



**COUNCIL OF
THE EUROPEAN UNION**

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"I/A" ITEM NOTE

from: Working Party on Financial Agricultural Questions (AGRIFIN)
on: 7 September 2012
to: Permanent Representatives Committee (Part 1) / Council

Subject: Adoption of Council conclusions on Special report No 7/2012 from the European Court of Auditors entitled 'The reform of the common organisation of the market in wine: Progress to date'

1. At its meeting on 23 July 2012, the Working Party on Financial Agricultural Questions (AGRIFIN) examined the Special report No 7/2012 from the European Court of Auditors entitled 'The reform of the common organisation of the market in wine: Progress to date' as well as the Commission replies to the Court's report (doc. 11446/12).
2. On 7 September 2012, the Presidency presented the Working Party with draft Council conclusions on the Special Report. After the meeting and in the light of the discussions of the Working Party, the Presidency drew up the final version of the draft Council conclusions, which all delegations were able to accept.
3. The Hungarian delegation has submitted a statement to be entered into the Council minutes, which is set out in the addendum to this document.

4. In accordance with the conclusions adopted by the Council on 8 May 2000 on improving the examination of special reports drawn up by the Court of Auditors, the Working Party on Financial Agricultural Questions (AGRIFIN) invites the Permanent Representatives Committee to suggest to the Council that:

- it adopts the draft Council conclusions as set out in the Annex to this note as an "A" item at a forthcoming session; and,
- it enters into the Council minutes when the conclusions are adopted, the statement set out in the Addendum to this note.

DRAFT COUNCIL CONCLUSIONS

**on Special Report No 7/2012 from the European Court of Auditors entitled
'The reform of the common organisation of the market in wine: Progress to date'**

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- (1) WELCOMES Special Report No 7/2012 from the European Court of Auditors entitled 'The reform of the common organisation of the market in wine: Progress to date';
- (2) RECALLS that the key objective of the wine reform is to enhance the competitiveness of European Union wine producers, and NOTES that the grubbing-up scheme and the restructuring and conversion measures should be examined in the context of the entire reform package of 11 complementing measures;
- (3) NOTES that the grubbing-up scheme has resulted in a reduction of supply in line with the aim of reducing the structural surplus, and INVITES the Commission to examine the need for alternative measures to increase the competitiveness of EU vine growers;
- (4) IS PLEASED that the restructuring and conversion scheme has had a positive impact at the level of vine growers and has contributed to the improvement of vine management techniques;
- (5) STRESSES the need to evaluate the impact of the reform on the levels of supply and demand in the wine sector and determine if structural market imbalances persist. LOOKS FORWARD to the Commission report to Council and European Parliament in 2012 on the situation of the wine market;