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France Plans to Cut 100,000 Hectares of Vineyards in Industry Overhaul

AGPV Aims to Reduce Market Oversupply through Vineyard Removal

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The French wine industry is undergoing significant restructuring, a process that gained momentum this year with the planned removal of thousands of hectares of vineyard. In an effort to align production capacity with market demand, 5,418 winegrowers have applied to uproot a total of 27,461 hectares by the end of this year. This measure, which must be completed by June 2, 2025, to qualify for compensation of 4,000 euros per hectare, is being promoted as a necessary economic and social solution, according to the General Association of Wine Production (AGPV). The organization argues that permanently eliminating these vineyard areas will help reduce market oversupply and

provide an opportunity for certain producers to retire in a dignified manner.

However, permanent uprooting is not the only tool being considered to achieve effective restructuring. The AGPV emphasizes the importance of temporary uprooting, a more flexible option that would allow winegrowers to gradually adjust production. This temporary measure involves a four-year suspension of replanting and comes with aid of 2,500 euros per hectare. Its implementation, however, requires approval from the High-Level Group on wine policy within the European Commission, where discussions are ongoing.

Stéphane Héraud, president of the AGPV, reiterates the goal of cutting 100,000 hectares from the nation's total vineyard area, a reduction representing 13% of the 789,000 hectares recorded in 2023. The initial plan was to divide this cut between one-third permanent uprooting and two-thirds temporary, but the number of applications for permanent removal has fallen short of expectations. Héraud points out that the next crucial step is securing support for temporary uprooting, which he describes as essential to maintaining stability in the industry.

Funding will be a critical factor in the coming months, as the implementation of temporary uprooting must align with the budget of the Common Market Organization for wine (OCM wine), which manages an annual budget of 260 million euros. Currently, 100 million euros are allocated to vineyard restructuring, another 100 million to infrastructure investment, and 40 million to promotional efforts. Bernard Farges, president of the National Committee of Wines with Designation of Origin and Geographical Indication (CNIV), warns of looming financial conflicts. "There will be disputes. We must decide whether to prioritize promotional efforts or reduce funds for investment and restructuring," Farges cautioned.

Discussions are scheduled in the coming weeks to set financial and budgetary priorities. Jérôme Despey, president of the specialized wine council at FranceAgriMer, noted that temporary uprooting could receive support from the OCM once it gains approval from the High-Level Group. Additionally, negotiations over the 2025 National Strategic Plan (PSN) and the post-2026 period will be pivotal in shaping the sector's future and exploring new market opportunities.

Meanwhile, the wine trade sector is closely monitoring how PSN funds will be reallocated, with key decisions expected in January. Adjustments to the program will directly impact the international strategy for managing surplus production and improving the competitiveness of French wines.