

4. July 2021

**Speech of the
Federal Minister for Food and Agriculture
Julia Klöckner**

Dear Lord Mayor [Michael] Ebling,
Dear Mr. President [Steffen] Christmann,
Dear Mr. President [Klaus] Schneider,
dear members of the board and the presidium of the VDP,
Ladies and Gentlemen,

I. 2020 vintage: challenging but outstanding

The past year was in many respects an exceptional year for all of us - also in terms of wine.

The yield situations varied greatly from region to region:

While the smallest quantity in 30 years was harvested in Württemberg, the yield in the Palatinate was slightly above the 10-year average.

The situation for winegrowers in the Corona year also presents a varied picture.

Wine festivals were cancelled, Straußwirtschaften had to close for months, and tourism also lay fallow.

This could not be compensated for by intensive "ex-farm sales" and online trade for all.

On the positive side, however:

Many German wine regions were nevertheless able to sell all their wine.

The neighbouring markets of France, Italy or Spain were not able to do this.

Compared to the gastronomy, the wine industry has once again escaped with a "black eye".

In addition, the 2020 vintage stands for a high level of quality.

It does not need to hide behind the top vintages of 2018 and 2019.

Although the year was challenging, the wine nevertheless turned out outstanding.

At 8.5 million hectoliters, the harvest was slightly below average.

But the average must weight of 83 degrees Oechsle was above the high level of previous years.

II. The new wine law

It is not yet possible to predict what prospects the coming years will bring in terms of weather and vineyard conditions. This can also only be influenced to a limited extent.

However, we have created planning security in the past year with regard to the political framework conditions that can be influenced.

In 2020, we all focused on one major project: The reform of the wine ordinance and wine law. The background to the latest changes in wine law was primarily the European wine market reform of 2008.

The 2008 wine market reform

- the equivalence of the Germanic system of quality in the glass with the Romanic model of origin, which had existed until then, was abandoned and
- the model of origin was elevated to the sole standard.

The wine law in its old form did not yet or not consistently reflect the change at EU level in two essential parts:

- First, the change from the Germanic system of quality to the Romanic system of origin, and
- Secondly: the growing responsibility of producers for their origin-protected wines via the newly established "Comitees Interprofessionel".

In addition, we had to take more account of national developments.

On the one hand, we could see that in recent years, the markets in Germany have developed sideways at best and in a declining manner in terms of exports.

For example, exports have almost halved over the past ten years - other member states have been able to increase their exports.

This can only be explained to a limited extent by a simultaneous decline in production.

The reform was therefore urgently needed, and you have actively supported us in it.

I would therefore like to take this opportunity to say "thank you" once again for many constructive discussions.

You, the VDP, are pioneers in geo protection.

Many of your member wineries are lighthouses that have enhanced or are enhancing the image of entire regions.

With your pyramid of origin, consisting of estate, village and site wines, you have already set an example of what we have only now followed with the wine law and wine regulation.

Your association, with its many years of expertise, has been an important, reliable contact in these matters and has provided significant food for thought.

What were the sticking points of the reform?

The most hotly debated issue was the "pyramid of origin."

I know that opinions still differ on this.

Although it has already been implemented by more and more producers, like you in the VDP.

From many conversations I know the concerns:

- too much effort,
- too complicated,
- too restrictive
- difficult to explain to the consumer without the certainty that higher prices can really be achieved.

Controversial points of detail were, for example, the labelling of the Großlage - for example, the wineries on the Moselle do not want to do without the label "Piesporter Michelsberg," even if they do not come directly from the community / village.

With regard to a clear designation of origin, this will no longer be possible in the future.

A regulation, therefore, that corresponds to your understanding of quality and origin at the VDP.

In other areas, we found compromises during the process.

The use of the predicates was a contentious issue. There were considerations to allow designations such as "Spätlese" only for wines with residual sweetness.

This was opposed by those who also market dry Spätlese wines.

By retaining this regulation, we are preserving an old tradition without going behind the new ideas.

In short, the ideas in the individual regions and among the various groups were sometimes very far apart.

German viticulture is diverse and heterogeneous.

In the end, we remained credible when it came to profiling origin.

I am aware of the greater effort involved, because it goes hand in hand with the restriction to certain grape varieties.

Because a definition of different maximum yields per origin category is necessary.

But I am convinced that the reform will pay off for every winemaker in the end if a clear profile is implemented.

The higher prices that you achieve on the market as VDP wineries are a practical example of this.

We have excellent quality wines, which are now quickly and easily recognizable to consumers. From the intention of anchoring a reference to origin in the wine law and initially upgrading village and site wines, the discussion has developed further with the decision to introduce Erstes Gewächs and Großes Gewächs.

It is now up to the profession to breathe life into the regulations governing first and grand growths.

I am convinced of the outcome of the reform.

We have created a good basis.

Let us now continue this path together and put the regulations into practice.

III. punitive duties on wine

About two weeks ago, news came that made German winegrowers breathe a sigh of relief: The EU and the USA agreed on the mutual suspension of punitive tariffs in the Airbus-Boeing disputes for five years.

This means that for the time being there will be no more punitive tariffs on German wine.

The punitive tariffs imposed by both sides had hit German winegrowers hard.

Although they were not involved in the initial dispute at all.

Thus, the USA is an important export market, especially for the Rhineland-Palatinate winegrowers - the American market is by far the number one market.

The United States accounts for 16 percent of export volume and 21 percent of export revenue from German wines.

The punitive tariffs of 25 percent had led to a slump in exports last year.

Across the EU, exports fell by 54 percent, and German white wines were sold around 20 percent less to the USA.

I am therefore very pleased with the agreement that has now been reached.

The agreement is a significant step towards a long-term solution, which I will continue to advocate personally.

The EU and the USA now have five years to find a lasting solution.

IV Conclusion

I can imagine that one or two winegrowers had a sleepless night or two last year:

Be it the consequences of the pandemic or the punitive tariffs - the year had many effects on the industry.

One small ray of hope: the vintage is more than respectable.

I am sure that together we will also master future challenges.

Let's keep talking.

I am delighted to be here with you today!