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Rhineland-Palatinate Seeks to Double Small Distilleries' Annual Quota

At Germany's agriculture ministers' conference, the state urged Berlin to exempt the producers from a 20% alcohol tax increase.

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Rhineland-Palatinate brought three agriculture policy proposals to Germany's agriculture ministers' conference in Würzburg this week, including tax relief for small distilleries, another emergency approval for a crop protection product used against

wireworm, and changes to the financing rules for protected wine origin labels.

The conference, chaired by Bavaria, is being held from Sept. 23 to Sept. 25 and brings together the agriculture ministers of Germany's 16 states. The federal government attends the meetings but does not vote, according to Rhineland-Palatinate's agriculture ministry.

In a statement released Thursday, Agriculture and Environment Minister Christine Schneider said the state wants less bureaucracy where it sees unnecessary burdens on farmers and wants practical support where producers need crop protection tools to keep food production viable.

One of Rhineland-Palatinate's main proposals concerns small distilleries, an issue with direct implications for parts of the beverage industry that rely on fruit spirits and other local products. The state is asking the federal government to raise the annual production quota for small distilleries operating under Germany's special flat-rate distilling regime from 300 liters to 600 liters of pure alcohol. It is also calling for those distilleries to receive a reduced tax rate and to be excluded from a 20% alcohol tax increase approved by the federal cabinet in June.

The ministry said EU law gives Germany room to make such adjustments. It argued that small distilleries have faced strong economic pressure since the end of the former spirits monopoly system and that reducing regulatory and tax burdens would help keep those businesses operating.

Schneider linked the issue to the preservation of traditional orchard landscapes. According to the ministry, many of these distilleries process fruit that is not sold for direct consumption, especially from scattered meadow orchards. State officials argue that keeping those orchards in use supports biodiversity because the areas serve as habitat and refuge for many animal species.

If the proposal is taken up at the federal level, it could lower costs and change operating rules for small spirits producers, many of them small and medium-sized businesses. That would be especially relevant in regions where fruit growing and distilling are tied to local farming and tourism.

A second Rhineland-Palatinate motion asks for a new emergency authorization for the active substance fipronil, which is used in plant protection products against wireworm. The ministry said wireworm can destroy entire harvests of corn, potatoes and root vegetables, and it warned that effective crop protection products are urgently needed to maintain domestic potato production.

The state is also pushing for longer-term action beyond a temporary approval. In its motion, as quoted by the ministry, Rhineland-Palatinate says suitable crop protection products should be regularly authorized over time, further emergency approvals should be examined in the short term, and new procedures and control strategies should be brought into practice quickly.

The proposal also asks the federal government to create a national program for applied research on managing major pest threats. According to the ministry, that program should include not only wireworm but also other problem species such as the reed glass-winged leafhopper and purple nutsedge, and it should be carried out in close cooperation with the states and the regions affected.

The third proposal focuses on the protected geographical names used in German wine production. Rhineland-Palatinate is asking the federal government, during the upcoming process to amend the national wine ordinance in line with the EU agricultural geographical indications regulation, to set out rules on how sector contributions are financed.

The ministry said the goal is to ensure that all natural and legal persons who market wine products under a protected geographical indication or a protected designation of origin contribute fairly to the costs incurred by recognized producer associations, even if those marketers are not members of those groups. At the same time, the state wants any system to keep administrative burdens as low as possible.

Schneider said a functioning system of origin protection depends on the long-term financial capacity of recognized producer associations because their work benefits the whole sector. The ministry described protected origin names as important tools for marketing regional specialties, especially in a state where wine plays a central economic role.

That part of the proposal could matter well beyond regulatory procedure. Any change in contribution rules could affect how protected wine names are funded and managed, with possible consequences for wineries and other businesses selling wines under recognized regional labels. For small and medium-sized producers, the balance between fair cost-sharing and added paperwork is likely to be a central issue.

Rhineland-Palatinate said it has six wine-growing regions recognized by the European Union as protected designations of origin: Pfalz, Rheinhessen, Mosel, Nahe, Ahr and Mittelrhein. It also has nine country wine areas whose names are recognized by the EU as protected geographical indications.

The state’s ministry presented all three proposals as part of a broader argument that agriculture policy should support producers while keeping regional production systems viable. In its statement, it described farmers as central to food supply, rural employment and the maintenance of cultural landscapes.

The agriculture ministers’ conference meets twice a year and serves as a coordination forum for the states on farm and food policy. The discussions in Würzburg do not automatically change federal law, but they can set the direction for later action by Berlin on tax rules, pesticide approvals and wine regulation.