

THE WINE SECTOR SYSTEMS AND FINANCING IN EU VS ROMÂNIA SECTOR

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Abstract

The main actors involved in wine-producers, national and European associations, national governments, European Parliament and European Commission had concerns over the time to find some measures for increasing the competitiveness of European wine. There were however a number of constraints in determining the measures of support for viticulture and wine in view of some international treaties that the EU has concluded in the WTO and other treaties on economic and agricultural subsidies, and the interests of individual Member States and optics, some wine-producing countries with different specific interests and others seeking financing as low as agriculture.

Key words: Restructuring, retraining, regulation, support, subsidies

Systems and ways of funding the EU wine sector

Measures to support the wine have been implemented since Regulation (EC) 1493/1999 on the common market organization for wine. The main lines of support: conversion and restructuring that surfaces bearing vines that are receiving financial support for replacement plantings with other grape varieties more suited to demand, first for clearing a limited number of plantations less profitable (generally varieties of table), export promotion on third markets, the use of concentrated must to increase the potential alcohol.

Implementation of these measures was made by the following acts:

- Decision 2007/719/CE Commission establishing an indicative allocation by Member State on a number of hectares for restructuring and conversion of vineyards under R (EC)

1493/1999 marketing year 2007 / 2008;

- Decision 2008/799/CE of laying down, for 2008 and a number of hectares, the definitive financial allocations to Member States for the restructuring and conversion of vineyards under R (EC) 1493/1999;

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Wine laws but had to be adapted to the new EU agricultural reform by Regulation (EC) 479/08 on the common market in wine, amending R (EC) no. 1493/1999, R (EC) no. 1782/2003, R (EC) no. 1290/2005, R (EC) no. 3 / 2008 and repealing R (EEC). R 2392/86 and (EC) no. 1493/1999. This new regulation has been diminished by allocating amounts distillation and storage but was maintained for a period of abandonment which first requires that plantations less competitive can be taken out of production. This regulation was included in Regulation (EC) 1234/2007 establishing a common organization of agricultural markets and on specific provisions for certain agricultural products, so-called „Single CPO Regulation”.

Measures are in force have been implemented by R (EC) 555/08 laying down detailed rules for the R (EC) no. 479/2008 on the common organization of wine market in terms of support programs, voluntary grubbing-up scheme trade with third countries, production potential and on controls in the wine sector.

Community law to inform and promote wine on third markets:

- R (EC) 3 / 2008 on information and promotion actions for agricultural products domestically and in third countries
- R (EC) 501/2008 laying down detailed rules for implementing Regulation (EC) no. 3 / 2008 of the Council on information and promotion actions for agricultural products domestically and in third countries

Legislation granting direct payments area:

R (EC) NO. 73/2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers and amending Regulations (EC) no. 1290/2005, (EC) no. 247/2006, (EC) no. 378/2007 and repealing Regulation (EC) no. 1782/2003.

TABLE 1. EU Support Programme 2009-2013

Measure	Total 2009 (in 1000 euros)	Total 2010 (in 1000 euros)	Total 2011 (in 1000 euros)	Total 2012 (in 1000 euros)	Total 2013 (in 1000 euros)	Total 2009-2013 (in 1000 euros)	%
1.Schema single payemnt		33 353	156 630	159 875	159 857	509 715	10%
2.Promotion	45000	139 838	149 922	214 340	246 161	798 250	15%
3a.Restructuring and conversion	233 958	335 764	349 189	452 103	461 127	1 832 141	34%
3b.Plans ongoing N°1493/1999	107 083	55 413	20 877	20 418	10 778	214 569	4%
4. Fresh harvest	150	30 450	30 750	30 100	30 100	121 550	2%

AGRO-FOOD AND RURAL ECONOMY COMPETITIVENESS IN TERMS OF GLOBAL CRISIS

Measure	Total 2009 (in 1000 euros)	Total 2010 (in 1000 euros)	Total 2011 (in 1000 euros)	Total 2012 (in 1000 euros)	Total 2013 (in 1000 euros)	Total 2009-2013 (in 1000 euros)	%
5.Mutual funds							
6.Crop insurance	2 398	28 593	33 701	35 425	35 719	135 836	3%
7.Investments	19255	54 664	109 798	182 038	186 713	552 468	10%
8.Distillation by product	88485	100 220	99 710	99 495	99 495	487 405	9%
9.Distillation potable alcohol	159 354	161 823	22 952	12 232		356 361	7%
10.Crisis distillation	53 011	13 247				66 258	1%
11.Cncentrated grape	85163	70 457	45 356	37 789	170	238 935	4%
Total	794 145	1 023 822	1 018 886	1 243 815	1 230 120	5 313 488	100%

Source: http://ec.europa.eu/agriculture/markets/wine/facts/annex_4_en

Systems and forms of financing of the wine used in Romania

Romanian wine sector for the period 2006 -2010 has set as its main objective to increase the competitiveness on the world market and the European one. Achieving this objective involved:

- Restructuring and conversion of vineyards;
- Increase investments for modernization and upgrading units of wine;
- Increase the role and involvement of producer organizations in the wine market;
- Ensuring support for training, specialization and improvement of people working in wine;
- Creation of a favorable image of Romania by promoting local wines, recognized quality and certified worldwide by participating in fairs, exhibitions, international competitions respectively.

In our country, to implement R479/08, financial support measures were implemented by Ministerial Order, updated periodically depending on changes in legislation and by national budgetary provisions for the national contribution. They were based on European regulations, the Accession Treaty and specific legislation transposed in Romania, for example:

· Order no. 211/2007 for the approval of the implementation of restructuring / conversion of vineyards, campaigns 2006 - 2007 and 2007 - 2008, implemented with EU support (published in Official Gazette no. 189 of 19/03/2007).

Support measures at Community level set for the wine were included in the national program support, document was sent to the European Commission, which explicitly provides financial support directions, allocations and other related data. Support the

national program was enacted by Government Decision no. 1228/2008 establishing how the financial support from the Community wine producers.

National program support and support measures include:

Promotion on third country markets:

· Order 218/09 approving the methodological norms concerning the conditions of financial support to promote wine in third country markets in wine 2008/2009-2012/2013, eligible costs, payment methods, verification and control (published in Official no. 264/22.04.09)

Restructuring and conversion of vineyards:

· Order 247/2008 of the Minister of Agriculture and Rural Development regarding the approval of the implementation of restructuring / conversion of vineyards, developed with EU support for campaigns 2008/2009-2013/2014 (published in Official Gazette nr.355/8.05. 2008)

Harvest insurance:

· Order 756/2008 of the Minister of Agriculture and Rural Development on approving methodological norms of financial support from wine producers to ensure the harvest of grapes for wine (published in Official Gazette no. 879/24.12.2008).

The use of concentrated grape must and rectified concentrated grape must:

· Order no. 581/2008 for the approval of the financial support to wine producers who use concentrated grape must and / or rectified concentrated grape must to increase the share of natural spirits of fresh grapes, grape must, grape must in fermentation and new wine still in fermentation (published in Official Gazette, Part I no. 661 of 22.09.2008).

Deforestation volunteers:

- R (EC) 1026/2010 establishing a single percentage of acceptance of the amounts to the Commission by Member States on applications for grubbing-up premium for the marketing year 2010/2011.
- R (EC) 1092/2009 establishing a single percentage of acceptance of the amounts to the Commission by Member States on applications for grubbing-up premium for the wine year 2009/2010.
- R (EC) no. 1123/2008 fixing a single percentage of acceptance of the amounts notified to the Commission by Member States on applications for grubbing-up premium.
- Order 572/2008 of the Minister of Agriculture and Rural Development for the approval of the scheme to grub up vineyards (published in Official Gazette no. 641/08.09.2008).

TABLE 2. Support national program for crop years 2006-2013

No crt	Measure support	Campaign	Surface (ha)	The amount of support program (initial) (thousand euro)	The amount allocated (additional) (thousand euro)	The amount spent (thousand euro)
1	Restructuring / reversion	2006/2007	1.140	8,300.00	-	6,983.00
		2007/2008	4.022	25,050.00	10.000	35.05
		2008/2009	5.376	41,692.70	-	41,692.70
		2009/2010		36,362.00		41.548,58
		2010/2011		37,140.00		
		2011/2012		36,680.00		
		2012/2013		36,205.00		
2	Use concentrated must	2008/2009	X	31.00	-	29.50
		2009/2010		160.00		81,28
		2010/2011		160.00		
		2011/2012		170.00		
		2012/2013		170.00		
3	Promoting third	2008/2009	X	425.00	-	54.40
		2009/2010		375.00		109,48
		2010/2011		450.00		
		2011/2012		500.00		
		2012/2013		600.00		
4	Crop insurance	2008/2009	X	458.00	-	323.40
		2009/2010		3,950.00		360,66
		2010/2011		4,350.00		
		2011/2012		4,750.00		
		2012/2013		5,125.00		
	Total	X	10,538.00	243,103.70	10,000	49,118.05

Source: APIA-MADR

As the table shows the highest rate was a measure restructuring / conversion, then the crop insurance followed by the third promotion, the lower amount being allocated to the measure concentrated must use .

TABLE 3. Grubbing-up premium

N O . crt.	Campaign	Communications to the CE		Approvals CE		Single percentage of acceptance
		No. ha	UE budget (thousand euro)	UE Budget (thousand euro)	No. ha	
	2008/2009	16	109	50	7	45,9 %
	2009/2010	501	2.412	1209	251	50,125 %
	2010/2011			2784		59,622 %

Source : APIA-MADR

TABLE 4. Direct Payments Scheme (SAPS)

The financial support	Year	Level of community financial support (euro/ha)	Exchange rate (lei/euro)	Financial allocation CE (Thousand euro)
SAPS	2007	50,55	3,3400	441.930
	2008	60,75	3,7413	532.444
	2009	71,12	4,2180	623.399
	2010	80,36	4,2718	729.863

Sursa APIA- MADR

Conclusions

Reviewing the funding systems and forms of the wine sector both nationally and globally as we outline the following conclusions:

- ❖ For Romania proved viable measure conversion / restructuring of plantations, for which should be maintained. Therefore bear in mind that the new CAP amounts given our country to grow to allow the measure to a greater number of hectares, an objective measure would be to apply feasible to 5-6000 ha / year.
- ❖ Businessmen and managers must draw up plans for medium and long term business that will lead to consolidation and business development and to provide protection in case of any adverse developments such as increased business input costs, price cap wine market, unfavorable to agricultural years.
- ❖ Guiding manufacturers in Romania and the EU to new consumer markets: China (as important and dynamic growth potential), the U.S. and Britain (the largest export markets).

- ❖ At EU level should be maintained of financial support measures aimed at increasing the competitiveness of European wine market and international markets Community.
- ❖ At the national level is needed to implement a modern marketing, courageous and effective, as applied in other beverages grabbed market share as beer, spirits, low alcohol drinks - alcopops or non-alcoholic beverages in so-called soft drinks and ready to drink.

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