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European Commission Backs Austria With 5 Million Euros to Distill Surplus Red Wine

The program would target 2024 vintage and older stocks to ease price pressure on producers facing weak demand

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Austria said on November 15 that the European Commission will make up to 5 million euros available for a crisis distillation program for Austrian red wine from the 2024 vintage and older, a market intervention meant to remove surplus volumes and ease

pressure on producers facing weak demand.

The announcement came from the Agriculture Ministry, which said the measure is intended to stabilize the domestic wine market by taking excess red wine off the market through distillation. According to the ministry, Austrian wine producers are under heavy economic pressure because stocks of older red wine remain difficult to sell.

Agriculture Minister Norbert Totschnig said the funding would give Austria a targeted way to reduce oversupply and counter price pressure. The ministry described the plan as support for wine-growing businesses and as a step toward longer-term stability in the country’s wine sector.

The Austrian Winegrowers Association also backed the proposal. Its president, Johannes Schmuckenschlager, said many producers still have older red wines in storage for which there is currently little demand. He said the measure could help reduce those inventories and lessen pressure on prices, while adding that businesses now need a simple participation process, early clarity on compensation and fast payment.

Under the plan outlined by the ministry, the available money would cover all costs linked to the measure. That includes collecting the wine, storing it temporarily and transporting it to a distillation facility. The remaining funds would be paid directly to wine producers.

The ministry said the European Commission will present a draft regulation on December 4 to a relevant committee. That proposal is expected to set out the formal conditions of the program, operational details and the price that producers could receive for wine delivered under the scheme.

For practical implementation, Austria expects to follow a model similar to the crisis distillation program used in 2020. The wine would first be gathered at a large collection site and then shipped in consolidated loads to the distillation plant.

The move matters beyond vineyard balance sheets because crisis distillation is designed to remove excess supply from the market. If it works as planned, it could help relieve pressure on wine prices and reduce strain across the broader beverage trade, where sustained oversupply in one segment can weigh on inventories, margins and purchasing decisions.

The Austrian announcement did not provide a timetable for when producers would be able to apply or when payments would begin. Those points are expected to become clearer after the Commission publishes the draft rules in December.