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France Seeks EU Crisis Funds as Wine Industry Faces US Tariffs and Market Strain

French producers confront rising export barriers, financial instability, and delayed government action amid sector-wide economic challenges

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France has formally requested access to European Union crisis reserve funds to support its wine sector, which is facing mounting difficulties due to restricted access to the U.S. market. The request was made by Agriculture Minister Annie Genevard, who sent a

letter to European Commissioner for Agriculture Christophe Hansen outlining the challenges faced by French wine producers. According to a source in Paris, the letter emphasized the need for EU intervention, particularly through the agricultural crisis reserve, as the sector is already weakened and now faces further strain from recent trade negotiations between the EU and the United States. These talks resulted in a 15% customs tariff on French wines, raising concerns about severe consequences that are already being felt.

A Brussels official confirmed receipt of France's letter and said it would be reviewed. While submitting an official request does not guarantee funding, it is a necessary step for France to access dedicated crisis management funds for the 2024-2025 and 2025-2026 campaigns. The current campaign ends on October 15, with the next beginning immediately after.

The French wine industry has been waiting for government action since mid-July, when it presented a roadmap to Minister Genevard. The plan includes structural measures such as vineyard grubbing-up and distillation, as well as efforts to secure fair prices, support cash flow, and regain market share. The sector's impatience has grown ahead of a confidence vote scheduled for Monday, September 8, in the National Assembly. Prime Minister François Bayrou faces a likely government collapse, which could lead to a period of caretaker administration and delay urgent decisions.

French winegrowers are calling for structural tools like grubbing-up and distillation, which would require between 200 and 250 million euros in funding. These measures also need approval from Brussels for a new regulatory framework that would allow grubbing-up again—a topic set for discussion this fall. Jérôme Despey, president of the wine council at FranceAgriMer, noted that while France's request comes late, it is essential given that EU crisis reserve funds are designed to help sectors facing economic hardship. He pointed out that French vineyards are struggling with increased U.S. tariffs—rising from 10% to 15%—and an unfavorable euro-to-dollar exchange rate.

Despey stressed the urgency of clarifying France's request quickly. FranceAgriMer plans to release a questionnaire soon to assess how many hectares of vineyards may be uprooted in the coming months.

After another challenging vintage, winemakers’ impatience reflects both economic urgency and the need for immediate action. Many estates are looking to reduce production capacity and restore financial stability as they navigate ongoing market pressures and policy uncertainty.