Crisis distillation for France's AC wine lake

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As Europe's wine surplus shows no signs of abating, the EU agreed measures yesterday for 'crisis distillation' of up to 1.5 million hl of AC wine (that's equivalent to a quarter of all the AC wine made in Bordeaux last year) and the same amount of French vin de table, as well as 2.5 million hl of Italian vino da tavola and 0.1 million hl of DOC wine. Further requests for similar support for crisis distillation from Spain and Greece are still being considered but the measures for France and Italy alone with cost the EU – us Europeans - €131 million (about £90 million or $167 million).

Europe's wine producers, most of them producing more and selling less in virtually all markets, were asking the EU to take even more than this off their hands.

This is the first time so much supposed 'quality wine' has been distilled, and it's being distilled into industrial alcohol so as not to upset the potable alcohol market which is supplied largely by yet another EU distillation system.

As Australians as prominent as Ian Hollick of Coonawarra ask for vine pull schemes to instituted even in top quality Australian wine regions (according to today's Key Report), here are very obvious signs that Europe's wine regime is in a crisis of over-production too.

Mariann Fischer Boel, Commissioner for Agriculture and Rural development, seems admirably determined to get to grips with this long-term problem and commented yesterday: "Crisis distillation is becoming a depressingly regular feature of our common market organisation for wine. While it offers temporary assistance to producers, it does not deal with the core of the problem – that Europe is producing too much wine for which there is no market. That is why a deep-rooted reform of the sector is needed urgently. We must increase the competitiveness of the EU's wine producers, strengthen the reputation of EU quality wine as the best in the world, recover old markets and win new ones. We must create a wine regime that operates through clear, simple rules and ensures balance between supply and demand. And we must create a system that preserves the best traditions of EU wine production and reinforces the social and environmental fabric of wine-producing regions. I will be coming forward on 22 jun with proposals to do just that."

These are likely to be very similar to those spelt out in A new wine and a new plan to rescue France.