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EU Allocates €1.06 Billion Annually to Wine Sector as Global Support Budgets Hold Steady Through 2025

France, Italy, and Spain capture nearly 80% of EU funds while U.S. wine export support doubles and crisis aid rises worldwide

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On October 23, Vinetur published a comprehensive report analyzing public funding for the wine sector across major producing countries. The report examines how governments allocate budgets to support their wine industries, focusing on export promotion, marketing, vineyard aid, winery investments, and other measures. The analysis covers the previous year, current year, and available forecasts for the next year, drawing on official sources and industry data.

In the European Union, wine sector support is structured under the Common Agricultural Policy (CAP), with about €1.061 billion distributed annually among member states. Italy, France, and Spain receive the largest shares, accounting for nearly 80% of EU wine funds. The main areas of spending are vineyard restructuring (about half of the total), winery modernization (22%), and export promotion (18%). These allocations have remained stable from 2023 through 2025, though additional crisis funds have been deployed in response to market surpluses.

France’s annual wine sector support is around €270–280 million, primarily funded by the EU and managed by FranceAgriMer. The budget is divided among vineyard restructuring (€100.5 million), winery investments (€90 million), export promotion (€50 million), and by-product distillation (€40 million). In response to falling domestic consumption and surplus stocks in 2023–2024, France introduced extra emergency funds: €80 million for struggling producers and €150 million for vine removal incentives. An additional €120 million was approved for vine grubbing and €200 million for distillation of surplus wine. These crisis measures supplement the regular CAP envelope.

Italy receives the largest EU wine support budget at about €320–324 million annually. The funds are allocated mainly to vineyard restructuring (€144.1 million), export promotion (€98 million), winery investments (€57.6 million), by-product distillation (€19.2 million), and green harvest measures (€4.8 million). Italy’s allocations have remained steady over recent years, with only minor adjustments due to EU budget changes. Regional allocations are determined by decree, with Sicily, Veneto, and Puglia among the top recipients.

Spain’s annual wine sector budget stands at €202.15 million under its Intervención Sectorial Vitivinícola program. The funds are split between export promotion (27.5%), winery investments (27.5%), vineyard restructuring (30%), and by-product distillation (15%). Spain has faced criticism for underutilizing its allocated funds in recent years but has streamlined management to improve execution rates. In 2023–2024, Spain used some of its budget for crisis distillation due to a sharp drop in domestic consumption.

Germany’s wine sector receives about €37.4 million per year from the EU CAP program. The focus is on vineyard restructuring, winery modernization, harvest insurance, and limited export promotion. Germany sometimes reallocates unspent funds between measures or returns them to the EU budget if not fully used.

Portugal’s annual EU-funded wine support is around €65–66 million, with high utilization rates. The main areas of spending are vineyard restructuring, export promotion, by-product distillation, and harvest insurance subsidies. In 2023, Portugal received an additional €15 million in EU crisis aid for surplus distillation and created a €100 million national credit line for producers facing liquidity issues.

The United States does not have a centralized subsidy program like the EU but supports its wine industry through federal marketing programs, research grants, tax credits, and state-level initiatives. The USDA’s Market Access Program (MAP) doubled its funding in 2025 from $285 million to $570 million nationwide; U.S. wine export programs are expected to receive over $15 million this year as a result. Specialty crop grants and research funding add several more millions annually for viticulture projects. Tax credits under the Craft Beverage Modernization Act save wineries over $150 million per year in excise taxes.

Chile’s government support focuses on small producers and export promotion rather than broad subsidies. In 2024, INDAP allocated CLP $1.52 billion (about $1.7 million) to assist small growers in Maule and Ñuble regions with technical aid and infrastructure improvements. ProChile continues to fund international marketing efforts for Chilean wines; while exact figures are not published, estimates suggest several million dollars are directed toward export activities each year.

Argentina’s direct government funding is limited due to fiscal constraints but includes subsidized credit lines (ARS $300 million in early 2024) for small wineries and preferential exchange rates (“Wine Dollar”) for exporters as indirect support measures. COVIAR coordinates strategic activities funded by industry levies rather than general tax money but receives targeted government collaboration on specific projects.

China’s government provides substantial indirect support through regional development programs—especially in Ningxia—land leasing incentives, infrastructure investment, tax breaks for new wineries, and promotional campaigns favoring domestic wines at official events. While precise annual figures are unavailable, local authorities have announced multi-year investment plans worth billions of yuan for vineyard expansion and industry development.

South Africa’s wine industry benefits from statutory levies collected from producers (R150–200 million per year), with at least 20% earmarked for black economic empowerment initiatives. In June 2025, a new €15 million Wine & Spirits Transformation Fund was launched with EU backing to finance black-owned brands and market access projects over several years—a significant increase over previous years’ support levels.

Australia relies on industry-driven funding matched by government R&D contributions (A$20–25 million annually) and grant programs such as the Wine Tourism and Cellar Door Grant ($10 million per year through 2028). The Wine Equalisation Tax rebate provides up to A$350k per winery annually; this cap will rise to A$400k in July 2026. While no large new federal programs were introduced in 2024–25 after the conclusion of a previous A$50M package in 2021, existing grants were extended and tax relief increased slightly.

Across all these countries, public financial support remains critical for maintaining competitiveness in global markets and addressing challenges such as surplus production or shifting consumer demand. While the scale and structure of aid vary widely—from direct subsidies in Europe to project-based or policy-driven support elsewhere—most major producers have maintained or modestly increased their budgets into 2025 compared to previous years. Some countries have introduced one-off crisis measures or new targeted funds in response to recent market disruptions or social objectives such as industry transformation or sustainability goals.