II

(Non-legislative acts)

REGULATIONS

COMMISSION DELEGATED REGULATION (EU) 2021/2026

of 13 September 2021

amending Delegated Regulation (EU) 2020/592 as regards certain temporary derogations from Regulation (EU) No 1308/2013 of the European Parliament and of the Council to address the market disturbance in the wine sector caused by the COVID-19 pandemic and their period of application

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 ([1]), and in particular Article 219(1) thereof,

Whereas:

(1) Commission Delegated Regulation (EU) 2020/592 ([2]) introduced a number of derogations from certain provisions of Regulation (EU) No 1308/2013, inter alia, in the wine sector, aimed at providing relief to wine operators and to help them cope with the impact of the COVID-19 pandemic. However, despite the usefulness of those measures, the wine market has not managed to regain its balance between supply and demand.

(2) The COVID-19 pandemic is not under control. Vaccination campaigns in some regions of the Union and across the world are insufficient and movement restrictions and social distancing measure are still applied in most countries. Those measures continue to include restrictions related to travel, size of social gatherings, private parties, public events and to the possibility to eat and drink outside the home. Those restrictions result in a further decrease in the consumption of wine in the Union, larger stocks and more generally in market disturbance. In some Member States, one third of wine consumption is related to tourism. Therefore, wine consumption has continued to decline and stocks remain high. Those effects of the pandemic coupled with the tariffs imposed by the United States and the frost snap in Europe in April 2021 have had a severe negative impact on the income of wine producers in the Union. It is estimated that the combination of all those factors has had the effect of reducing on average by 15 to 20 % the turnover of the Union wine sector, with some companies having reported losses of up to 40 %.

(3) In addition, the uncertainty as to the duration of the crisis, which remains difficult to predict due to the rapid mutability of the virus, further deepens the existing significant disturbance of the Union wine market. This means that the recovery of the sector will take longer than could be foreseen at the beginning of 2021. Consequently, it is appropriate to continue to offer temporary and exceptional support to the Union wine sector to avoid the increase in bankruptcies that has been reported.

([1]) OJ L 347, 20.12.2013, p. 671.

([2]) Commission Delegated Regulation (EU) 2020/592 of 30 April 2020 on temporary exceptional measures derogating from certain provisions of Regulation (EU) No 1308/2013 of the European Parliament and of the Council to address the market disturbance in the fruit and vegetables and wine sectors caused by the COVID-19 pandemic and measures linked to it (OJ L 140, 4.5.2020, p. 6).

(4) Given that harvest insurance is an important instrument to manage risks, including risks linked to adverse climatic events such as the late and particularly long spells of severe frost in April 2021 and risks linked to market disturbances such as those resulting from the COVID-19 pandemic, it is appropriate to provide a stronger incentive for wine growers to contract harvest insurance by increasing the Union support for that measure. It is also appropriate for this incentive to cover more than one marketing year, because experience has shown that the uptake of support for harvest insurance has been very limited in the past. Thus, it is essential to have enough time to inform and encourage Member States and operators in the wine sector to make use of this exceptional rate of support. Therefore, it is necessary to increase the Union financial contribution to the support for harvest insurance as referred to in Article 8 of Delegated Regulation (EU) 2020/592 as of 16 October 2021 until the end of the programming period 2019-2023.

(5) Furthermore, as the Union wine market is not expected to regain its balance between supply and demand in the short term, it is necessary to extend the application of the measures laid down in Articles 5a and 6, Article 7(2) and Article 9 of Delegated Regulation (EU) 2020/592 until 15 October 2022.

(6) Delegated Regulation (EU) 2020/592 should therefore be amended accordingly.

(7) In order to ensure continuity between financial years 2021 and 2022, this Regulation should enter into force on the third day following that of its publication in the *Official Journal of the European Union* and apply from 16 October 2021,

HAS ADOPTED THIS REGULATION:

Article 1

Amendments to Delegated Regulation (EU) 2020/592

Delegated Regulation (EU) 2020/592 is amended as follows:

(1) Article 8 is amended as follows:

(a) the introductory phrase is replaced by the following:

'By way of derogation from Article 49(2), point (b), of Regulation (EU) No 1308/2013, for operations selected from 4 May 2020 to 15 October 2021, the Union financial contribution to the support for harvest insurance shall not exceed 70 % of the cost of the insurance premiums paid for by producers for insurance:';

(b) the following paragraph is added:

'For operations selected from 16 October 2021 to 15 October 2023, the Union financial contribution to the support for harvest insurance shall not exceed 80 % of the cost of such insurance premiums.';

(2) in Article 10, the date '15 October 2021' is replaced by '15 October 2022'.

Article 2

Entry into force and application

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 16 October 2021.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 13 September 2021.

For the Commission
The President
Ursula VON DER LEYEN