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CEVI Position

De minimis aid in the agriculture sector

CEVI, the **European Confederation of Independent Winegrowers**, is the only organisation representing and defending the interests of Independent Winegrowers at European level. Independent Winegrowers are entrepreneurs at the head of small and medium-sized enterprises (SMEs), often a family business. They make everything from the vineyard to the table, meaning that they produce and sell their wines directly to the consumer. CEVI counts today 12,000 members from 12 different States.

Context

'*De minimis* aid' is support that is small enough to be deemed not to distort competition or to affect trade between Member States (MS). Because of the limited amount, the *de minimis* Regulation allows exemptions from State aid control for this support. Regulation 1408/2013 sets the current *de minimis* rules for the agriculture sector and allows exemptions from State aid control for small aid amounts up to €20,000 (or €25,000 in Member States with a voluntary central register) per undertaking and three years.

In the recent years, the European farming sector has been confronted with inflationary pressure and high commodity prices. On 18 April 2024, the European Council '*encouraged the Commission to pursue the work on the possibility to increase the ceiling on de minimis aid for agriculture*'.

On 7 June 2024, following this call from Member States, the European Commission proposed draft targeted amendments to *de minimis* aid rules. The Commission proposes to increase the maximum *de minimis* ceiling per company over three years, from €25,000 to €37,000, to account for inflation. It also proposes to adjust the 'national caps', to take account of the increased value of agricultural production, particularly during the last years, thereby increasing the national cap for all Member States.

Additionally, the amendments plan to introduce a mandatory central register of *de minimis* aid at national or European level, to "increase transparency and reduce administrative burden on farmers" who currently use a self-declaration system and as they will no longer need to self-monitor compliance.

Position

Independent Winegrowers are facing strong challenges at social, climatic and economic levels. The Airbus-Being commercial dispute, the sanitary crisis, severe weather events, or the inflationary crisis have forced Member States to intervene in order to support the wine sector, via measures like crisis distillation, green harvesting, loan facilities, or private storage, which are all subsidised. Some of these aid measures were subject to the *de minimis* rules, thereby limiting the Member States' capacities to help the Independent Winegrowers' business facing difficulties. In addition, in several countries, Independent Winegrowers benefiting from these measures have to monitor and self-declare the aids they receive, which increases their administrative burden.

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CEVI welcomes the Commission's proposed amendments to increase the maximum *de minimis* ceiling per company over three years, from €25,000 to €37,000 and the 'national caps', which will facilitate the Member States' actions to support the agricultural sector in crisis. However, CEVI outlines that the introduction of a mandatory central register should in any case entail more administrative formalities for farmers and Independent Winegrowers, with no regard to the pre-existence of a national register in the Member States.

Providing More Flexibility to the MS's Support Schemes to the Wine Sector

When Member States decide to intervene in support of the agricultural sector, the *de minimis* rules constitute a constraint to their ability to aid farmers' businesses. Limiting the amount of aid that can be granted as a whole or to individual business to only €25,000 over three fiscal years has been very limiting along the last years, especially in the light of the inflation rates in the recent years. As explained by the Member States, increasing the maximum *de minimis* ceiling per company to €37,000 and the 'national caps' is necessary to ease their room for manoeuvre when helping farmers and winegrowers' businesses.

Reducing Administrative Burden for the Independent Winegrower's Businesses

Supporting family-owned SMEs operated by Independent Winegrowers entails alleviating the administrative burdens that impede their competitiveness. These small companies don't have the human resources to implement rules that are made for big and multinational businesses. It is therefore necessary to make sure that regulations do not deprive these enterprises from the support of the EU and its Member States and don't obstruct their development.

Regarding the *de minimis* rules CEVI understands the Commission's willingness to improve transparency by implementing a mandatory register. Nevertheless the current regulation allows the coexistence of different national systems to apply the *de minimis* rules, some of them obliging farmers to self-monitor compliance and others relieving them from this charge. CEVI outlines that the introduction of a mandatory central register must not require more administrative formalities and increase the administrative burden of farmers and Independent Winegrowers, with no regard to their current responsibilities in the compliance monitoring. Independent winegrowers' SMEs