and Swinnen 2015), but they are being relaxed. The empirical impact of past area restrictions and their recent relaxation is a topic worthy of further research.

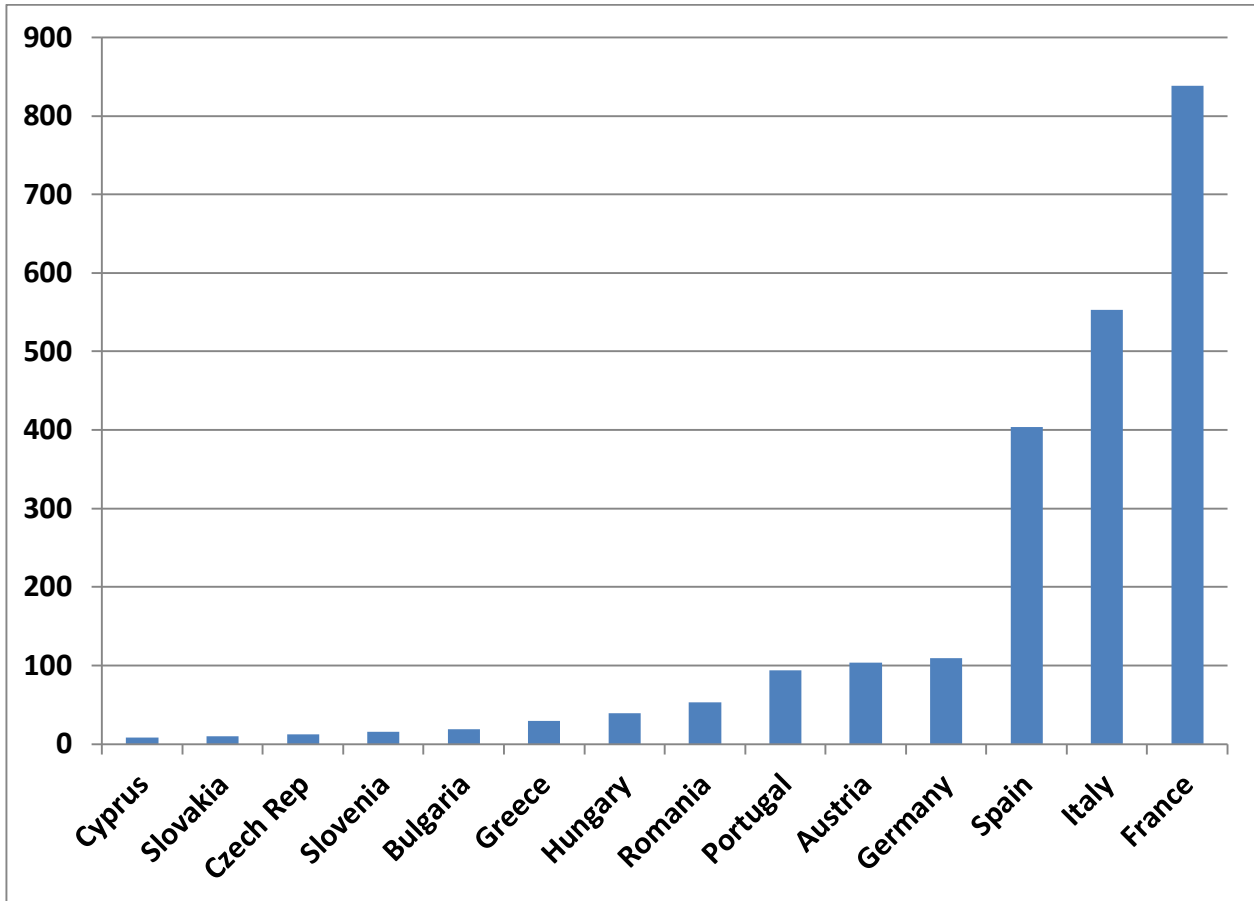
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{Insert Appendix Tables 1 to 4 about here }

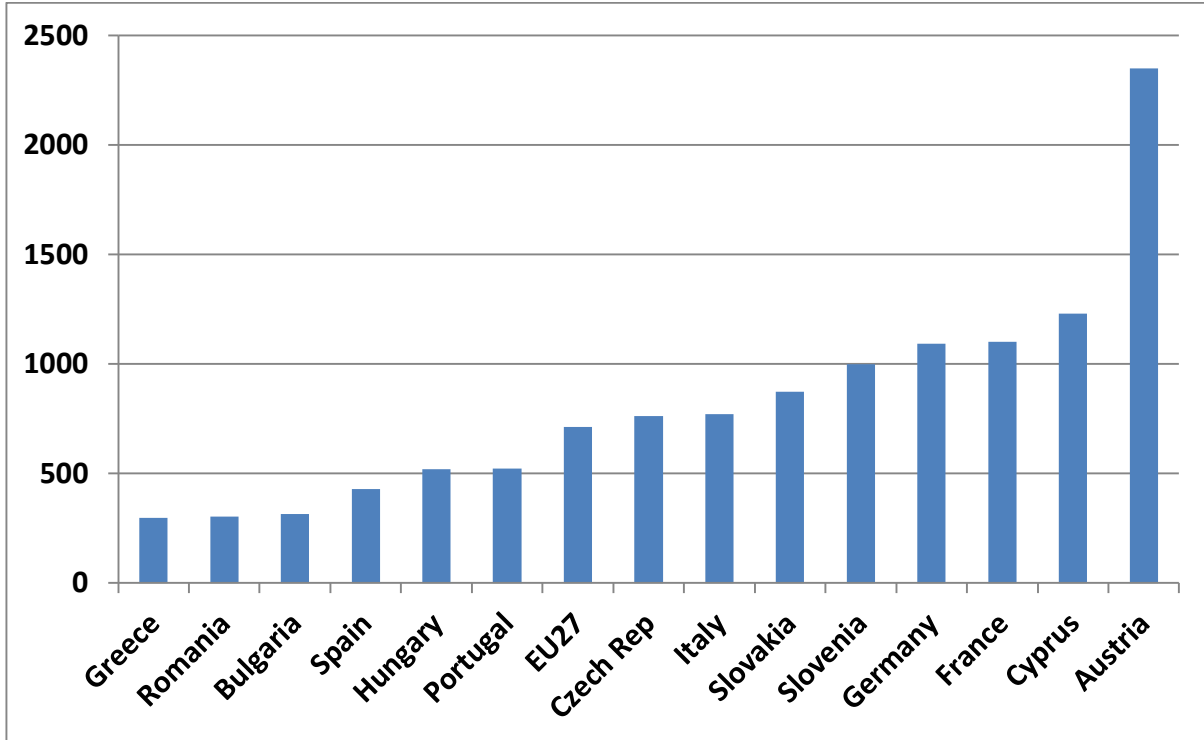
Figure 1: Total support to wine producers, individual EU member countries, million Euros, 2012



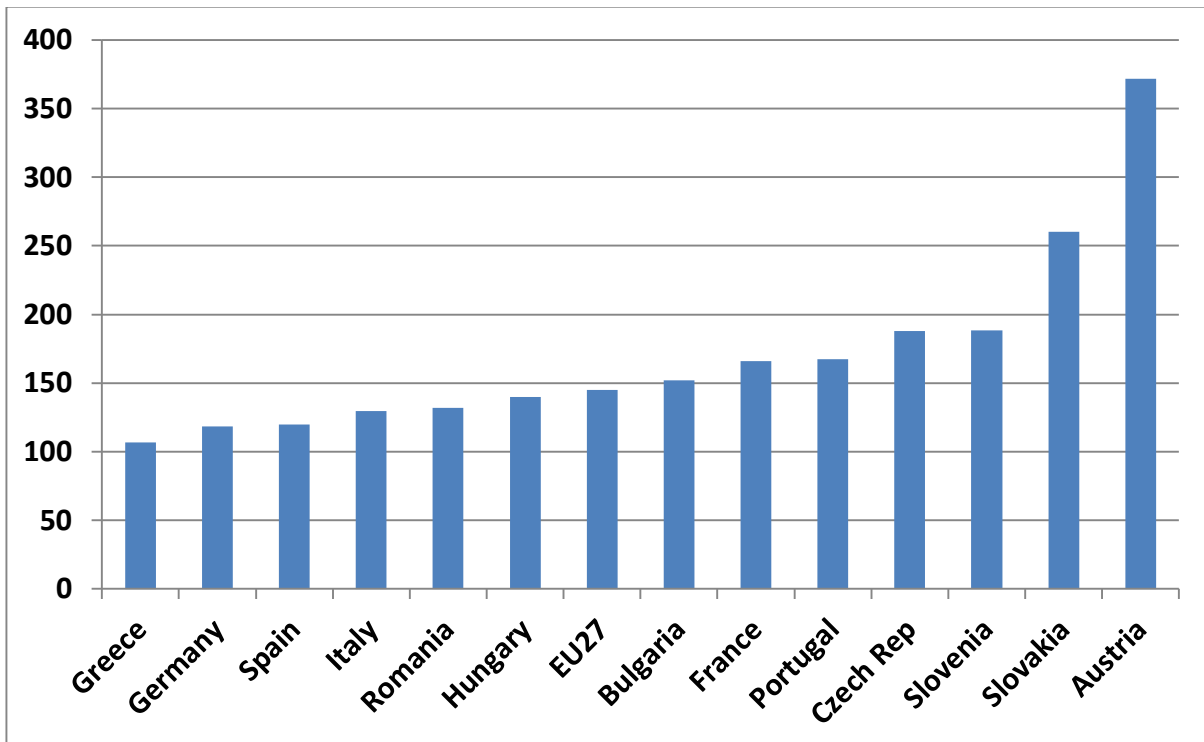
Source: Authors' calculations by summing final rows of Appendix Tables 3 and 4.

Figure 2: Total support to wine producers per ha and per KL of wine, individual EU member countries, 2012

(a) Euros per hectare of vines



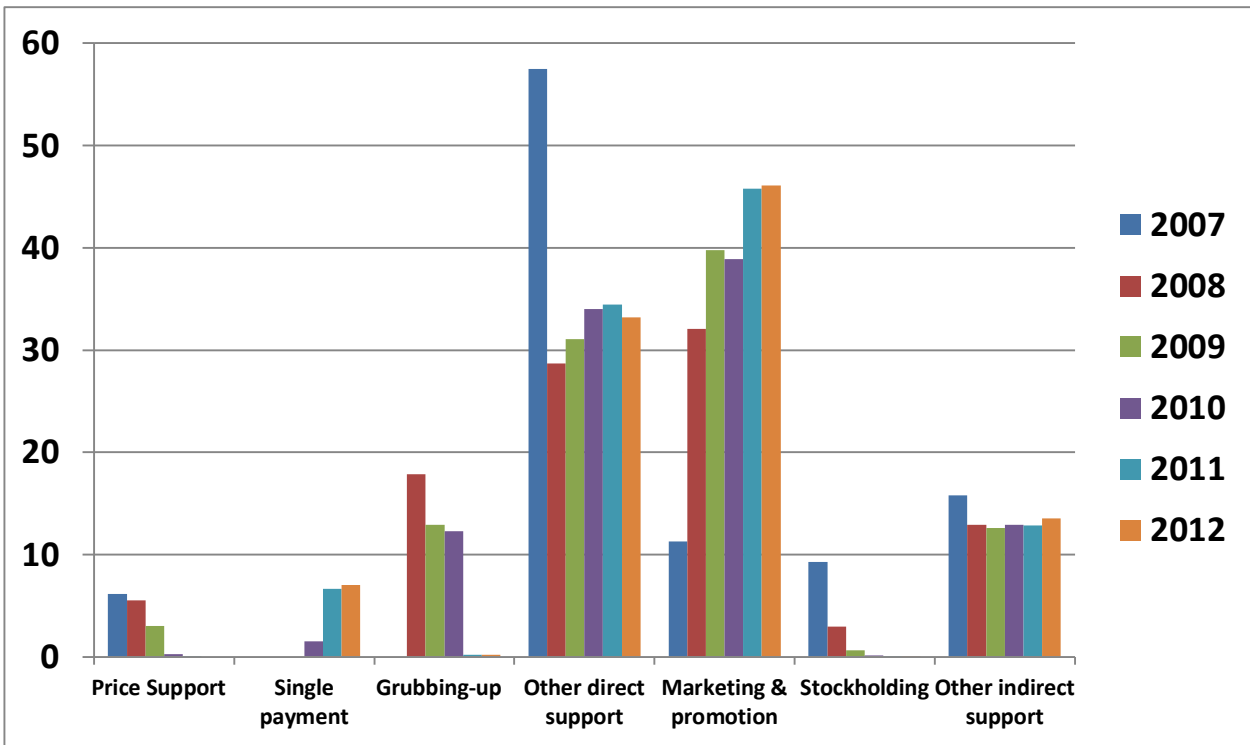
(b) Euros per kilolitre of wine produced



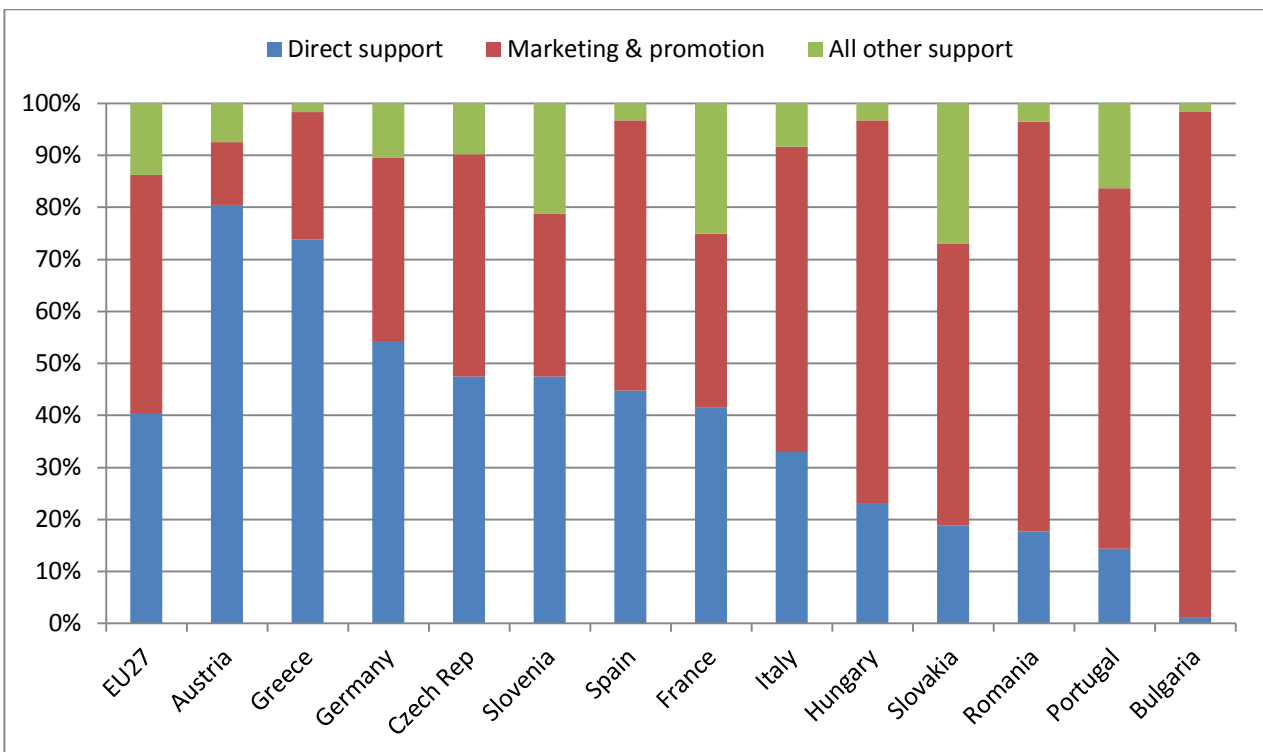
Source: Authors' calculations by summing final rows of Appendix Tables 3 and 4.

Figure 3: Shares of EU wine producer supports by measure, 2007 to 2012 (%)

(a) EU27 in total, 2007 to 2012



(b) By EU member country, 2012



Source: Authors' calculations from Appendix Tables 1 to 4

Table 1: OECD estimates of direct transfers^a to wine producers and their nominal rate of direct producer protection,^b European Union (EU28), 1986 to 2014 (annual averages)

| | 1986-92 | 1993-99 | 2000-06 | 2007-13 | 2014 |
|--|---------|---------|---------|---------|------|
| Transfers to producers (million Euro per year) ^a | 858 | 705 | 716 | 417 | 489 |
| <i>of which</i> transfers due to market price support | 848 | 769 | 255 | 51 | 0 |
| Nominal rate of <i>direct</i> protection (NRP, %) ^b | 8.6 | 6.4 | 1.7 | 0.3 | 0.0 |

^a The OECD's Single Commodity Transfers do not include such supports as subsidies to distil unwanted wine and to promote wine generically, grubbing-up premiums, price support from import tariffs, or any proportion of non-product-specific assistance to the agricultural sector and rural areas.

^b Based on OECD's estimate of nominal protection coefficient (NPC), where $NRP = 100(NPC - 1)$. The NRP expresses the estimated direct transfer as a percentage of the gross value of wine production (net of assistance).

Source: OECD (2015).

Table 2: Direct plus other support to wine producers and their nominal rate of assistance,^a EU27, 2007 to 2012

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 ^{b, c} | 2007-12 average |
|---|------|------|------|------|------|----------------------|-----------------|
| Total (Direct + Other) Support, €million | 2225 | 2488 | 2495 | 2189 | 2364 | 2285 | 2341 |
| <i>of which</i> direct support, €million | 1415 | 1295 | 1172 | 1053 | 978 | 924 | 1140 |
| Nominal rate of <i>total</i> producer assistance ^a (%) | 19.3 | 22.0 | 23.2 | 20.3 | 18.8 | 18.7 | 20.4 |
| Total Support per hectare of vines (€) | 616 | 702 | 716 | 655 | 734 | 712 | 689 |
| Total Support per KL of wine produced (€) | 140 | 157 | 154 | 141 | 152 | 144 | 148 |

^a NRA is total support as a percentage of gross value of wine production (net of assistance). The NRA is broader than the OECD's NRP in Table 1, the latter referring just to price-support measures whereas the NRA also includes the other transfers to producers that may not alter the price they receive for their output but are part of the total support shown in row 1 of this table (see Anderson et al. 2008).

^b The assumption in Appendix Tables 2 and 4 is that wine's share of some General Services Supports is proportional to the gross value of total agricultural production. If instead it is proportional to the share of vines in the total area of land used for agriculture, the numbers in the 2012 column other than for direct support would be one-tenth lower.

^c The tariffs in EU wine imports had a weighted average in 2011 of 5.8% when expressed in ad valorem terms (estimated from the latest GTAP Version 8 database, see www.gtap.org). Had they raised the domestic producer price in 2012 by a full 5.8% (an upper bound; or by just 1% as a possible lower bound), the market price support in 2012 would have been not zero but 788 million Euros (or 136 million Euros), thereby raising total producer support by the same amount. The 2012 NRA would then be not 18.7% but 26.4% (or 20.0%), and the support per hectare of vines would rise from 712 to 946 (or 754) Euros and the support per kilolitre of wine produced would rise from 144 to 191 (or 152) Euros.

Source: Authors' calculations based on Appendix Tables 1 and 2.

Appendix Table 1: Direct supports for wine producers, EU27, 2007 to 2012 (€million)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|---------------|---------------|---------------|---------------|--------------|--------------|
| Value of production (at farm gate, inclusive of price support) | 13769 | 13785 | 13266 | 12954 | 14937 | 14523 |
| Single Commodity Transfers (SCT) | | | | | | |
| Market Price Support | 136.9 | 137.0 | 74.7 | 5.5 | 2.2 | 0.0 |
| National output payments for wine | 1.2 | 0.4 | 0.1 | 0.0 | 0.0 | 0.0 |
| Agri-monetary (Labour insurance 35%) Wine | -0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Restructuring and conversion of vineyards | 447.8 | -3.7 | -5.2 | -10.4 | 0.0 | 0.0 |
| Vineyard restructuring national expenditures | 17.9 | 4.7 | 2.2 | 3.3 | 3.1 | 4.0 |
| Payments for wine in most remote regions | 1.7 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| Area payments for wine national expenditures | 0.0 | 0.0 | 0.8 | 0.8 | 0.8 | 0.7 |
| Payments for integrated production of wine: RDR expenditures | 5.5 | 9.6 | 10.9 | 11.9 | 11.0 | 11.4 |
| Payments for integrated production of wine: national expenditures | 8.5 | 10.7 | 10.6 | 10.3 | 10.6 | 10.2 |
| Vineyard improvement/restructuring national expenditures | 7.0 | 0.3 | 0.3 | 0.3 | 0.1 | 0.1 |
| Total SGT | 626.1 | 161.6 | 96.9 | 24.3 | 30.4 | 29.1 |
| Group Commodity Transfers (GCT) | | | | | | |
| Total GCT5 Investments in vineyards, national expenditures | 6.2 | 6.9 | 25.9 | 14.3 | 5.5 | 9.9 |
| All Commodity Transfers (ACT) | | | | | | |
| Wine's share of total ACT payments (based on gross value of production) | 683.2 | 669.1 | 727.0 | 711.7 | 782.9 | 718.9 |
| Other Transfers to Producers (OTP) | | | | | | |
| Single payment scheme | 0.0 | 0.0 | 0.0 | 33.4 | 156.6 | 159.9 |
| Permanent abandonment premiums in respect of areas under vine | 97.7 | 12.9 | 0.0 | 0.1 | 0.0 | 0.0 |
| Grubbing-up scheme (following wine reform of 2007/08) | 0.0 | 444.1 | 322.7 | 269.2 | 4.8 | 4.9 |
| Other | 1.9 | 0.2 | 0.0 | 0.2 | -2.7 | 1.0 |
| Total OTP | 99.6 | 457.1 | 322.7 | 302.8 | 158.8 | 165.7 |
| Total Direct Support (SCT + GCT + ACT + OTP) , €millions | 1415.2 | 1294.8 | 1172.4 | 1053.0 | 977.5 | 923.6 |
| Total EU27 vineyard area (1000 ha) | 3609 | 3545 | 3487 | 3342 | 3219 | 3209 |
| Total EU27 wine production (billion litres) | 15.91 | 15.81 | 16.22 | 15.48 | 15.57 | 15.90 |
| Direct Support per hectare of vines (€) | 392 | 365 | 336 | 315 | 304 | 288 |
| Direct Support per '000 litres of wine produced (€) | 89 | 82 | 72 | 68 | 63 | 58 |

Source: Authors' calculations building on PSE estimates by OECD (2013) and single farm payments from European Commission (2013).

Appendix Table 2: Other supports for wine producers, EU27, 2007 to 2012 (million €)

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|-------|-------|-------|-------|-------|-------|
| General Services Support Estimate (GSSE) | | | | | | |
| H. Research and development | | | | | | |
| Wine's share of total payments (based on gross value of production) | 85.4 | 85.9 | 91.3 | 77.9 | 84.7 | 125.2 |
| I. Agricultural schools | | | | | | |
| Wine's share of total payments (based on gross value of production) | 55.5 | 49.7 | 52.5 | 59.0 | 63.8 | 93.8 |
| J. Inspection services | | | | | | |
| Wine's share of total payments (based on gross value of production) | 26.8 | 29.0 | 31.1 | 27.8 | 22.5 | 13.9 |
| K. Infrastructure | | | | | | |
| Wine's share of total payments (based on gross value of production) | 182.0 | 154.9 | 138.2 | 115.8 | 130.8 | 75.7 |
| L. Marketing and promotion | | | | | | |
| Aid for the use of must | 164.2 | 21.5 | 1.7 | 0.6 | 0.0 | 0.0 |
| National support programs for the wine sector (EC 479/2008 EU funded) | | | | | | |
| Promotion | 0.0 | 35.2 | 87.2 | 111.7 | 142.5 | 145.4 |
| Restructuring and conversion | 0.0 | 263.8 | 368.6 | 406.4 | 585.1 | 594.3 |
| Ongoing Plans N 1493/1999 | 0.0 | 62.4 | 31.9 | 19.5 | 6.3 | 4.8 |
| Green harvesting | 0.0 | 0.1 | 16.8 | 24.6 | 7.6 | 0.8 |
| Harvest insurance | 0.0 | 2.0 | 38.3 | 31.2 | 36.9 | 42.2 |
| Investments | 0.0 | 18.6 | 74.3 | 74.4 | 141.3 | 209.6 |
| By-product distillation | 0.0 | 85.5 | 95.9 | 85.5 | 92.0 | 49.1 |
| Portable alcohol distillation | 0.0 | 145.1 | 165.5 | 15.9 | 11.8 | 0.0 |
| Crisis distillation | 0.0 | 50.0 | 19.2 | 10.6 | -0.6 | 0.0 |
| Concentrated grape must | 0.0 | 84.6 | 78.8 | 62.4 | 46.8 | 0.3 |
| Marketing aid to producer groups in most-remote regions (processing of Madeira wine) | 0.5 | 0.5 | 0.4 | 0.0 | 0.0 | 0.0 |
| Marketing aid to producer groups in most-remote regions (marketing of Madeira wine) | 0.4 | 1.4 | 1.2 | 0.0 | 0.0 | 0.0 |
| Marketing aid to producer groups in most-remote regions (quality wine) | 2.2 | 2.4 | 2.8 | 2.9 | 2.9 | 0 |
| Wine's share of total payments (based on gross value of production) | 84.1 | 24.7 | 10.2 | 5.7 | 10.0 | 6.0 |
| M. Public stockholding | | | | | | |
| Intervention for products of the wine-growing sector | 73.8 | 34.2 | 0.2 | 0.3 | 0.0 | 0.0 |
| Buying-in of alcohol from compulsory distillation | 128.3 | 36.6 | 12.1 | 1.6 | 0.1 | 0.0 |
| Wine's share of total payments (based on gross value of production) | 4.6 | 3.3 | 3.2 | 0.6 | 0.5 | 0.1 |

| Appendix Table 2 (continued): Other supports for wine producers, EU27, 2007 to 2012 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|--------------|---------------|---------------|---------------|---------------|---------------|
| N. Miscellaneous | | | | | | |
| Wine's share of total payments (based on gross value of production) | 1.9 | 2.1 | 1.5 | 1.8 | 1.7 | 0.2 |
| Total Other Support, €millions | 809.6 | 1193.5 | 1322.8 | 1136.1 | 1386.8 | 1361.4 |
| Total EU27 vineyard area (1000 ha) | 3,609 | 3,545 | 3,487 | 3,342 | 3,219 | 3,209 |
| Total EU27 wine production (billion litres) | 15.91 | 15.81 | 16.22 | 15.48 | 15.57 | 15.90 |
| Other Support per hectare of vines (€) | 224 | 337 | 379 | 340 | 431 | 424 |
| Other Support per '000 litres of wine produced (€) | 51 | 75 | 82 | 73 | 89 | 86 |

Source: Authors' calculations building on PSE estimates by OECD (2013).

Appendix Table 3: Direct supports for wine producers, EU27, by country, 2012 (million €)

| EU27 Wine year 2012 | European Union (27) | Bulgaria | Czech Republic | Germany | Greece | Spain | France | Italy | Cyprus | Hungary | Austria | Portugal | Romania | Slovenia | Slovakia |
|--|---------------------|------------|----------------|-------------|------------|-------------|--------------|--------------|------------|------------|-------------|-------------|------------|------------|------------|
| Value of production, €million | 14,523 | 38 | 31 | 1189 | 29 | 1699 | 8064 | 2,101 | 5 | 106 | 524 | 372 | 202 | 99 | 43 |
| Single Commodity Transfers (SCT) | | | | | | | | | | | | | | | |
| Market Price Support | 0.0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| National output payments for wine | 0.0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Agri-monetary (Labour insur. 35%) | 0.0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Restructuring/conversion of vineyards | 0.0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Vineyard restructuring national exp. | 4.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 3.9 | 0.0 | 0.0 |
| Vineyard restructuring | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Payments for wine in remote regions | 2.5 | 0.0 | 0.0 | 0.0 | 2.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Area payments for wine national exp. | 0.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Payments for integrated production of wine: RDR expenditures | 11.4 | 0.0 | 1.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.0 | 0.0 | 7.2 | 0.0 | 0.0 | 0.7 | 0.0 |
| Payments for integrated production of wine: national expenditures | 10.2 | 0.0 | 1.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.8 | 0.0 | 6.4 | 0.0 | 0.0 | 0.7 | 0.0 |
| Vineyard improvement/restructuring national expenditures | 0.1 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total SGT, €million | 29.1 | 0.0 | 2.9 | 0.0 | 2.6 | 0.0 | 0.0 | 0.0 | 3.7 | 0.0 | 13.6 | 0.0 | 3.9 | 1.4 | 0.0 |
| Group Commodity Transfers (GCT) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GCT5 Investments in vineyards, national expenditures | 9.9 | 0.0 | 2.0 | 0.0 | 0.0 | 2.1 | 0.0 | 0.0 | 0.0 | 5.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total GCT, €million | 9.9 | 0.0 | 2.0 | 0.0 | 0.0 | 2.1 | 0.0 | 0.0 | 0.0 | 5.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| All Commodity Transfers (ACT) | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Wines share of total ACT payments | 718.9 | 0.2 | 0.9 | 59.0 | 3.0 | 32.7 | 348.2 | 180.4 | 0.3 | 3.2 | 60.6 | 13.4 | 5.5 | 6.2 | 1.8 |
| Total ACT, €million | 718.9 | 0.2 | 0.9 | 59.0 | 3.0 | 32.7 | 348.2 | 180.4 | 0.3 | 3.2 | 60.6 | 13.4 | 5.5 | 6.2 | 1.8 |

| Appendix Table 3 (continued): Direct supports for wine producers, 2012 | European Union (27) | Bulgaria | Czech Republic | Germany | Greece | Spain | France | Italy | Cyprus | Hungary | Austria | Portugal | Romania | Slovenia | Slovakia |
|--|---------------------------|------------|-------------------|-------------|-------------|--------------|--------------|--------------|------------|------------|-------------|-------------|------------|------------|------------|
| Other Transfers to Producers (OTP) | | | | | | | | | | | | | | | |
| Single payment scheme | 159.9 | 0.0 | 0.0 | 0.0 | 16.0 | 142.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Permanent abandonment premiums | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Grubbing-up scheme | 4.9 | 0.0 | 0.0 | 0.0 | 0.0 | 3.0 | 0.1 | 1.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 | 0.1 | 0.0 |
| Total OTP, €million | 165.7 | 0.0 | 0.0 | 0.0 | 16.0 | 145.8 | 0.2 | 1.8 | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 | 0.1 | 0.0 |
| Total Direct Support (SCT+GCT+ACT+OTP), €m. | 923.6 | 0.2 | 5.8 | 59.1 | 21.7 | 180.6 | 348.4 | 182.1 | 4.0 | 9.1 | 74.3 | 13.5 | 9.5 | 7.6 | 1.8 |
| Vineyard area (1000 ha) | 3209 | 60 | 16 | 100 | 99 | 943 | 761 | 718 | 7 | 76 | 44 | 180 | 177 | 16 | 11 |
| Total wine production (billion litres) | 15.90 | 0.12 | 0.07 | 0.92 | 0.28 | 3.37 | 5.08 | 4.27 | 0.01 | 0.28 | 0.28 | 0.56 | 0.41 | 0.09 | 0.04 |
| Direct Support per hectare of vines (€) | 288 | 3 | 367 | 594 | 218 | 192 | 458 | 254 | 600 | 120 | 1704 | 75 | 54 | 466 | 172 |
| Direct Support per '000 litres of wine (€) | 59 | 2 | 89 | 64 | 79 | 54 | 69 | 43 | 473 | 32 | 267 | 24 | 23 | 89 | 49 |

Source: Authors' calculations building on PSE estimates by OECD (2013) and single farm payments from European Commission (2013).

Appendix Table 4: Other supports for wine producers, EU27, by country, 2012 (million €)

| EU27 Wine year 2012 | European Union (27) | Bulgaria | Czech Republic | Germany | Greece | Spain | France | Italy | Cyprus | Hungary | Austria | Portugal | Romania | Slovenia | Slovakia |
|---|---------------------|-------------|----------------|-------------|------------|--------------|--------------|--------------|------------|-------------|-------------|-------------|-----------|------------|------------|
| H. Research and development | | | | | | | | | | | | | | | |
| Wine's share of total payments | 125.2 | 0.0 | 0.3 | 1.1 | 0.1 | 0.5 | 103.6 | 17.9 | 0.0 | 0.1 | 0.3 | 0.1 | 0.1 | 0.9 | 0.2 |
| I. Agricultural schools | | | | | | | | | | | | | | | |
| Wine's share of total payments | 93.8 | 0.0 | 0.1 | 0.4 | 0.0 | 0.9 | 83.6 | 1.8 | 0.0 | 0.3 | 4.5 | 1.3 | 0.4 | 0.2 | 0.1 |
| J. Inspection services | | | | | | | | | | | | | | | |
| Wine's share of total payments | 13.9 | 0.0 | 0.0 | 1.5 | 0.0 | 0.1 | 7.9 | 1.9 | 0.0 | 0.4 | 0.0 | 0.3 | 0.0 | 0.8 | 1.0 |
| K. Infrastructure | | | | | | | | | | | | | | | |
| Wine's share of total payments | 75.7 | 0.2 | 0.7 | 8.1 | 0.4 | 11.2 | 13.2 | 22.1 | 0.0 | 0.5 | 1.4 | 13.6 | 1.4 | 1.4 | 1.5 |
| L. Marketing and promotion | | | | | | | | | | | | | | | |
| National support programmes for the wine sector (EC 479/2008 EU funded) | | | | | | | | | | | | | | | |
| Promotion | 145.4 | 0.0 | 0.0 | 1.2 | 3.3 | 38.3 | 17.1 | 73.6 | 0.0 | 0.0 | 1.2 | 9.2 | 0.7 | 0.8 | 0.1 |
| Restructuring and conversion | 594.3 | 17.7 | 3.2 | 16.9 | 3.9 | 163.7 | 108.5 | 154.4 | 3.7 | 22.6 | 2.2 | 50.9 | 41.2 | 4.2 | 1.3 |
| Ongoing Plans N 1493/1999 | 4.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 1.7 | 0.0 | 0.0 | 0.0 | 0.2 | 0.0 | 0.0 | 0.0 | 2.8 |
| Green harvesting | 0.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Harvest insurance | 42.2 | 0.6 | 0.0 | 1.5 | 0.0 | 0.0 | 0.0 | 35.1 | 0.2 | 0.0 | 0.0 | 4.3 | 0.2 | 0.0 | 0.3 |
| Investments | 209.6 | 0.0 | 2.0 | 19.2 | 0.0 | 0.0 | 118.4 | 55.2 | 0.8 | 5.7 | 7.6 | 0.0 | 0.0 | 0.0 | 0.7 |
| By-product distillation | 49.1 | 0.0 | 0.0 | 0.0 | 0.0 | 7.8 | 34.7 | 5.2 | 0.0 | 0.8 | 0.0 | 0.7 | 0.0 | 0.0 | 0.0 |
| Portable alcohol distillation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Crisis distillation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Concentrated grape must | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Wine's share of total payments | 6.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.6 | 1.8 | 2.5 | 0.0 | 0.0 | 0.7 | 0.2 | 0.0 | 0.0 | 0.0 |
| M. Public stockholding | | | | | | | | | | | | | | | |
| Wine's share of total payments | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| N. Miscellaneous | | | | | | | | | | | | | | | |
| Wine's share of total payments | 0.2 | 0.0 | 0.0 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Other Support, €millions | 1361.4 | 18.6 | 6.4 | 50.2 | 7.7 | 223.1 | 490.4 | 370.7 | 4.6 | 30.4 | 29.1 | 80.5 | 44 | 8.4 | 7.8 |

| Appendix Table 4 (continued): Other supports for wine producers, 2012 | European Union (27) | Bulgaria | Czech Republic | Germany | Greece | Spain | France | Italy | Cyprus | Hungary | Austria | Portugal | Romania | Slovenia | Slovakia |
|---|---------------------|------------|----------------|------------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Vineyard area (1000 ha) | 3208 | 60 | 16 | 100 | 99 | 943 | 761 | 718 | 7 | 76 | 44 | 180 | 177 | 16 | 11 |
| Total wine production (billion litres) | 15.90 | 0.12 | 0.07 | 0.92 | 0.28 | 3.37 | 5.08 | 4.27 | 0.01 | 0.28 | 0.28 | 0.56 | 0.41 | 0.09 | 0.04 |
| Other Support per hectare of vine (€) | 424 | 310 | 400 | 502 | 78 | 237 | 644 | 516 | 657 | 400 | 661 | 447 | 249 | 525 | 709 |
| Other Support per '000 litres of wine (€) | 86 | 155 | 91 | 55 | 28 | 66 | 97 | 87 | 460 | 109 | 104 | 144 | 107 | 93 | 195 |

Source: Authors' calculations building on PSE estimates by OECD (2013) and EUROPA (2013).