

SUMMARY OF THE EVALUATION OF THE BY- PRODUCTS DISTILLATION MEASURE OF THE NATIONAL SUPPORT PROGRAMME IN WINE (2019-2023)

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European regulation prohibits the overpressing of grapes to guard against poor quality wine. To this end the regulation require the treatment of wine by-products and the distillation of marc and wine lees.

The Common Market Organization (CMO) allows Member States to support the distillation of by-products and the measure distillation of wine by-products, managed by FranceAgriMer is part of this framework. The objective of this measure is twofold, on the one hand it is to "ensure a qualitative production of wines by promoting the elimination of by-products" and on the other hand to "guarantee an optimal environmental treatment of the elimination of these by-products".

Four treatment routes are possible for marc and lees, but distillation is the most widely used. Thus, ensuring the treatment of by-products requires maintaining a network of distilleries on the territory. In this context, the measure aims to partly compensate for the costs incurred by distillers for collecting and processing costs of marc and lees, when the alcohol produced is destined for fuel or industry.

This is consistent with the evaluation that the sale of alcohol and other co-products from marc and lees processing does not cover the costs incurred by the distillers. Without the aid, most wine distilleries would not be able to continue their activity.

Moreover, the scope of the system is wide and concerns distilleries of all sizes and located throughout the country. The beneficiary distilleries process on average 95% of the marc and nearly 90% of the lees produced in France. Furthermore, the aid represents on average 21% of the turnover. The collection aid covers nearly 65% of marc transportation costs. The measure therefore seems to be effective, since it allows the economic maintenance of the network that ensures the treatment of almost all the marcs and lees in distilleries.

In addition, the measure seems to be cost-effective since the impacts are in line with and even higher than the objectives, although the budget is never completely consumed (87% utilization on average over the first three campaigns of the program).

Finally, the system aims to promote the production of biofuel, which can only contribute to achieving national Greenhouse Gas reduction targets. In this respect, the scheme is consistent with the general direction of public policies, which is increasingly interested in environmental issues.

Nevertheless, the evaluation highlighted a real dependence of the sector on the aid system. If the system or European programs were to be disrupted, the blow could be very hard for most distilleries, as was the case during the last reform of the CMO in 2008. So, it is necessary to encourage distilleries to find alternative sources of income, particularly through diversification.