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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	AOB item for the meeting of the “Agriculture and Fisheries” Council on 22 September 2025: European wine market crisis <i>- Information from Germany</i>

The European wine market is in a difficult situation. Consumption has been in decline for years. This has negatively affected sales in the retailing and hospitality industry. Key export markets are experiencing a decrease in demand. Trade barriers are an additional burden. Moreover, wine producers have had to deal with significantly increased production cost ever since the Covid pandemic. Excess supply leads to high wine stock levels. Numerous wine producers are no longer able to earn an adequate income. Many producers are facing acute liquidity problems. Insolvencies in the wine sector have far-reaching consequences – for both the upstream and downstream sectors. The expected extensive abandonment of areas under vines will ultimately also have an impact on the landscape and wine tourism.

It can be assumed that other European countries also continue to have excess production potential despite the grubbing-up measures taken in some of them. The market conditions and the income situation will not improve without reduced production potential.

At European level, various measures have been taken in recent years in order to mitigate the situation (e.g. crisis distillation, facilitation of planting authorisations). The Policy Recommendations agreed on by the High-Level Group on Wine Policy on 16 December 2024 contain an extensive set of measures, which has – with a few exceptions – been fully incorporated in the wine package proposal by the European Commission. In principle, Germany supports this package and the statement adopted by the Council in June 2025, particularly with regard to planting authorisations, labelling and production of dealcoholised products, and the changes regarding the wine sector programme. Furthermore, we hope to receive additional valuable input from the European Parliament in the course of the legislative procedure.

In order to ease the growing structural and also socioeconomic problems on the wine market, we require further efforts across Europe going beyond the wine package. One key option would be a pan-European grubbing-up scheme similar to the one carried out from 2009 to 2011. In addition to permanent measures, we should also allow for temporary grubbing-up measures to be taken in the wine sector complemented by ecological support measures carried out on grubbed-up areas. This would increase acceptance of the programme and could also have a positive impact on the environment depending on how it is organised. At the same time, the programme could prevent areas planted with vines that are no longer cultivated from falling out of use on a large scale, which would have undesired phytosanitary effects on the surrounding areas.