Government Budgets for the Wine Industry – Global Analysis (2025)

October 23, 2025

Introduction

Government support plays a crucial role in the wine industry's competitiveness and sustainability. This report examines **public budget allocations to the wine sector** in major wine-producing countries as of October 23, 2025, focusing on how funds are distributed across key support categories – **export promotion**, **marketing in foreign markets**, **viticulture (vineyard) aid**, **winery investments**, and other relevant support measures. We compare allocations for the previous year, current year, and (where available) forecasts for the next year, highlighting trends and variations. The analysis draws on official government sources and reputable industry data, targeting professional readers in the wine business (producers, winemakers, distributors, etc.). The emphasis is strictly on public financial support to the sector – broader industry context is minimized in favor of concrete budget figures and uses.

European Union Overview

In the European Union (EU), wine sector support is largely governed by the Common Agricultural Policy (CAP) through National Support Programs integrated into each country's CAP Strategic Plan[1]. **The EU dedicates about €1.061 billion per year** in funding for wine sector measures, an amount maintained into 2025 under the current CAP[1]. These funds are distributed among producer member states via national envelopes. The largest beneficiaries are Italy, France, and Spain (which together account for ~79% of EU wine funds[2]), followed by countries like Portugal, Germany, etc. The support covers measures such as vineyard restructuring, **promotion in third countries (non-EU markets)**, winery modernization investments, **by-product distillation** (a measure to remove surplus wine/alcohol), **harvest insurance**, and other interventions. Notably, **three measures consume the bulk of EU wine funding**: vineyard restructuring (approximately 50%), winery investments (~22%), and export promotion (~18%)[2][3]. Smaller portions are for distillation, green harvesting, insurance, and innovation.

Across the EU, **2024–2025 support levels are fairly stable** compared to 2023, though additional one-time aids have been triggered to tackle market crises (e.g. distillation subsidies to address surplus). The new CAP (2023–27) continues the same annual budget and measures as the previous framework[1], with a new requirement that at least 5% of expenditures target environmental sustainability goals in the wine sector[4]. Below we detail country-specific budgets and categories.

France

France is a top wine producer benefitting from significant EU and national funding. **France's annual wine sector support envelope is about €270–280 million** in recent years[5][6]. This budget is primarily financed by the EU's CAP and administered via FranceAgriMer. In the 2019–2023 program, France had ~€280.5 million per year allocated, though not always fully spent[7][8]. The funds are divided among key measures:

- **Vineyard Restructuring:** ~€100.5 million (36% of the total) for replanting, varietal conversion, and other viticulture improvements[6]. This helps vineyards adapt to market demands and disease pressures.
- **Investments in Wineries:** ~€90 million (32%) for modernization of wine cellars and production facilities (e.g. new equipment, energy efficiency)[6].
- **Promotion in Non-EU Markets:** ~€50 million (18%) dedicated to marketing and promotion of French wines in export markets outside Europe[6]. This supports French participation in trade fairs, tasting events, and branding campaigns abroad.
- **By-product Distillation:** ~€40 million (14%) for distilling wine by-products (e.g. grape marc and lees)[6], an environmental measure that also controls surplus by removing alcohol from the market.

These proportions are based on the 2019 allocation; France's current CAP Strategic Plan continues with a similar structure[5]. Indeed, **France's wine budget for 2024 remains roughly in line with prior years (around €280 million)**, with a focus on the same measures. One change is an increased emphasis on sustainability – at least 5% of funds are targeted at environmental objectives (e.g. supporting organic viticulture, reducing waste) as required by CAP rules[9].

Variation and recent developments: The core envelope has been stable, but France faced a wine market crisis in 2023–2024 due to falling domestic consumption and surplus stocks. In response, additional public funds were mobilized: an **€80 million emergency fund** in early 2024 to assist struggling vintners[10], and a **€150 million structural aid program** to incentivize uprooting of excess vines (a vine pull scheme to reduce overproduction)[11]. Furthermore, France obtained EU approval for a **€120 million vine grubbing (vine removal) scheme** in 2024[12] and, along with EU support, announced **€200 million for distillation of surplus wine** (to distill unsold wine into industrial alcohol)[13]. These extraordinary aids are one-off and aimed at rebalancing the market; they come on top of the regular €280 million CAP funds. For 2025, France's base support is expected to remain ~€270–280 million, with the possibility of continued crisis measures if oversupply persists. For example, the French government has signaled it may request additional EU crisis reserve funds to support the sector if needed[14].

In summary, **France's public support for the wine sector in 2025** is on the order of €280 million via CAP programs (promotion, restructuring, investments, etc.[6]), supplemented by national funds for crisis relief (over €200 million allocated in 2023–24 for emergency aid, distillation, and vineyard restructuring incentives). This reflects a slight increase over the previous year due to the crisis supports, while the underlying CAP envelope remains constant into the next year.

Italy

Italy receives the largest wine support budget in the EU. **Italy's annual wine support allocation is roughly €320–324 million** in the 2024–2025 period[15][16]. In the 2019–2023 program, Italy's envelope was about €337 million per year – the highest of any member state[17]. Under the current plan (2023–2027), the annual amount has adjusted slightly to about **€323.8 million** for the 2025–26 campaign[16]. Italy's Ministry of Agriculture (Masaf) allocates these funds across several measures (known as the **Programma Nazionale di Sostegno, PNS**). The breakdown for the 2025/2026 campaign is as follows[18]:

- **Vineyard Restructuring and Conversion:** €144.1 million – the largest share (~45%), to replant or re-graft vineyards, change grape varieties, and improve vineyard management for competitiveness[18].
- **Promotion in Third Countries:** €98.0 million (~30%), supporting marketing of Italian wines in non-EU markets (e.g. financing part of the costs of promotional events, tastings, and advertising abroad)[18]. Notably, this includes €68.6 million distributed to Italy's regions and €29.4 million managed at the national level for strategic promotions[18].
- **Investments in Tangible/Intangible Assets:** €57.6 million (~18%) for winery improvements – modernizing production facilities, adopting new technologies, improving quality and environmental performance in winemaking[18].
- **By-Product Distillation:** €19.2 million (~6%) to distill wine by-products (e.g. grape pomace) and surplus wine, ensuring surplus alcohol is removed from the drinking market (often converted to industrial alcohol)[18].
- **Green Harvest:** €4.8 million (~1%) for compensating growers who carry out "vendemmia verde" (green harvesting), i.e. thinning or dropping fruit to reduce yields in times of oversupply[18].

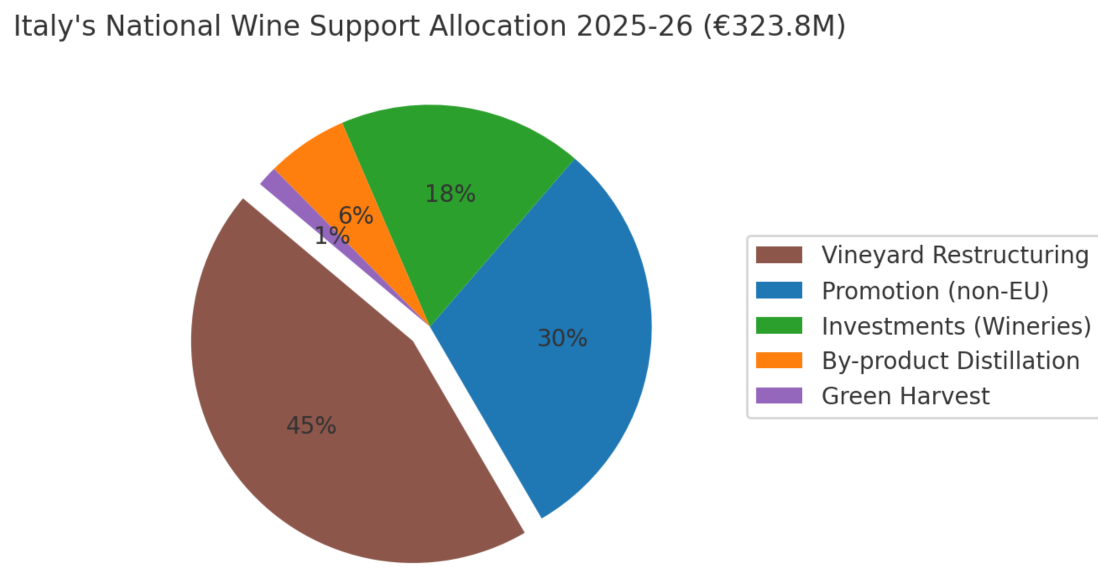

Figure: Italy's National Wine Support Program allocation in the 2025–26 campaign (total €323.8 million) by key support categories[18]. Italy prioritizes vineyard restructuring and export promotion, which together account for ~75% of its wine budget. *Data source: Italy MIPAAF decree Dec 13, 2024.*

This allocation in 2025–26 is **broadly similar to 2023–24**, which had a total of €323.9 million with nearly identical breakdown: ~€144 million for vineyards, €98 million for promotion, €58 million investments, €19 million distillation, €5 million green harvest[15]. The slight decrease from ~€337 million in 2019–2020[17] to ~€324 million is due to adjustments in EU budget distribution; however, the difference has been marginal. For 2026–27, Italy is expected to have a comparable envelope (~€323 million) as the EU funding level remains constant[4].

Year-on-year variation: Italy's base support has remained steady, but like France, it faced market pressure from excess stocks (e.g. a large surplus of unsold wine, especially red wine, after China's tariffs and COVID impacts). Italy's government and industry have lobbied the EU for additional aid. In mid-2023, Italy joined France and Spain in calling for EU crisis measures including vine yield reduction and crisis distillation[19]. While Italy did not implement a nationally funded vine-pull scheme as France did, it benefitted from EU flexibility to use existing funds for crisis distillation in 2023[20][21]. Going forward, Italy has also **increased the use of its national quality wine fund** (Fondo OCM Vino) to support promotion and is pushing for diplomatic efforts to reopen key markets (notably China). For 2025, the **Italian budget remains ~€324 million**, with **regional allocations** (e.g. Sicily ~€51.2M, Veneto ~€40.7M, Puglia ~€29.4M, etc.) already determined by decree[22]. The forecast for 2026 is stable funding at this level, assuming no major CAP reform or reallocation.

In summary, **Italy's public wine sector support** is the largest globally at over €320 million annually. It is focused on **restructuring vineyards and boosting exports**, with stable year-to-year funding and only slight reductions since the previous period[15]. Italy's industry continues to advocate for targeted increases (e.g. support for sustainability and market diversification) to address ongoing export challenges, but the 2025 budget largely represents continuity.

Spain

Spain, another leading wine producer, receives a substantial EU-funded support package known as the **Intervención Sectorial Vitivinícola (ISV)**. For the new CAP period 2024–2027, **Spain's annual wine sector budget is €202.15 million**. This is in line with Spain's historical allocation (around €210 million in the late 2010s) and reflects Spain's decision to utilize the full EU envelope for the wine program (Spain had partially redirected some wine funds to other uses in the past, but currently ~€202M is dedicated to wine annually)[23]. The Spanish program is distributed among four main measures:

- **Promotion in Third Countries:** 27.5% of the budget (~€55.6 million per year) for marketing Spanish wines in non-EU markets. This covers promotional campaigns, trade shows, and tasting events abroad, often managed in part by Spain's regional authorities (each Autonomous Community receives a portion for wine promotion programs)[24][25].
- **Winery Investments (Tangible & Intangible):** 27.5% (~€55.6 million) for upgrading winery infrastructure and technology. Funds support improvements in production (e.g. modern equipment, energy efficiency) and intangible investments like digitalization of wineries or brand development.
- **Vineyard Restructuring and Conversion:** 30.0% (~€60.6 million) – the largest share – dedicated to restructuring vineyards. This helps growers replant vines (including switching to new varieties or clones), improve trellising and vineyard design, and adapt to climate change or diseases. It aims to enhance competitiveness and quality in grape production[26][24].
- **Green Harvesting:** 0% (Spain chose to allocate nothing to green harvest reserves in this period). This means no routine budget for compensating grape crop thinning; any such measures would be extraordinary.
- **By-product Distillation:** 15.0% (~€30.3 million) for distillation of wine by-products. Spain uses this measure to ensure that winemaking residues (pomace, lees) are distilled (often into industrial alcohol) rather than dumped, which maintains wine quality and provides an environmental service[27][28]. It also indirectly helps stabilize the market by preventing surplus by-products from being converted back into beverage alcohol.

Spain's **2024 budget of €202.15M** is allocated exactly as above. Compared to the previous program (2019–2023), these proportions are similar. One difference: in earlier years Spain sometimes under-utilized funds – e.g. industry reports note that in 2023 about €30–45 million of Spain's wine budget went unspent and had to be returned to Brussels[29][8], due to administrative delays at the paying agency (FEGA/FranceAgriMer equivalent) in processing aid files. Indeed, **Spain executed only ~88% of its allocated wine funds in 2024**, leaving ~€15–25M unused[30][23]. This under-execution was criticized by grower associations as a lost opportunity for the sector.

Variation: Spain's nominal allocation dipped slightly around 2020 when it transferred a portion to direct payments, but under the current plan it is fixed at €202.1M each year from 2024 to 2027[31][32]. Thus, the **2025 and 2026 budgets are forecast to remain €202.1M**. The Spanish government's focus is on maximizing use of these funds. To address past underutilization, Spain has streamlined program management for 2024–2025, for example by prioritizing fully executed projects and allowing **extraordinary measures** when needed (with EU approval). In 2023, Spain benefited from EU-wide flexibility to use support funds for crisis distillation and storage due to a market downturn[20][21] – for instance, some of Spain's promotion or investment funds were reallocated to distill excess wine after a sharp drop in domestic consumption (down ~10%)[33]. For 2024, Spain also tapped **€17.9 million from leftover funds of the previous PASVE 2019–23** to add to its budget[34], effectively boosting resources to around €220M. However, looking to 2025 and 2026, the baseline remains €202M annually.

In conclusion, **Spain's government support for the wine industry stands at ~€200 million per year**, primarily supporting **vineyard restructuring and global promotion**. This level is essentially unchanged year-over-year (aside from better fund utilization efforts). Industry observers expect the 2025–2026 support to be fully used, with continued emphasis on export promotion (crucial as Spain seeks growth in markets like the US and Asia) and vineyard improvements. Any additional support (beyond €202M) would likely come from EU emergency measures if the market faces new crises.

Germany

Germany's wine sector, while smaller than the big three in volume, also receives EU support through a national program. **About €37.4 million per year** is available in Germany for wine sector interventions under the CAP Strategic Plan[35]. This budget (approximately 3.5% of the total EU wine envelope) reflects Germany's vineyard area and production scale. The German program focuses on a few key measures:

- **Restructuring of Vineyards:** The largest portion goes to vineyard restructuring and replanting. Germany has many small, fragmented vineyards; support helps consolidate and replant for better efficiency and quality.
- **Investments in Wineries:** Another significant part funds winery modernizations (e.g. new wine presses, tanks, facilities). Energy efficiency and environmental upgrades are priorities – German aid guidelines incentivize sustainable investments[36][37].

- **Harvest Insurance:** Unlike Mediterranean countries, Germany allocates some funds to harvest insurance programs (to mitigate climate-related crop losses in its cool-climate vineyards).
- **Promotion:** A portion is used for wine promotion in third countries, though Germany historically spends less on promotion than France/Italy/Spain. German wines have a strong domestic market, so export promotion support (e.g. at trade fairs) is relatively modest.

According to Germany's Federal Ministry of Agriculture, the **annual CAP budget for wine interventions is ~€37.4 million through 2027**[35]. **This is unchanged from 2023 to 2025**, as the EU allocation remains constant. However, actual spending can vary: Germany sometimes does not utilize all promotion funds, and any unspent money returns to the EU budget[38][5]. For example, in 2023 the EU allowed shifting funds between measures, and Germany reallocated some promotion monies to distillation to address a surplus of wine (German wine consumption fell ~22% in 2023)[39].

German federal and regional authorities also provide **national co-financing or top-ups** in certain cases. For instance, some Länder (states) have regional quality wine promotion programs, and the government co-funds research (Germany's Geisenheim Institute projects for viticulture innovation are partly publicly funded). These are relatively small compared to the EU funds.

Overall, **Germany's government support in 2024–2025 is ~€37 million/year**, steady year-over-year. The **forecast for 2026** is the same, pending any CAP mid-term revision. The funds are concentrated on **modernizing vineyards and cellars**, aligning with Germany's strategy to improve competitiveness and adapt to climate change (e.g. through new grape varieties and water-saving techniques)[36]. Germany's program illustrates the EU's one-size-fits-all approach scaled to a smaller producer – while not large in absolute terms, the public support remains critical for German vintners, especially in regions like the Mosel and Rheinhessen where steep slopes and small holdings raise production costs.

Portugal

Portugal's wine industry receives significant support both from the EU (via the national envelope) and domestic initiatives. **Portugal's EU wine support budget is roughly €64–66 million per year**. In the 2014–2018 program, Portugal had a €326.0 million envelope over five years[40][41], averaging €65.2M annually – and indeed each year ~€65M was fully utilized[42]. For 2019–2023, the envelope was of a similar magnitude (though official figures for the new CAP aren't explicitly cited, it's expected to be in the mid-€60 millions annually, consistent with Portugal's ~6% share of the EU wine budget). **For 2024**, the budget is around **€66 million**, and it remains at that level for 2025 and 2026 under the CAP Strategic Plan.

Portugal's support measures include:

- **Vineyard Restructuring & Conversion:** A major share. Portugal has used this aid since 2001 to replant vineyards, introducing better varieties and technologies[43]. In the 2014–18 period, €326M was allocated primarily to this and a few other measures[44]. Vineyard restructuring remains crucial, especially in regions like Douro and Alentejo, for re-terracing slopes and improving vine density.
- **Promotion in Third Countries:** Another key measure. Portuguese wines (Port, Douro reds, Vinho Verde, etc.) are promoted overseas with EU co-funding. Promotion and marketing initiatives in the US, Brazil, Angola, China and beyond are partially financed by this budget. Historically, promotion was a significant line item (Portugal allocated funds to promotion in the earlier program along with restructuring)[44].
- **Distillation of By-products:** Portugal continues to support the **distillation of subproducts** of winemaking[44], in line with EU rules that aim to avoid disposal of pomace and help environmental compliance.
- **Harvest Insurance:** Unique to Portugal's choices in 2014–18 was the inclusion of **harvest insurance subsidies**[45]. This measure helps wine growers insure their grapes against weather losses. Portugal has significant climate variability, so insurance support was integrated as a measure in the national program. It presumably continues in the current plan (to a limited extent).

In addition to EU funds, the **Portuguese government has intervened with national supports** during recent crises. In 2023, facing a serious wine surplus (especially of entry-level reds), Portugal secured an **EU agricultural reserve package of €15 million** for crisis distillation[46][47]. This EU-funded emergency aid (announced in Sept 2023) was used to pay producers to distill unsold wine, thereby reducing stocks[48]. Separately, the Portuguese government created a **€100 million credit line** with subsidized interest for wine producers in 2024[49][50]. This low-interest loan program ("Linha de crédito de 100 milhões") aimed to alleviate liquidity issues for wineries holding large inventories. It indicates direct national support beyond the EU budget, focusing on financial relief.

Trend: Portugal's core CAP support (≈€65M/year) has been consistent from 2023 into 2025, with high utilization (Portugal typically uses 100% of its envelope; in fact, in 2017 it slightly over-spent and was corrected to the €65.2M cap[51]). For 2025 and 2026, the expectation is **no change in base funding**. What varies is supplementary aid: the **€15M EU reserve aid in 2023** was a one-time increase (effectively bumping 2023 support by ~25%). If the market remains imbalanced, Portugal may seek similar one-off aids, but none are confirmed for 2025 as of this writing (the 2023 distillation successfully cut surplus, and 2024 production fell to a 63-year low[52][53], likely easing pressure).

In sum, **Portugal's government-supported budget for the wine sector is ~€65 million annually** (EU-funded) targeting **restructuring, export promotion,**

distillation, and insurance, with **additional national credit facilities** and EU emergency grants deployed as needed. The previous year-current year comparison shows stable planned support, with the notable addition of crisis funds in late 2023. Forecasts for the next year suggest continuity in the core support level and potentially new credit or promotion schemes if exports don't improve.

United States

The United States does not have a centralized, CAP-like subsidy program for wine, but government support is provided through **marketing programs, research grants, and tax policy**. The U.S. wine industry (dominated by California, which produces ~80% of U.S. wine[54]) benefits from **federal funds aimed at promoting agricultural exports and specialty crops**. Key mechanisms include:

- **Export Promotion Programs:** The USDA's Foreign Agricultural Service runs programs like the **Market Access Program (MAP)** and the **Foreign Market Development (FMD) program**, which co-fund industry export marketing efforts. The Wine Institute (representing California and U.S. wineries) has been a major participant in MAP[55][56]. In FY2024, MAP and related programs had $200–250 million available nationwide; in mid-2025, **Congress doubled annual funding for these export programs from $285 million to $570 million**[57]. This increase (passed in H.R.1 in 2025) was applauded by the wine industry, as it will **boost the funds available to wine export promotion**. For example, the Wine Institute leverages MAP funds to run California wine offices and marketing campaigns in 40+ countries[57]. While specific allocations to wine are not public, industry estimates suggest U.S. wine export programs received on the order of **$7–8 million annually** under MAP in recent years; this could roughly double with the new budget. Thus, for 2025, federal export promotion support for wine might exceed **$15 million**. These funds help organize trade tastings, incoming buyer missions, and consumer promotions abroad, critical as U.S. wine exports were $1.2 billion in 2024[58].
- **Specialty Crop Grants and Research:** Wine grapes are classified as a specialty crop. The USDA **Specialty Crop Block Grant Program** provides grants to states for projects enhancing competitiveness of crops like grapes. In FY2023, $72.9 million was awarded across various specialty crops[59]. Several states directed portions to viticulture: e.g., **Idaho's wine commission received $125,000** for marketing Idaho wines[60]; Maryland's winery association got $35,000 for research with the University of Maryland[61]. While not huge sums, these add up – dozens of projects supporting viticulture (research on grape varieties, marketing initiatives, enotourism development) are funded each year. Separately, the USDA's **Specialty Crop Research Initiative (SCRI)** dedicates up to $80 million annually for specialty crop R&D[62]. Grape and wine projects consistently secure a share of SCRI (for instance, multi-state research on grape disease resilience or mechanization in

vineyards). Examples include a recent multi-year USDA grant to UC Davis for smoke taint research in wine grapes. In aggregate, federal research funding directly targeting the wine grape sector likely amounts to **several million dollars per year**.

- **Agricultural Extension and Technical Aid:** Through the land-grant university system, federal-state cooperative extension provides viticulture and enology support (funded by USDA capacity grants and state budgets). This is indirect but important "soft" support, valued by growers and winemakers for knowledge transfer.
- **Tax Incentives:** The U.S. government supports wineries via tax code measures. The **Craft Beverage Modernization Act**, made permanent in 2020, provides excise tax credits on the first 750,000 gallons for all wineries, effectively reducing federal excise taxes especially for small and mid-sized wineries. This is not a budget expenditure but a tax expenditure (foregone revenue). The Wine Institute has estimated this credit saves wineries over **$150 million annually**, money that can be reinvested (akin to a government financial benefit to the sector). Additionally, many states offer tax credits or exemptions for vineyard development or equipment.
- **COVID-19 Relief and Miscellaneous:** In 2020–2021, U.S. wineries benefited from general small business COVID relief (Paycheck Protection Program loans, etc.), and USDA included grape growers in pandemic assistance programs. For instance, growers received payments under the Coronavirus Food Assistance Program due to lost sales to restaurants. These were one-time supports, not ongoing budget items.

Scale and variation: It is challenging to sum up a single "budget" number for U.S. wine support as programs are fragmented. However, to illustrate, in 2024 the federal support could be approximated as: *Export promotion:* ~$8M; *Research/extension grants:* perhaps $5–10M (includes block grants and competitive grants for wine-related projects); *Tax credits:* $150M (industry-wide effect). For 2025, **export funding is increasing sharply** (with MAP doubling, so potential wine share >$15M)[57], and Congress has maintained or increased funding for specialty crop programs in the latest Farm Bill discussions. Thus, **2025 sees a boost in marketing support** for wine. Meanwhile, the industry is advocating for a dedicated program to help with the huge loss of the China market (where U.S. wine faces retaliatory tariffs) – e.g., a proposal for an export recovery initiative. In the FY2025 budget, an additional **$6.8 million for agricultural trade promotion** was included, which "may benefit some wine exporters," though this sum is spread across all U.S. agriculture[63][64]. The sector views this as insufficient and continues to push for more targeted aid[64].

At the **state level**, support varies. Notably, states like **Washington** and **New York** invest in their wine industries via state wine boards funded by producer assessments *and state funds*. For example, New York's state budget often earmarks ~$1 million for the Wine & Grape Foundation to promote NY wines. California's state government, through the California Specialty Crop programs and trade offices, also provides grants (e.g. California received $22 million in specialty crop block grants in 2023, part of which goes to grape research and regional promotions). While these are smaller than federal programs, they bolster local marketing and tourism.

Forecast: The coming year (2026) will depend on the new Farm Bill (expected to authorize funding through 2028). If current trends hold, **federal support for wine marketing and research will continue at enhanced levels** (i.e. MAP at $400–$500M total, ensuring strong funding for Wine Institute programs, and robust specialty crop funding). There is no indication of any direct subsidy or purchase program for wine (unlike EU-style aid), so the U.S. model remains focused on market development and competitiveness rather than direct payments.

In summary, **the U.S. government's "budget" for the wine sector is implicit and multi-faceted**: on the order of tens of millions of dollars in export and research support (e.g. ~$15–20M in 2025), plus significant tax relief measures. This is far lower than EU countries' direct spending (e.g. France's €280M), reflecting different policy philosophies. Nevertheless, the recent increase in export funding[57] is a notable uptick from previous years, indicating recognition of the wine industry's challenges and the need to **help U.S. wineries compete globally**.

Chile

Chile's wine industry is a major export sector and receives targeted support from the Chilean government, primarily oriented towards small producers and export promotion. Unlike the EU, Chile doesn't provide broad subsidies to all vintners; instead, support comes via **agricultural development programs, innovation grants, and trade promotion agencies**:

- **Small Producer Assistance (INDAP):** Chile's **Institute of Agricultural Development (INDAP)** runs programs for smallholder ("campesino") viticulturists. In 2024, INDAP allocated **CLP $1.520 billion** (approximately USD $1.7 million) specifically to support **2,617 small winegrowers** in the Maule and Ñuble regions[65][66]. This funding is being used for *technical assistance, irrigation infrastructure, and credit* for these growers. It also will **finance improvements for up to 60 small wineries** in those regions[67][66]. The aim is to boost productivity and quality among small vineyards (many of which have old vine heritage varieties like País and Moscatel) and help them access markets[68][69]. This 2024 investment builds on multi-year efforts by INDAP to foster rural winemakers, and represents a significant increase over previous years in those regions. For 2025, a similar or larger INDAP budget is anticipated as part of an ongoing **"Viticulture Table" initiative** that coordinates support with regional governments and other agencies[70].
- **Export Promotion (ProChile):** Chile's export promotion agency, ProChile, actively promotes Chilean wine abroad. While exact budget figures by sector

are not published, ProChile funds Chile's presence at international wine fairs, tastings, and sommelier events. For example, ProChile often partners with **Wines of Chile (the industry trade association)** to run the annual Chilean Wine Tour in key markets. Government support can cover partial costs for wineries participating in trade missions. In recent years, recognizing increased competition, **ProChile has maintained or modestly increased wine promotion funding**. We infer this from Chile's rising export activity: in 2024 Chilean wine exports actually grew 14.4% in volume[71] despite a production drop, indicating successful market efforts. ProChile's overall budget for all export sectors was around $50 million; even a few million directed to wine yields a high return given wine's export value (over $2 billion). For instance, a **2023–2024 initiative** co-funded by ProChile and the EU (under a bilateral promotion fund) supported joint promotions of Chilean wines in Europe with a budget of roughly €1 million.

- **Innovation and Investment (CORFO/SERCOTEC):** Chile's economic development agencies like **CORFO** (Production Development Corporation) and **SERCOTEC** (Small Enterprises Service) provide grants and loans that wineries can access. Examples include CORFO's co-financing of technological innovation in winemaking (e.g. supporting wineries to adopt precision viticulture, or funding R&D in wine yeast). These are competitive funds, not wine-specific, but wineries have benefited. Additionally, CORFO has occasionally partnered on wine cluster projects (such as developing wine tourism routes). In 2024, INDAP's program explicitly mentions coordination with CORFO and SERCOTEC to advance marketing and technology for small wineries[68].
- **Regional Governments:** Wine is important in regions like O'Higgins (Colchagua) and Maule. Regional governments have used their budgets to boost the sector – for example, the Coquimbo regional government in 2024 adjusted its budget to fund water use efficiency for the pisco and wine industries[72]. Several regions provide grants for vineyard irrigation and replanting, especially in drought-hit areas.

Recent vs current vs forecast: In 2023, Chile's wine sector faced a tough year (production fell ~15.6% to a historic low[53], partly due to adverse weather). The government responded with a focus on **recovery and export push**. The **Agenda de Impulso Exportador** launched in 2023 included wine as a priority sector, ensuring continued ProChile support. The **2024 INDAP budget of CLP 1.52 billion** in Maule/Ñuble[65] is a noteworthy increase (previous support to that group of growers was smaller), signifying greater commitment. Moving into 2025, Chile has presented a **Federal Viticulture Agenda 2025–2026** (Agenda Vitivinícola Federal) in cooperation with the private sector[73], which outlines training programs and export strategies but will also require funding. We expect **similar or enhanced funding in 2025**: INDAP and regional programs likely to continue at ~CLP 1.5–2.0 billion levels collectively for small producers, and ProChile to maintain robust wine promotion financing, given exports remain strong.

For 2026, unless there is a major policy shift, Chile's government support will likely remain project-based rather than a fixed "wine budget." This means ongoing **marketing support abroad, technical aid at home, and possibly soft loans**. One new development in late 2024 is a bill in Chile's Congress to create a dedicated fund for agricultural export promotion – if passed, this could formalize some budget for wine promotion beyond ProChile's general budget.

In summary, **Chile's government support in 2024–2025 can be quantified in parts**: at least **$1.7M in direct aid to small growers**[65], an estimated **$2–3M+ in export promotion** (value of ProChile's wine activities), plus **development grants** through CORFO/SERCOTEC. Chile's model emphasizes helping smaller producers compete and **opening markets for all wineries**. The year 2024 saw an uptick in such support (notably INDAP's investments), and the expectation is for steady or growing support into 2025 as Chile aims to sustain export growth despite global headwinds.

Argentina

Argentina's wine sector is a key part of its agri-food economy (and national identity), but direct government budget allocations are relatively limited. Instead, support has come via **credit facilities, exchange rate policies, and institutional frameworks**:

- **Subsidized Credit Lines:** The Argentine national government often supports wine grape growers and wineries by offering loans with subsidized interest. In early 2024, for instance, the government (through the Ministry of Economy and BICE development bank) rolled out a **special credit line of ARS $300 million** for small and medium wineries[74]. This line featured below-market interest rates to finance **productive investments and working capital** (e.g. purchasing barrels, financing the harvest and crush). Similarly, during the 2023 harvest, the government provided a **"cosecha y acarreo" credit program with interest subsidy** in wine provinces[75][76], helping growers pay for grape picking and transport. These programs effectively allocate public funds (via interest subsidies) to reduce financing costs for the sector. The scale, ARS 300M, while modest (around USD $1.5–2 million at 2024 exchange rates), was vital given Argentina's high interest and inflation environment.
- **Exchange Rate Incentives:** Argentina has employed macroeconomic tools to aid wine exporters. In 2022 and again in mid-2023, the government created a preferential exchange rate dubbed the **"Dólar Vino"** (Wine Dollar), temporarily allowing wine exporters to convert export earnings at a higher exchange rate than the official dollar[77]. This effectively acted as a subsidy (approx. a 30% boost in peso returns). While not a direct budget expenditure, it represents a significant policy support. In 2023, the Malbec Dollar program was used to

encourage export sales in the face of a shrinking domestic market and high production costs.

- **COVIAR – Strategic Plan Implementation:** The **Corporación Vitivinícola Argentina (COVIAR)** is a public-private entity established by law in 2004 to implement the national wine strategic plan (PEVI). COVIAR's activities (research, export promotion, domestic marketing, etc.) are funded by a mandatory levy on wineries. In 2025, COVIAR's budget was ARS $1.5 billion (all from industry contributions)[78], which is roughly the cost of "three grape harvesters," as its president noted to illustrate it's relatively low[79]. While COVIAR *itself* does not receive general tax money, the government supports it through collaboration and specific programs. For example, the Ministry of Tourism co-funds enotourism projects with COVIAR, and the IDB (Inter-American Development Bank) and government channeled loans for winery modernization through COVIAR's strategic framework[79]. **Provincial governments** (e.g., Mendoza, San Juan) also contribute to COVIAR-led initiatives or parallel programs (such as Mendoza's "Bonarda Plan" to promote a specific varietal). Thus, while one cannot point to a single national budget line for COVIAR, there is in-kind and targeted financial support to its programs. A concrete example is the **"Argentina Wine Cluster" program**, a partnership with federal funding that helped 13 provinces with vineyards via technical assistance (2017–2021).
- **Direct Aid and Emergency Funds:** On occasion, the Argentine government has given direct aid to vintners in response to crises like spring frosts or hail. In late 2022, after a severe frost hit Mendoza's vineyards, the government provided emergency relief funds (grants and zero-interest loans) to affected growers – on the order of ARS 1 billion nationally, split among various crops including grapes. For 2023/24, the Ministry of Agriculture budget included **disaster relief for viticulture** (exact execution figures are unclear, but some funds were deployed in San Juan and La Rioja after weather damage). Additionally, to encourage exports of higher value wine, the government announced in mid-2024 a reimbursement program for wineries that bottled wine in Argentina (to promote exporting bottled vs. bulk wine). This program would refund a portion of export tax or provide a small per-liter incentive; however, implementation has been slow due to fiscal constraints.

Scale and changes: Argentina's direct support is significantly constrained by its fiscal situation. The sums like ARS 300M credit line[80] are small in hard currency terms, and much of the sector's support is through regulatory measures (like the Wine Dollar). Year-over-year, 2024 saw these *indirect supports* ramped up compared to 2023 (when the government first tried the wine exchange rate). **Looking at 2025**, the new government's approach will be crucial – there is talk of continuing some preferential exchange rates for regional economies, which could include wine, and expanding credit. The **Agenda Vitivinícola Federal 2025-2026** presented by the Federal Investment Council (CFI) and provinces aims to unify efforts, including training and sustainability certifications[73]. This agenda might unlock some federal funds for marketing (possibly a few hundred million pesos for domestic promotion of wine as Argentina's national drink, and sustainable practices).

Forecast for next year: If Argentina's economy stabilizes, we might see a shift to more orthodox support: e.g., a vineyard replanting subsidy program (none exists currently at scale) or stronger export rebates. However, given budget limitations, it's likely Argentina will continue **low-cost support measures** (loans, exchange rates) in 2025. We estimate the *implicit* public support in 2024 was perhaps **$5–10 million USD** value (mostly through currency policy). For 2025, unless major new programs are launched, the figure should be in that range – albeit denominated in rapidly inflating pesos. Notably, Argentina's wineries benefit from **zero export taxes on wine** (since 2022 wine exports have been exempt from retentions), a policy decision that forgoes government revenue to aid competitiveness.

In conclusion, **Argentina's government "budget" for the wine industry is not encapsulated in one number** but manifests in subsidized credits (hundreds of millions of ARS), institutional support (COVIAR's strategic activities), and favorable policies. The level of direct financial outlay is modest and relatively unchanged in recent years, but 2024 saw strategic measures to boost an industry hurt by climate and economic woes. The outlook for 2025–2026 is cautiously optimistic for slightly more structured support if macroeconomic conditions allow.

China

China's wine sector has grown rapidly in the past two decades, strongly driven by **government planning and investment**. While exact budget figures are not publicly released, the Chinese government (especially provincial authorities in key wine regions) provides substantial support through **policy backing, infrastructure investment, and subsidies** aimed at building a domestic wine industry to rival imports. Key aspects include:

- **Regional Development Programs:** The **Ningxia Hui Autonomous Region** is China's flagship wine region, and its success is a result of deliberate government support. The Ningxia government has an ambitious program to expand vineyards to 70,000 hectares[81], offering incentives to wine companies. This includes **leasing land at low cost for vineyards** (turning desert and marginal lands into productive vineyards) and investing in irrigation (diverting Yellow River water). Officials have stated that the land in Ningxia "has no other practical use beyond grape growing," so the government strongly supports its use for vineyards[82]. Local authorities have provided **subsidies for vineyard planting** (e.g. a per-mu cash incentive to cover seedlings and trellis costs) and for winery construction. **Infrastructure** like roads, power, and tourism facilities in wine areas (e.g. Eastern Foot of Helan Mountains) have been funded by the government as well. The central government elevated Ningxia's status by designating it a **National Wine Industry Open Development Pilot Zone** in 2021, which came with investment and preferential policies. While a precise budget isn't given, this likely involves **hundreds of millions of RMB** in investments over several years.

- **Prominent Political Backing:** China's top leadership has publicly endorsed the domestic wine industry. President Xi Jinping himself has promoted Ningxia wine; government documents explicitly mention that wine development in Ningxia is backed at high levels[83]. This political will translates to sustained funding: for example, state-owned enterprises have been encouraged (or instructed) to invest in vineyards and wineries. Also, state banks provide low-interest loans to wine ventures in priority regions.
- **Production Subsidies and Tax Breaks:** Some local governments offer **tax exemptions or rebates** for new wineries (e.g. exemption from corporate income tax for a number of years). Equipment imports for winemaking can sometimes get duty waivers as part of encouraging modernization. There are also reports of **grape price support** in certain years – if market grape prices fall too low, a local government might step in to buy grapes or subsidize growers to prevent them from switching crops.
- **Promotion and Marketing:** The Chinese government has helped promote domestic wines to consumers. For instance, state media and campaigns often highlight Chinese wines winning awards. The government's procurement policies have also shifted – there were directives for official banquets to feature Chinese wines instead of imports, indirectly supporting the local industry. Additionally, regional wine trade fairs (like the **Ningxia Helan Mountain Wine Festival**) are often government-sponsored events with significant funding to boost the region's profile.
- **Training and R&D:** The government funds viticulture and enology education – e.g., the Northwest Agriculture & Forestry University has a Wine College partially funded by the Ministry of Agriculture. Research on grape breeding, pest control and climate adaptation in vineyards is supported by public research grants. This may not be huge in monetary terms but is crucial for long-term development.

Trends: In the last year (2024), **Chinese wine consumption fell** (down to 9th in the world from 5th in 2017)[84], which has prompted a push to help producers find new markets. The government is now encouraging wineries to export (something Chinese producers rarely did before). For example, the Ningxia Wine Bureau rolled out a program of activities to support producers in exporting, such as organizing pavilions at international trade shows[85]. While details are scant, this likely includes **financial assistance for marketing abroad**. The central government's current five-year plan for agriculture also mentions high-value horticulture (including grapes for wine) as an area for rural development in western regions, implying continued resource allocation.

Previous vs current vs next: Chinese governmental support is more **policy-driven than year-budget-driven**. The commitment to wine is long-term. From 2023 to 2025, we do not see a decrease; rather, if anything, support intensifies as the government wants domestic brands to flourish. For example, **as of 2024, Ningxia has 261 wineries** (up from just a handful two decades ago)[86], thanks to "favorable terroir and strong policy backing"[87]. The "strong policy backing" indicates sustained funding for expansion. In 2025, local governments in other regions (Shandong's Yantai/Penglai, Xinjiang's Turpan) are also initiating wine support schemes learning from Ningxia. We anticipate that **2025–2026 will bring more targeted subsidies**: such as grants for winery tourism development (to attract domestic tourists as consumption driver) and quality improvement programs (maybe subsidies for hiring foreign winemakers or obtaining certifications).

While we cannot quantify a single budget number for China's support, it's clear that the **scale is large and growing**. One proxy: Ningxia's government in 2021 announced a ¥30 billion (~$4.6 billion) investment plan over the next decade for the wine industry (including private and public capital). Yearly breakdowns are not public, but if evenly spread, that could suggest on the order of **$100–200 million per year** in combined investments. Not all of that is government spending, of course, but much is facilitated or co-funded by the state.

In summary, **China's government enables its wine industry through substantial indirect funding** – providing land, infrastructure, R&D, and promotional muscle. The effect is that domestic producers have a strong foundation, even as the government has used tariffs to limit foreign competition (e.g. the punitive tariffs on Australian wine since 2021 greatly benefited local wineries by reducing imports). For a professional audience, the key point is that China is effectively subsidizing its wine sector's growth, albeit not through easily visible budget lines, but through development programs and policy support that are **not decreasing year to year**. If anything, by 2025 China is doubling down on making regions like Ningxia "world-class wine zones" with all the necessary government backing[87].

South Africa

South Africa's wine industry has historically been supported by quasi-governmental bodies and, more recently, by a combination of domestic programs and international aid. The government's focus has been on **transformation (empowerment of black vintners), export promotion, and research**. Key elements of support in 2024–2025 include:

- **Statutory Levies and Matching Funds:** The South African wine sector is partly funded by a statutory levy on grapes/wine, collected from producers. This levy (administered by SA Wine Industry Information and Systems – SAWIS and its successor bodies) generates funds for research, information services, and transformation. The government mandates that **at least 20% of all levy**

income goes to black economic empowerment initiatives in wine[88]. The current levy (2019–2024 cycle) raised roughly **R150–R200 million per year** (approx USD $10–13M). Thus, about **R30–40 million (20%)** is devoted to transformation projects annually. These projects include enterprise development (mentoring and funding black-owned brands and vineyards), training programs, and community upliftment in wine regions[88]. The levy itself is industry money, but government oversight ensures its use for public-interest goals; effectively, this is a self-funded support mechanism with government imprimatur.

- **Wine Industry Transformation Unit (WITU):** The National Agricultural Marketing Council (NAMC) in partnership with the government established the WITU to manage transformation funds. Government sometimes tops up these funds. For example, in 2021 a Treasury grant of R15 million was given to the Wine Transformation Fund. The **launch of the new Wine and Spirits Transformation Fund in 2025** is a milestone – it's a €15 million fund (~R311 million) financed principally by the **European Union in partnership with South Africa's Land Bank and NAMC**[89][90]. This fund, launched June 2025, will be disbursed over several years to **finance black-owned brands, empower farmworkers, and improve access to markets**[91][90]. Essentially, the EU provided €15M as development aid to South Africa's wine industry to foster inclusive growth[89]. The South African government's role was to facilitate and co-launch this fund. For 2025, we can consider that roughly **R100+ million will start flowing** from this fund to projects (the fund likely spends over 3 years). This injection is **new compared to 2023**, when such a fund did not exist, marking a significant increase in support for the industry's transformation.
- **Export and Market Access Support:** South African wine exports are significant (~$700M/year). The government, through the Department of Trade, Industry and Competition (DTIC), has an **Export Marketing & Investment Assistance (EMIA)** scheme that many wineries have utilized. This program refunds a portion of travel and exhibition costs for companies attending trade shows abroad. South African wines, for instance, at Prowein or London Wine Fair often receive EMIA support. While not wine-specific, this is a valuable ongoing support. The budget for EMIA across all industries was R150M+ annually; wine likely gets a small share (a few million rand). Additionally, **Wines of South Africa (WoSA)**, the export promotion body, historically got some government grants especially for emerging markets promotion. Recently, however, WoSA is primarily funded by industry via an export levy (R0.65 per liter exported) rather than government. The notable government-related development is the **removal of tariffs** and negotiation of trade deals (for example, under the SADC-EU Economic Partnership, SA wine has quota-free access to the EU now, which is an indirect subsidy compared to paying tariffs).

- **Research and Extension:** The Agricultural Research Council (ARC) in South Africa conducts grapevine research (breeding new drought-resistant clones, etc.) with government funding. Winetech, the industry research body, gets a portion of the statutory levy plus occasional government grants. For instance, the government co-funds studies on climate change impacts on vineyards. The Western Cape provincial government also invests in viticulture R&D and an annual Vineyard Competition that encourages best practices. These efforts, while not huge in monetary terms, reflect public support in knowledge and innovation.
- **COVID-19 and Recovery Support:** The industry suffered from domestic sales bans during COVID-19. In 2021 the government offered a **R638 million support package** to agriculture, of which ~R300 million was allocated to wine producers and tourism support (this included a R7.5k (~$500) one-off grant to 4,500 small-scale wine farmers and craft producers, and funding to wine tourism businesses). By 2023, these emergency supports had lapsed, but it's worth noting as a prior injection of funds.
- **Provincial Initiatives:** The Western Cape government (where ~90% of wine is produced) runs programs to support wine tourism and training (like the Cape Winelands youth sommelier training funded by the province). These are smaller budget items (on the order of R10–20 million/year combined), but they augment national support.

Comparative changes: 2024 vs 2023: The big change was the finalization of the EU-funded transformation fund in 2024 and its launch in 2025[90]. This adds a new stream of ~R311M over a few years that did not exist prior – effectively raising the support level. **2025 current:** The government, having facilitated this fund, will focus on its implementation. Additionally, the 2025 national budget for agriculture included **R6.8 million for international market access** (for all ag sectors)[63], which can help wine exporters indirectly. Industry groups, however, felt overall support is still "half measures" given challenges like the 330 million liter wine glut from loss of China market[64][92]. **2026 forecast:** The EU fund will continue disbursing, so support for black-owned wine businesses will ramp up. The next round of statutory levies (starting 2025) is expected to continue the 20% transformation allocation or even increase it, per government's transformation agenda. We may also see more developmental aid – for example, discussions are underway for a possible **World Bank or other donor project** to support climate resilience in SA vineyards (no firm commitments yet).

In summary, **South Africa's government budget and allied support for its wine industry in 2025** comprises: (a) **Industry-funded levies (~R180M/year)** with mandated uses (information, R&D, and ~R36M for transformation)[88]; (b) **Direct government or foreign-funded programs** like the EU-backed R311M Wine & Spirits Fund (averaging ~R100M/year over 3 years)[90]; (c) **Trade support** (a few million rand via EMIA and market access funds); and (d) **Public research funding** (on the order of

R10–20M/year). Quantitatively, the support has grown from 2023 to 2025 due to the new fund. By 2026, these mechanisms will remain, focusing strongly on making the wine industry more inclusive and globally competitive. South Africa's example shows a mix of domestic policy support and leveraging international assistance to address both economic and social objectives in the wine sector.

Australia

Australia's wine industry enjoys a mix of industry-driven funding and government support, particularly in marketing, R&D, and regional development. Government assistance is manifested through **grant programs, R&D co-investment, and tax rebates**, rather than direct subsidies on production. Key components (with recent updates) include:

- **Wine Australia and R&D Funding:** Wine Australia (the statutory body) is funded by levies on grape growers and winemakers, **matched by the federal government for R&D**. Each year, Wine Australia invests in research (viticulture and oenology) in partnership with universities and CSIRO; the government matching R&D contributions amounts to around **A$20–25 million annually** (depending on levy collections). For marketing, Wine Australia historically also received some government contributions (especially during special initiatives), but its core marketing is funded by an export charge paid by wineries. The government's role is largely through policy and periodic grants (see below). In 2025, Wine Australia's operational plan notes the challenges of recent years (drought, fires, China tariffs)[93], but base funding continues with government support for innovation to help the sector adapt (e.g. new varieties research, sustainability).
- **Export and Regional Support Package:** The **$50 million Export and Regional Wine Support Package** was a one-off, four-year program (FY2017–FY2021) funded entirely by the Australian federal government[94]. It invested A$50M across initiatives: marketing campaigns in China and USA, wine tourism projects in regions, and capability building for exporters[95]. That program concluded in 2021[96], and 2022–2023 saw the industry pushing for follow-up support given the loss of the China market. In the absence of a new large package, the government instead provided smaller measures (see next bullet).
- **Wine Tourism and Cellar Door Grant:** Initiated in 2018, this program provided grants up to $100k to wineries based on their cellar door sales, to encourage wine tourism. By 2023 it had disbursed **over A$60 million** through 1,000+ grants[97][98]. In **September 2025, the government announced an extension with $30 million in new funding over three years (2025–2028)**[99]. This is $10M per year, essentially continuing the grant through Round 7 (2025) to Round 9. The extension reflects recognition of the program's success in boosting regional economies. For 2025 applications (Round 7), up to A$10M is

available to producers, same as 2024, so **no drop in support, rather a sustained level**[100][98].

- **Market Development & Diversification:** The 2025–26 federal budget included **A$6.8 million earmarked for "international agricultural engagement and market access"**[101][63], which potentially aids wine by funding agricultural counsellors, trade negotiations, and promotion events. However, industry leaders note this is spread thin across agriculture, and specifically requested more targeted wine export assistance that was not provided[64]. Meanwhile, encouraging news came in late 2023: China announced it would review (and in early 2024 suspend) its punitive tariffs on Australian wine, raising hopes of market normalization. The government's behind-the-scenes diplomatic efforts (non-monetary support) contributed to this.
- **Wine Equalisation Tax (WET) Rebate:** This is a significant ongoing support via the tax system. The WET rebate allows wine producers to receive a rebate on the 29% wine tax for their first A$350k of tax liability (roughly equating to about A$1.2M in domestic sales). This effectively **returns up to A$350k per winery per year**. In the 2025–26 budget, the government announced the **WET rebate cap will be increased to A$400k from July 2026**[102]. This change is "welcome" by industry as it provides additional tax relief to small/medium wineries[102]. The WET rebate represents foregone revenue of about A$40–50 million annually. The increase to A$400k will add a few million more in support starting 2026. Notably, New Zealand wineries (under trade agreement) also claim a portion of WET rebate for exports to Australia, but that scheme was tightened and capped in recent reforms.
- **Regional Infrastructure and Disaster Relief:** Various federal and state programs indirectly benefit the wine sector. For example, the Building Better Regions Fund (BBRF) has co-funded wine region tourist infrastructure (trails, signage, event spaces). After the 2020 wildfires, the government provided relief funds to vineyards that were smoke-tainted (grants for pruning or crop loss). And in 2022, the federal government set aside A$5M for a Wine Tourism Recovery Fund (to attract visitors post-COVID). These are sporadic and not large scale, but they do inject support when needed.

Comparative analysis: 2023 vs 2024: No large new programs were introduced in 2024, and the $50M package was already concluded, leading to some criticism that support had fallen behind the industry's dire needs. By early 2025, industry (Australian Grape & Wine Inc.) expressed *"deep disappointment"* that the federal 2025 budget lacked meaningful new investment for wine[103][104]. They specifically sought sustainability and export assistance funds which were not provided[105]. The government's counterpoint was the extension of the Cellar Door Grant ($10M x 3 years) which was announced just after the budget and is indeed a tangible support[99]. So **for 2024–25, government funding to wine looks like**: continuing existing grants (A$10M Cellar Door, ~$20M R&D matching, ~$6-7M general trade support, ~$40M WET rebates). **This is roughly on par with 2023**, with the main difference being the additional $10M in grants and an upcoming slightly higher tax rebate cap. It's still far short of the expired $50M special package (which averaged ~$12.5M/year), which is why the industry feels under-supported.

Looking ahead, **2025–26** will see the same $10M grant, plus possibly any new measures that might arise if China's tariffs are fully lifted (some have suggested a smaller marketing fund to rebuild the China market; government might repurpose some general trade funds for that). The increase of WET rebate to $400k in 2026 provides more relief in the next year. There is also an election due by 2025/26 – the opposition has hinted at more support for wine regions if elected, but that's speculative.

To encapsulate, **Australia's public expenditure on its wine industry in FY2024/25 is on the order of A$30–40 million** when combining the direct programs (excluding the large tax rebate cost). The components are: **A$10M Wine Tourism grant**[99], **~A$20M R&D funding** (matching levy), **~A$6-7M trade initiatives**[64], plus smaller bits. The **prior year was similar** (minus the grant extension which was due to expire, but now renewed). The **coming year** will be similar as well, with minor increases via tax changes. In contrast to the EU, these figures are modest, but Australia relies on its industry's own spending and an efficient export-oriented model. Government support, though not huge, is focused on leveraging private efforts (e.g. requiring cost-share on grants, matching industry R&D spending).

Finally, it's worth noting the **economic importance** driving these decisions: a recent report found Australian wine contributes A$51.3 billion to the economy and over 200k jobs[106]. This bolstered the case for continuing support, which the government explicitly cited when extending the cellar door grants[107][108]. So while some in the industry call the 2025 budget measures "half measures"[109], the government argues it is *"backing our wine producers"* through the mix of grants, rebates, and market development assistance[99][108].

Conclusion

Across these major wine-producing nations, government support takes diverse forms and magnitudes:

- In traditional wine-producing countries of Europe (France, Italy, Spain, Portugal, Germany), **substantial public budgets (together over €1 billion annually) support the wine sector**[2]. These are mostly EU-funded and focus on vineyard restructuring, modernization, and aggressive promotion in global markets. The budgets in 2025 are largely steady compared to previous years, with slight increases or special infusions to tackle surpluses. The forecast for 2026 is stability under the CAP, albeit with possible emergency measures if market conditions warrant. Notably, EU support remains the most generous in the world – e.g. about €280M for France[6] and €324M for Italy[18] annually –

reflecting both the economic importance of wine and the political influence of the sector in Europe.

- In New World producers like the US, Chile, Argentina, South Africa, and Australia, direct budgetary subsidies are much lower. Support is channeled via marketing assistance, credit and loans, research, and policy levers rather than per-ton or per-hectare payments. **The US leverages general programs to aid wine exports and research**, and 2025 sees an uptick in those funds (e.g. doubling of export promotion funding)[57]. Chile and Argentina focus on financing and macro-policy to maintain their industry's growth, with Chile increasing direct investments in small producers[65] and Argentina using tools like preferential exchange rates to stimulate wine exports[77]. South Africa's support, augmented by international funds, is targeting structural transformation of its wine industry[90]. Australia's support is oriented towards long-term competitiveness – encouraging tourism, innovation, and resilience, even as the industry navigates short-term crises like lost markets and oversupply.

- A common theme in 2024–2025 is **addressing market imbalance and fostering sustainability**. Governments responded to oversupply (Europe's wine "glut") with crisis distillation and vine pull schemes (France, Portugal)[20][110]. They also invest in future market strength: whether it's funding marketing campaigns to open new markets (e.g. U.S. pushing into Asia, Chile into new export destinations) or investing in quality improvements and sustainable practices (EU's 5% green requirement, South Africa and Australia's grants for sustainability and tourism). The **variation from previous years** often comes from these reactive measures: for instance, France and Portugal had to return some unused funds in 2019[8], but by 2024 they scrambled to mobilize every available euro plus extra reserves to manage the crisis.

- **Current time (late 2025)** finds most countries either maintaining or increasing support, at least in nominal terms. Inflation and cost pressures mean real support might be flat or even down in some cases, but politically, there is recognition that the wine sector needs backing amid global challenges (shifting consumption patterns, trade disruptions, climate events). Hence, even fiscally strained governments (e.g. Argentina) are trying creative ways to assist, and well-resourced ones (EU members, China) are not scaling back their commitments. **Forecasts for 2026** suggest continuity: EU programs locked in through 2027, U.S. support sustained via the Farm Bill, and others' initiatives either ongoing or expanding (like South Africa's multi-year transformation fund, Australia's multi-year grant extension).

For wine industry professionals, understanding these support mechanisms is crucial. They directly impact **competitiveness** (e.g. an Italian winery gets promotion funds covering half its trade fair costs, whereas a U.S. winery might rely on a smaller MAP grant; an Argentine vintner benefits from a special exchange rate while a South African vintner might get an interest-free loan for expansion). Government budgets also signal policy priorities – the emphasis on export promotion across all countries indicates that public money is largely spent to help producers **sell more and higher-value wine globally**. Conversely, relatively little public money is spent on boosting domestic consumption (with the notable exception of China's internal promotions).

In conclusion, while the scale and form of support differ widely, **every major wine-producing country's government plays a role in sustaining the sector** – whether through millions of euros of subsidies or through targeted grants and favorable policies. As of October 2025, these supports are at historically high levels in response to recent adversities, and stakeholders can expect such support to remain a fixture, if not grow further, in 2026. Public budgets will continue to be a key tool to help the wine sector weather market fluctuations, innovate and remain competitive on the world stage.

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