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The E.U. Sets Aside More Than €1 Billion a Year for Wine Producers

Italy, France and Spain receive nearly 75% of the aid, which may become less secure under the next budget plan.

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The European Union’s farm policy sets aside more than €1 billion a year for the wine industry, giving wine producers a level of direct support that breweries and distillers do not receive and raising the stakes in talks over the bloc’s next long-term budget.

Under the current Common Agricultural Policy, or CAP, for 2023 through 2027, the EU has allocated about €386.6 billion. Of that total, roughly €291.1 billion comes from the European Agricultural Guarantee Fund for direct payments and market measures, while another €95.5 billion comes from the European Agricultural Fund for Rural

Development. Since January 2023, member states have been applying those funds through national strategic plans.

For alcoholic drinks, however, the policy does not treat all sectors the same way. Wine remains closely tied to the CAP and has its own menu of sector measures. Those include support for vineyard restructuring and conversion, investment in processing and marketing facilities, green harvesting, insurance, innovation, by-product distillation, promotion in non-EU markets, wine tourism, water management, precision agriculture and environmental action. Beer and spirits benefit mostly through support to the farm products that feed their supply chains, including cereals, hops, grapes, sugar beet and other crops, as well as through rural development, innovation and sustainability programs.

The budget breakdown shows the gap clearly. Wine-sector interventions receive €1.061 billion per financial year across the member states listed in Annex VII of Regulation 2021/2115. Italy receives €323.883 million, France €269.628 million and Spain €202.147 million. Together, those three countries account for about €795.7 million a year, close to 75% of the EU total set aside for wine. Portugal receives €62.67 million, Romania €45.844 million and Germany €37.381 million, with the rest divided among 10 other countries with smaller allocations.

That makes Spain the EU’s third-largest recipient of wine-sector funds, behind Italy and France. The amounts are fixed by regulation, although they do not necessarily match the final spending in any given year, which depends on how member states use the measures and how fully they carry them out.

The scale of that support comes at a time when both wine production and consumption are under pressure. The International Organization of Vine and Wine estimated EU wine production at 136 million hectoliters in 2025, about 60% of the world total and 1.3% lower than in 2024. Italy produced 44.4 million hectoliters, France 36.1 million and Spain 28.7 million. Global wine consumption was about 208 million hectoliters, down 2.7% from a year earlier, while vineyard area continued to shrink.

That backdrop has pushed EU wine policy toward a mix of modernization aid and tools aimed at adjusting production capacity. Regulation (EU) 2026/471, approved this year, added new permanent vineyard removal measures, expanded support for wine tourism, strengthened action against pests, extended the duration of some promotion campaigns in non-EU markets and widened coverage for climate and environmental investments. In some cases, those environmental measures can receive aid of up to 80%.

Under the new vineyard removal system, EU aid can cover up to 70% of the direct cost of removing vines, plus an estimate of lost income for one year. Member states may add national funding of up to 30%. In general, growers who use the measure cannot obtain new planting authorizations for 10 wine-growing campaigns. The rule gives member states a tool to cut planted area in regions or farms where supply and demand remain out of balance.

Export promotion also keeps a distinct place within the CAP’s wine policy. EU financing can cover up to 60% of certain information and promotion activities, with the option of extra national support, and the 2026 reform lengthened the maximum period for some operations in third-country markets. Wine therefore keeps a commercial support instrument inside farm policy that has no direct equivalent for beer or spirits.

Beer sits in a very different position. There is no CAP program aimed at beer as a finished product, even though farmers supplying barley and other cereals may receive direct payments, coupled support and rural development aid. In some member states, cereals can qualify for production-linked support if they meet the conditions set in EU law. In practice, that means the support goes to the farmer, not to the brewer because it uses grain.

Hops are the main exception. Germany has a specific sector allocation of €2.188 million a year for hops. That money can finance technical assistance, training, organic or integrated production, storage, promotion, traceability, climate adaptation, investment and risk management systems. It is the most direct budget link between the CAP and the brewing chain.

Beer production in the EU fell from about 367.4 million hectoliters in 2019 to around 345 million in 2024, and then declined another 2.9% in 2025, according to The Brewers of Europe. The industry group says about 10,000 breweries support roughly 2 million direct and indirect jobs and generate about €52 billion in annual value added. Non-alcoholic beer grew by about 5.9% in 2025 and now represents roughly one out of every 12 beers consumed in the EU.

For spirits, the link to the CAP is even less direct. Support is centered on the producers of agricultural raw materials and on some rural investment, innovation and regional programs. Aid received by a producer of grain, sugar beet or grapes cannot automatically be counted as support for the whisky, vodka, brandy or liqueur made later, because farm payment systems do not usually track the final industrial use of each harvest.

The spirits industry does have its own product rules under Regulation 2019/787, which sets categories, production requirements, names, presentation, labeling and the use of alcohol of agricultural origin. Geographical indications are also protected under Regulation 2024/1143. On the trade side, spiritsEUROPE put extra-EU exports from the sector at €8.84 billion in 2024, down 2% from the previous year.

The debate over that structure is likely to intensify as Brussels negotiates the CAP for 2028 through 2034. The next policy framework has not yet been approved. The European Commission presented proposals in July 2025 for the next multiannual budget and for a new way of organizing agricultural interventions. The central idea is to fold much of farm and territorial policy into National and Regional Partnership Plans inside a fund of about €865 billion.

The proposal would reserve at least €293.7 billion for farm income support and another €6.3 billion for a crisis safety net. But some rural investment and other measures would no longer appear under a separate agricultural structure like the current one, making direct comparisons with the present €386.6 billion CAP difficult.

For wine, the most sensitive change is the lower visibility of the fixed national envelopes that now guarantee €1.061 billion a year across producing countries. The Commission’s proposal keeps interventions for wine and hops, including investment,

promotion, innovation, climate adaptation, traceability, green harvesting, non-harvesting, sustainable conversion and by-product distillation. But the distribution of money would depend more heavily on the priorities each member state sets in its national or regional plans.

The draft also would change area-based support through a degressive system. Reductions would start at €20,000, with cuts of 25%, 50% and 75% in successive bands, and a proposed ceiling of €100,000 per farmer each year. The package also includes a small-farm scheme of up to €3,000 a year, new measures for young farmers and a stronger role for insurance, mutual funds, water investment, digitalization and precision agriculture.

Wine would remain outside product-specific coupled aid because it would keep its own sector system. By contrast, cereals, hops and other raw materials used by brewers and distillers could continue to qualify for some coupled support if member states justify that aid on economic, social or environmental grounds.

The negotiations matter most for the large wine-producing countries. Italy, France and Spain now depend on national envelopes that together account for about three-quarters of annual EU wine funding. If the next system gives governments more freedom to divide resources among agriculture, rural development, innovation and other territorial policies, the amount reserved each year for wine could depend more on national choices than on fixed EU allocations.

The Commission still aims to start the new framework on January 1, 2028. Before then, the European Parliament and the Council must complete negotiations, the 2028-2034 budget must be approved and sector rules will need to be aligned with the wine reform adopted in 2026.