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Cognac region reallocates 3,600 hectares of vineyards to generic wine production amid surplus concerns

Producers face export market uncertainty as authorities introduce new measures to manage excess and protect other French wine regions

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The Cognac region in France will reclassify 3,600 hectares of vineyards for the production of “Vins de France” (wines without geographical indication) in 2025. This move comes as the sector faces a specific surplus and seeks to avoid putting pressure on other French wine regions. The Bureau National Interprofessionnel du Cognac (BNIC) announced that 87,914 hectares will be dedicated to AOC Cognac production next year, a slight decrease of 0.5% compared to the previous year. Meanwhile, 3,584 hectares will be used for Vins Sans Indication Géographique (VSIG), more than double the area allocated in 2024 but still less than in 2023.

The BNIC explained that this increase represents about 2,200 more hectares than last year, but is still 1,400 hectares less than two years ago. The organization emphasized that it is not possible at this stage to predict the volume of VSIG that will be produced from these reallocated vineyards for the 2025 harvest. Early indications suggest that the upcoming harvest will be below average for Cognac, with VSIG production from Cognac-suitable vines reaching 240,000 hectoliters in 2023 and 200,000 hectoliters in 2024.

The decision follows a period of uncertainty for Cognac producers and other white wine vineyards across France. The main question was how much vineyard area would be assigned to Cognac production and how much would shift to VSIG. The deadline for vineyard allocation declarations was extended from June 30 to July 31, giving producers time to assess recent developments in their key export markets. In China, authorities set a minimum price rather than imposing maximum anti-dumping tariffs, though duty-free access has not yet been restored. In the United States, tariffs on Cognac increased from 10% to 15% after negotiations but did not reach the feared levels of up to 200%. These changes have brought some clarity to commercial prospects after a period of declining purchases by major buyers earlier this year.

To manage the surplus and avoid flooding the market with excess wine, Cognac authorities introduced several measures. One is the Volume Complémentaire Cognac Individuel (VCCI), which allows growers to temporarily remove parcels from production without commercial outlets and compensate by increasing yields elsewhere within AOC limits. The commercial yield for AOC Cognac will be reduced to 7.65 hectoliters of pure alcohol per hectare in 2025. While exact figures for temporary uprooting are not yet

available, BNIC says these represent significant areas.

Another measure is the ban on producing wine from second-year Cognac vines starting with the 2024 harvest. This rule has already led to a sharp reduction in the area eligible for reallocation to VSIG and aims to ensure traceability while preventing so-called “sponge vineyards.” The change also allowed growers to revise their vineyard allocation plans for both 2024 and 2025 under exceptional circumstances.

Since 2016, VSIG production has increased in the Charente region, but BNIC insists that Cognac’s surplus has not disrupted other French wine sectors. The organization points out that this restraint was part of an agreement made when authorizing an expansion of the Cognac vineyard by over 14,600 hectares between 2016 and 2024. Producers have also been encouraged to build up climate reserves—stocks reached over 340,000 hectoliters as of July—and send excess volumes for industrial uses such as grape juice.

The current situation presents a new challenge for Cognac producers. The BNIC attributes this year’s increase in reallocated vineyard area mainly to China’s anti-dumping investigation, which disrupted contracts between growers and merchants. Growers consider these contract cancellations unjustified and are calling for European support to fund permanent uprooting of surplus vineyards.

Discussions are underway with French and European authorities on finding a solution for this specific surplus linked to China’s market situation. The goal remains clear: protect other French wine regions from being affected by excess production from Cognac while ensuring stability within the sector itself.