Evaluation of the CAP measures applicable to the wine sector

Case study report: Italy - Sicily
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Glossary

**CAP**
- Common Agricultural Policy

**COMTRADE**
- United Nations International Trade Statistics Database

**CMEF**
- Common Monitoring and Evaluation Framework

**CMO**
- Common Market Organisation

**CN**
- Combined Nomenclature

**CTR**
- Criterion

**EAGF**
- European Agricultural Guarantee Fund

**EAFRD**
- European Agricultural Fund for Rural Development

**EAV**
- European Union added value

**EC**
- European Commission

**EEA**
- European Environment Agency

**EEG**
- European Economic Community

**EEIG**
- European economic interest group

**EQ**
- Evaluation question

**EU**
- European Union

**EUROSTAT**
- Statistical Office of the European Commission

**FADN**
- Farm Accountancy Data Network

**FAO**
- Food and Agriculture Organization of the United Nations

**FNVA**
- Farm net value added

**GATT**
- General Agreement on Tariffs and Trade

**MIO**
- Million €

**MS**
- Member State

**NGO**
- Non-Governmental Organization

**NSP**
- National Support Programmes

**OIV**
- International Organisation of Vine and Wine

**PDO/PGI**
- Protected Designations of Origin (PDO) and Protected Geographical Indications (PGI)

**PO**
- Producer Organisation

**PPS**
- Purchasing Power Standard

**RD**
- Rural Development

**RDP**
- Rural Development Program

**RDR**
- Rural Development Regulation

**SDG**
- Sustainable Development Goals

**SME**
- Small and Medium Enterprises

**SO**
- Standard Output

**SPS**
- Single Payment Scheme

**SSG**
- Special Agriculture Safeguard

**SWOT**
- Strengths, Weaknesses, Opportunities, Threats

**TEU**
- Treaty on the European Union

**TFEU**
- Treaty on the Functioning of the European Union

**UAA**
- Utilised Agricultural Area

**USA**
- United States of America

**USDA**
- United States Department of Agriculture

**VAT**
- Value Added Taxes

**WTO**
- World Trade Organisation
1. DESCRIPTION OF THE WINE SECTOR IN SICILY

1.1 Introduction to the case study area

Italy is one of the main wine producing country of the EU. Its vineyard represents 20.1% of the EU area under vines, and covers 5.1% of the national UUA. It is also a key player on the EU wine export market. In 2016, 41.3% of the production was exported. Italy has 73% of its vineyard eligible for PDO/PGI, which is in the EU average compared to other producing Member States.

**Sicily is the focus region of this case study.** With 107,129 hectares, Sicily is the first region of Italy in term of vineyard area (2017), representing 17.2% of the Italian vineyard and 2.9% of the EU area under vines, and it is the region most supported by the NSP investment measure.

![Figure 1: Regional distribution of vineyard areas](Image)

![Figure 2: Areas of production of major PDO](Image)

1.2 Main wine products of Sicily

In 2017, 78% of wine produced in Sicily is with PDO/PGI and 58% is white. The subdivision by type of wine is as follows (2016, hl): 32% white wines PGI, 22% red wines PGI, 14% white wines PDO, 12% red wines PDO, 12% other white wines without certification, 8% other red wines without certification.

A total of 24 PDO and 7 PGI are produced in the region. The main one, in terms of volume is the Sicilia PDO which is reserved for the following typologies of wine: White (incl. Riserva), White Superiore, Red (incl. Riserva), Rosé, White Spumante, Spumante Rosé, White Late Harvest, Red Late Harvest, White Passito and Red Passito. The Designation also incorporates numerous grape variety specifications. The production area of Sicilia PDO is within the entire territory of the Sicily region. The exhaustive list of the PDO and PGI of Sicilia is available in Annex. Each denomination uses a certain number of grapes varieties.

Since 1970 an important wine break has begun in Sicily: full-bodied and alcoholic wines have been set aside in favor of new, fresher and fragrant wines, often obtained from the native vines: Catarratto, Grillo, Carricante, Frappato, Nerello and the Calabrese grape variety, better known with the name of Nero d’Avola. These grapes varieties are complemented with other international vines such as Chardonnay, Petit Verdot, Cabernet Sauvignon, Cabernet Franc and Sirah.

The production of wine in Sicily has always been accompanied by a significant production of grape must, which represents a variable annual quota of regional production. Part of this production is sold as fresh must, another part as mute must or concentrated grape must and rectified concentrated must.

1.3 Areas and wine production

Sicily is the region with the largest vineyard area of Italy, accounting for approximately 10% of the national vineyard. In particular, the grape cultivation is concentrated in the provinces of Trapani (53%), Agrigento and Palermo, which together briefed roughly over 88% of total regional vineyard.
The vineyard areas of Sicily shows a steady decrease since 2012, with a total surface lost of approximately -9% (2012-2017). However, this is a process ongoing since 2004 and slowing down in the last years: the area under vines in 2017 is rather unchanging compared to 2016 (98.992 ha and 99.221 ha respectively). Today, Sicily is the first Italian region for organic vineyard area with 38.935 hectares with an increase of 21% on an annual basis and a very high penetration: 36% of the regional vineyard area. Sicilian organic vineyard represents 37.6% of the total national organic area.

In 2017, Sicily produces more than 10% of Italian wine and is the fourth region for production, after Veneto, Puglia and Emilia Romagna. Wines with PDO/PGI account for 80% of regional production. In 2012, the structure of the regional production of quality wines has been deeply modied by the reclassiication of the PGI “Sicilia” in PDO: only in the rst year 12.000 hectares for over 600.000 hectoliters of wine have been conveyed to the PDO “Sicilia”. Recently (July 2017), a change in the product specication of the PGI “Terre Siciliane” prohibited from the campaign 2017/2018 the reference to “Nero d’Avola” and “Grillo” vines, resulted in a substantial increase of PDO Sicilia, for which the reference is allowed.

In general, in 2017 the harvest has been affected by adverse climatic conditions thus the volumes are low: the overall production of wine has fallen to 4.7 million hectoliters. However, in the last three years data show a constant progress of the qualitative mix of the product, with the PDO /PGI wines stable and the decrease concentrated in the common wines (especially red), which determines a decrease in the incidence of this type of wine at 20% of production, against 70% ten years ago.

In particular, there was a slight increase in total white wine production to 3.1 million hectoliters and a reduction in red wines of 7% to 2.2 million hectoliters, which however remain 10% above the average historical production of the last years. In the case of common wines, production decreased by 10% to 1.1 million hectoliters, also in this case determined by a 21% drop in the production of red wine, while white wines were stable.

Table 1: Vineyard areas and production in Sicilia

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PDO</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vineyard area (ha)</td>
<td>30.422</td>
<td>30.539</td>
<td>32.153</td>
<td>27.403</td>
<td>33.496</td>
<td>n.a.</td>
</tr>
<tr>
<td>Production (hl)</td>
<td>163.610</td>
<td>226.009</td>
<td>444.708</td>
<td>1.333.870</td>
<td>1.331.096</td>
<td>1.267.840</td>
</tr>
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<td></td>
<td></td>
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<tr>
<td><strong>PGI</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vineyard area (ha)</td>
<td>61.217</td>
<td>63.164</td>
<td>29.208</td>
<td>60.620</td>
<td>56.476</td>
<td>n.a.</td>
</tr>
<tr>
<td>Production (hl)</td>
<td>3.027.172</td>
<td>4.205.522</td>
<td>2.236.814</td>
<td>2.920.737</td>
<td>2.903.535</td>
<td>2.523.311</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Wine without PDO/PGI</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production (hl)</td>
<td>1.311.820</td>
<td>1.810.015</td>
<td>1.142.868</td>
<td>1.221.487</td>
<td>1.099.545</td>
<td>963.626</td>
</tr>
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<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Must</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production (hl)</td>
<td>666.602</td>
<td>1.040.128</td>
<td>714.832</td>
<td>771.814</td>
<td>707.800</td>
<td>633.200</td>
</tr>
</tbody>
</table>

Sources: DG AGRI (vineyard area 2012-2015, AGEA (vineyard area 2016), ISTAT (production 2012-2017)

Table 2: Area by variety (ha) in Sicilia

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catarratto bianco comune</td>
<td>28.542</td>
<td>n.a.</td>
<td>n.a.</td>
<td>19.533</td>
<td>16.660</td>
<td></td>
</tr>
<tr>
<td>Nero d’Avola</td>
<td>17.580</td>
<td>n.a.</td>
<td>n.a.</td>
<td>15.482</td>
<td>14.650</td>
<td></td>
</tr>
<tr>
<td>Catarratto bianco lucido</td>
<td>7.620</td>
<td>n.a.</td>
<td>n.a.</td>
<td>12.682</td>
<td>14.125</td>
<td></td>
</tr>
<tr>
<td>Grillo</td>
<td>6.820</td>
<td>n.a.</td>
<td>n.a.</td>
<td>7.310</td>
<td>7.804</td>
<td></td>
</tr>
<tr>
<td>Inzolla</td>
<td>5.817</td>
<td>n.a.</td>
<td>n.a.</td>
<td>5.352</td>
<td>4.892</td>
<td></td>
</tr>
<tr>
<td>Syrah</td>
<td>5.236</td>
<td>n.a.</td>
<td>n.a.</td>
<td>5.895</td>
<td>4.745</td>
<td></td>
</tr>
<tr>
<td>Chardonnay</td>
<td>4.960</td>
<td>n.a.</td>
<td>n.a.</td>
<td>4.154</td>
<td>3.593</td>
<td></td>
</tr>
<tr>
<td>Merlot</td>
<td>4.646</td>
<td>n.a.</td>
<td>n.a.</td>
<td>3.781</td>
<td>3.242</td>
<td></td>
</tr>
</tbody>
</table>
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Evaluation study of the impact of the CAP measures applicable to the wine sector

### 1.4 Structure and activities of the processing stage, type of stakeholders

Sicily is the second region for average size of vineyards: 2.7 hectares. The number of wine growers is around 36,000 and the average size of wine farms is 2.7 hectares, to be compared to the national average size of 1.6 hectares.

A recent study (CREA) shows that the regional average value of vineyards per hectare is low: in 2016, 15,000 euros per hectare, without no change in the last years.

According to the regional data, the number of wine producers is 780 in 2017, producing 230 million of bottles; the number of wine bottlers in the same year is 318 (Unicredit).

#### Table 3: Number of wine growers in Sicilia

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td>36,335</td>
<td>37,324</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Of which PDO/PGI</td>
<td>n.a.</td>
<td>17,847</td>
<td>n.a.</td>
<td>22,873</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

Source: Istat

The sector is characterised by a large number of wine growers that sell it in bulk to larger wine makers or bottle and sell it under their own brand. Some of the largest wine industries are not based in Sicily but during the last years have invested in the island and have a wine production based on own-grown regional grapes and wine purchased in Sicily. Lastly, Angelo Gaja, the celebrated winemaker named “Il Roi du Barbaresco”, has chosen to invest in Sicily - 20 hectares almost under Nerello Mascalese on the slopes of Mt. Etna. The new winery will market through the Gaja distribution network.

There are no Producers Organisations for wine in Sicilia, nor Inter-branch Organisations. The main reason is to be found in the type of product: wine is sold as a branded product (not a commodity such as milk or fruit and vegetables), therefore it is not possible to have centralised commercialisation. Each producer sells specific quality and a specific product image.
The organisations that manage PDO/PGI labels (“Consorzi di Tutela”) operate as inter-professional organisations. Indeed, they bring together growers, wine makers, merchants and traders and oversee the coordination of the supply chain. The structure of the regional chain is today characterized by a strong polarization on the “Consorzio di Tutela Vini Doc Sicilia”, accounting for 70% of the regional production of wines with PDO in 2017. On June 2012 wine growers, winemakers and bottling industries that supported the recognition of the PDO “Sicilia”, established the Consortium with the aim of promoting the production of Sicilian wine and its area of production. The birth of the Consortium has been a long process generated by the increased interest of Italy and the world towards Sicily, with a lot of Sicilian wine bought in bulk and bottled in every part of the world as PGI Sicilia (there was almost no control over wine sold in bulk and very few on PGI, while the PDO Sicilia controls are mandatory also for wines bottling out of Sicily). The PDO Sicilia specifications provides for the possibility for the other regional PDO to bear the name “Sicily” and some consortia have asked the regional council to add the word "Sicily" to the name of the pre-existing label. Thanks to a high level of representation compared to the total number of users of the designation, it has been attributed 86% omnes status by the Ministry of Agriculture in 2014. In accordance, the consortium performs promotion, development, protection and monitoring activities that have repercussions for the entire designation and therefore all Sicilia DOC wine producers, even those that are not members of the consortium.

In March 2018 the companies subjected to the OdCC Vini (the control certification body) for the PDO Sicilia for one or more subject are 388 (289 in 2017) divided into 319 wine makers and 344 bottling industries. Among the bottlers, the out-of-region companies that have so far obtained the special ministerial authorization for bottling out of the delimited area (entire territory of the Sicilian region) are about 70. Lately the Consortium has concluded an agreement for the operational management of two other Consortiums of smaller regional PDOs: Consorzio Cerasuolo di Vittoria DOCG e Vittoria DOC.

Despite the fact that data on production and on supply chain reorganisation show a positive evolution, the economic return of the sector is low even compared to other regions having less vineyards, quality wine and production.

During the last decade, the wine economy has had a significant increase in the value of production, with a peak in 2013 of +51% equal to 187 million euros. In 2017 the value of wine production is 190 million euros, equal to 5.30% of the value of national production (ISMEA). However, the value of the production of quality wines is still low: with 126 million euros and 31 denominations (3.9% of the value of national PDO/PGI production), Sicily is in sixth place in the ranking, with low values - ten time less - compared to the first region, Veneto (1.276 million euros and 53 denominations). The average value of the production per label is 4.05 and 24.7 million euros respectively.

In the list of the top 20 provinces for economic impact in the wine sector, none of the Sicilian provinces is present. It should also be said that an analysis carried out by Coldiretti estimates that the PDO Sicilia has a strong impact in terms of local work, with 16 million hours in 2016 in the province of Trapani.

A study on the performance of the Sicilian wineries carried out by UniCredit (April 2018) analyzing the balance sheets of some wineries, confirms that Sicily is experiencing less growth than the competitor regions, but has good profitability, a leverage (debt ratio) on average despite longer collection times and a good credit rating of over half of the regional sample.

According to the Regione Sicilia (Quotidiano di Sicilia, 20.04.2018), data on the economic value of the wine sector with compared to other regions shows that there is still much to be done. But also they show that the Sicily of today's wine is far better than just 20-30 years ago, which in agriculture represent a short cycle. Today the capacity of the quality wines, the diversity of the territories and the internationalization process supported by EU funds offer prospects for the growth of the average value of Sicilian wines.

<table>
<thead>
<tr>
<th>Table 4: industry structure in Sicilia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wine producers (number)</strong></td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>- Of which co-operatives</td>
</tr>
<tr>
<td><strong>Distilleries of wine products</strong></td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>- Of which co-operatives</td>
</tr>
</tbody>
</table>

Source: Istituto Regionale della Vite e del Vino (IRVV) in Evaluation des mesures appliquées au secteur vinicole dans le cadre de la Politique Agricole Commune 2012, Cogea. Case Study Sicilia
2. THEME 1: NATIONAL SUPPORT PROGRAMMES

2.1 Description of the implementation

2.1.1 Financial allocation

Up to 2017, Italy financed six measures. At national level, on the 2014-2017 implementation period, the distribution of expenditures between the measures was the following:

![Figure 3: Distribution of expenditures from 2014 to 2017 per measures](image)

Some measures are implemented at national level and others at regional level.

- The harvest insurance and by-product distillation measures are implemented at national level.
- Concerning the promotion measure: 30% of the annual allocation is implemented at central level by the Ministry of Agriculture and the other 70% is managed by regions.
- All of the financial allocation of the restructuration and conversion measure, green harvesting measure and investment measure is distributed among regions. The breakdown of the national budget by region is the result of yearly negotiations between regions within the State-Regions Conference.

The table shows the annual financial allocation programmed and spent for the period under analysis at national level.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion</td>
<td>101,997,000</td>
<td>101,997,000</td>
<td>82,115,848</td>
<td>94,176,082</td>
<td>92,058,162</td>
<td>101,997,000</td>
<td>94,176,082</td>
<td>101,997,000</td>
<td>81,999,193</td>
<td></td>
</tr>
<tr>
<td>Restructuration reconv.</td>
<td>140,000,000</td>
<td>140,000,000</td>
<td>146,459,318</td>
<td>159,258,941</td>
<td>164,066,230</td>
<td>140,000,000</td>
<td>161,284,891</td>
<td>140,000,000</td>
<td>161,284,891</td>
<td></td>
</tr>
<tr>
<td>Green harvesting</td>
<td>10,000,000</td>
<td>10,000,000</td>
<td>1,194,129</td>
<td>1,393,607</td>
<td>1,000,000</td>
<td>10,000,000</td>
<td>800,000</td>
<td>10,000,000</td>
<td>863,458</td>
<td></td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Harvest Insurance</td>
<td>20,000,000</td>
<td>20,000,000</td>
<td>26,436,980</td>
<td>19,999,609</td>
<td>20,000,000</td>
<td>20,000,000</td>
<td>20,010,646</td>
<td>20,000,000</td>
<td>20,000,000</td>
<td></td>
</tr>
<tr>
<td>Investments in enterprises</td>
<td>45,000,000</td>
<td>45,000,000</td>
<td>62,818,261</td>
<td>45,329,556</td>
<td>45,000,000</td>
<td>47,609,976</td>
<td>45,000,000</td>
<td>45,000,000</td>
<td>51,449,035</td>
<td></td>
</tr>
<tr>
<td>Innovation</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>By-product distillation</td>
<td>20,000,000</td>
<td>20,000,000</td>
<td>17,927,804</td>
<td>16,518,869</td>
<td>20,000,000</td>
<td>12,031,773</td>
<td>20,000,000</td>
<td>11,030,996</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Replanting after grubbing up</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

% of execution

- Promotion: 30%
- Restructuration and conversion: 47%
- Green harvesting: 1%
- Investments in enterprises: 17%
- By-product distillation: 5%

Source: Financial monitoring data of the NSP, DG Agri

The annual programmed financial allocation has been revised both at national level and at regional level. Revisions of the annual programmed allocations are the result of the necessity to take into account the actual
territorial needs and specificities. In order to use the all available resources, the financial allocation among measures can change, budget can be shifted between measures during the year: in 2017, on the basis of eligible applications, regions needed additional resources for the investment measure and for the restructuration and conversion measure. On the other hand green harvesting – being a measure destined to prevent crisis – is employed only marginally (the measure is foreseen only in Campania, Puglia, Basilicata and Calabria).

The table below shows the Sicily annual financial allocation of the measures managed at regional level (after reformulation).

**Table 6: Programmed annual financial allocation and expenditure for measures implemented at regional level (€)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion</td>
<td>8.454.313</td>
<td>8.598.188</td>
<td>8.174.009</td>
<td>8.865.456</td>
<td>7.369.194</td>
</tr>
<tr>
<td>Restructuration reconv.</td>
<td>32.416.659</td>
<td>32.487.540</td>
<td>29.208.539</td>
<td>33.384.175</td>
<td>34.654.937</td>
</tr>
<tr>
<td>Total</td>
<td>49.537.701</td>
<td>49.838.467</td>
<td>51.201.893</td>
<td>51.211.952</td>
<td>51.246.543</td>
</tr>
</tbody>
</table>

From 2013/2014 up to now Sicily has not been concerned by the green harvesting measure

**Table 7: Output indicators cumulated from 2013/2014 to 2016/2017**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Number of beneficiaries</th>
<th>Total area covered (ha)</th>
<th>Budget 2014-2018 (in M€)</th>
<th>Execution 2014-2017 (in M€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion</td>
<td>121</td>
<td>43.509.101.00</td>
<td>25.433.242.85</td>
<td></td>
</tr>
<tr>
<td>Restructuration and conversion</td>
<td>3943</td>
<td>166.107.852.00</td>
<td>130.301.525.66</td>
<td></td>
</tr>
<tr>
<td>Investments in enterprises</td>
<td>283</td>
<td>44.589.603.00</td>
<td>57.169.991.40</td>
<td></td>
</tr>
</tbody>
</table>

**Table 8: Number of beneficiaries by measure by financial year (No)**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion</td>
<td>-</td>
<td>27</td>
<td>35</td>
<td>37</td>
<td>22</td>
</tr>
<tr>
<td>Restructuration and conversion</td>
<td>-</td>
<td>1.076</td>
<td>1.021</td>
<td>778</td>
<td>1.068</td>
</tr>
<tr>
<td>Investments in enterprises</td>
<td>-</td>
<td>75</td>
<td>73</td>
<td>52</td>
<td>83</td>
</tr>
</tbody>
</table>

2.1.2 Promotion on third countries measure

Italy has not activated the information in Member States measure.

Promotion projects on third country markets can be:

- **National**: the application is presented to the Ministry by proponents having operational offices in at least 3 regions. The project must concern the promotion of productions of the regions in which proponents have operational offices. Are funded by the national quota.
- **Regional**: the application is presented to the Regions where the proponents have operational office. The project must concern the promotion of productions of the region in which proponents have operational offices. Are funded by the regional quota.
- **Multi-regional**: the application is presented by proponents having operational offices in at least 3 regions. Are funded by the regional quota and by a national reserve of the national quota of 3 million euros. The total contribution of 50% of eligible costs is charged 25% regional and 25% national.

As mentioned before, the annual financial allocation is divided as follows:

- 30% at national level exclusively funds projects submitted by professional organisations, inter-branch organisations and national producers’ organisations or undertakings and temporary joint ventures with production in a number of regions (at least three regions);
- 70% is allocated to the regions to enable them to finance, among other things, projects submitted by undertakings or temporary joint ventures with production in one region or involving a single designation.
The following activities are foreseen:

- promotion and advertising that highlight quality, safety and environmental respect to be implemented through information channels such as the press and local television;
- participation in shows, fairs and exhibitions of international importance;
- information and promotion campaigns, in particular on designations of origin and on geographical indications to be implemented in sales outlets, multiples, the catering sector in third countries and other tools (websites, brochures, leaflets, guided tastings and encounters with third-country operators, etc.);
- studies on new markets, necessary for the expansion of new markets.

Projects may concern only wines with denomination of origin, geographical indication and varietal wines. The measure is triggered annually through a call for proposals.

Table 9: Implementation choices on the promotion measure

<table>
<thead>
<tr>
<th>Type of aid and rate of support</th>
<th>Score Sicily</th>
<th>Score national</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maximum aid is 50% of costs incurred.</strong> The EU contribution can be integrated with regional funds with a further maximum 30% of the costs incurred. The maximum contribution EU funds + regional funds cannot be higher than 80% of the costs incurred (state aid). Sicily does not supports multi-regional projects with its budget.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Beneficiaries</strong></td>
<td>The beneficiaries are professional organisations, inter-branch organisations, wine producers and their associations, including temporary business ones that are representative of the sector, and public bodies.</td>
<td></td>
</tr>
<tr>
<td><strong>Selection criteria</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project targeting a new third country or a new third country market, where ‘new third country’ means a country outside the European Union where, during the current 2014-18 programming period, the beneficiary has not carried out promotional actions using an EU contribution and ‘new third country market’ means a geographical area, defined after the call for submission of projects, located in the territory of a country outside the European Union, where, during the current 2014-18 programming period, the beneficiary has not carried out promotional actions using an EU contribution</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>New beneficiary</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>The beneficiary is a protection association for designation of origin wines that has been recognised in accordance with Article 17 of Legislative Decree No 61/2010</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>The beneficiary exclusively produces and markets wines that it produced itself</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Prevalence in the submitted project of actions involving direct contact with the target public, as per the call for submission of projects referred to in Article 6(5) above</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>The beneficiary groups together small and/or micro enterprises to a significant degree, as per the call for submission of projects referred to in Article 6(5) above</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>a) Project targeting an emerging market, as per the call for submission of projects referred to in Article 6(5) above</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Project that exclusively concerns DOCG wines</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>a) Project that exclusively concerns wines with a protected designation of origin and/or typical geographical indication</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Beneficiary that requests a public contribution of less than 50%</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

In case of parity the score will be given with the following priority order: a) Recognized Protection Consortia; b) greater presence of small and micro businesses; c) number of Target Areas and Countries envisaged in the project.

2.1.3 Restructuration and conversion measure

Restructuring and converting of vineyards is a measure implemented at regional level. It is triggered annually through a call for proposals.

Are eligible:

- varietal conversion, that can consist of:
- replanting: on the same parcel or on another parcel with or without changing the cultivation system, of a different vine variety, deemed to be of higher oenological and commercial value;
- grafting on: in vineyards already considered to be rational as regards the cultivation methods and planting pattern, and in good condition;

- restructuring, that consists of:
  - different location: this is replanting the vineyard in a more favourable position from an agronomic standpoint, both in terms of exposure and for climatic and economic reasons;
  - replanting the vineyard: this is replanting on the same parcel but with changes to the vine cultivation system;

- improvement of vineyard management techniques: this involves operations for rationalising interventions on the land and cultivation.

**Table 10: Implementation choices on the restructuring and conversion measure**

<table>
<thead>
<tr>
<th>Type of aid and rate of support</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation to producers for the loss of revenue due to the implementation of the measure: up to 100% but not over 3,000€/ha;</td>
<td></td>
</tr>
<tr>
<td>Contribution to the costs of restructuring and conversion: max 50% (75% for regions classified as less developed) on the basis of actual costs or on standard costs.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Beneficiaries</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers (natural and legal persons)) who work vineyards of wine grape varieties or those who have replanting rights and who comply with the rules in force on planting and replanting. The application can also be submitted in aggregated form.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Eligibility and selection criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>As indicated in the call for proposals 2017/2018</td>
<td></td>
</tr>
<tr>
<td>PGI and PGO areas</td>
<td></td>
</tr>
<tr>
<td>Max and min eligible areas:</td>
<td></td>
</tr>
<tr>
<td>- For single entrepreneurs: min 1 ha; max 12 ha.</td>
<td></td>
</tr>
<tr>
<td>- Small cooperatives, Simple companies, companies: min 2 ha, max 25 ha.</td>
<td></td>
</tr>
<tr>
<td>For vineyards to be realized in areas with high environmental and landscape value:</td>
<td></td>
</tr>
<tr>
<td>- single projects: minimum area 0,30 ha; superficie max 12 ha.</td>
<td></td>
</tr>
<tr>
<td>- Small cooperatives, Simple companies, companies: min 1 ha; max 25 ha.</td>
<td></td>
</tr>
<tr>
<td>The selection of the applications to be financed on the basis of the available annual financial allocation is done on the basis of the following categories (cumulative score): location, type of project (grubbing up, replanting, restructuring, etc), structure of the vineyard, varieties used, conditioning, age of the entrepreneur, etc.). In case of score parity, the support is given to the youngest entrepreneur.</td>
<td></td>
</tr>
</tbody>
</table>
Varieties eligible are:

<table>
<thead>
<tr>
<th>1) ZONE AD ALTA VALenza ambientale e paesaggistica (Punteggio max pari a 10 punti; i punteggi delle due classi non sono cumulabili)</th>
<th>Punti</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progetti presentati nei territori delle aree DOC, così come delimitati dai relativi disciplinari di produzione, caratterizzati da altitudini superiore a m 500 s.l.m., esclusi gli altipiani, e da sistemazione degli impianti vitecoli su terrazzamenti o gradoni</td>
<td>10</td>
</tr>
<tr>
<td>Progetti presentati nelle isole minori</td>
<td>10</td>
</tr>
</tbody>
</table>

2) TIPOLOGIA DI PROGETTO

a) Estirpazione e reimpianto (con o senza impianto irriguo)

1) per estirpazione e reimpianto di vigneti di età > 25 anni | 3 |

2) per estirpazione e reimpianto di vigneti di età >15 anni, <25 anni | 2 |

b) per reimpianto vigneti effettuato in terreni a seminativo o riposo da almeno 3 anni | 5 |

c) Ristrutturazione | 2 |

d) Rinesto e miglioramento delle tecniche di gestione dei vigneti | 1 |

3) TIPOLOGIA DI IMPIANTO – Forma di allevamento

Ristrutturazione e/o riconversione di vigneti allevati a tendone | 8 |

Ristrutturazione e/o riconversione di vigneti che utilizzano altre forme di allevamento | 6 |

4) VARIETA’ DA UTILIZZARE

Utilizzo di varietà di uve autoctone | 2 |

5) CONFEZIONAMENTO

Conduttore che nell’ultimo triennio ha chiuso il ciclo produttivo con il confezionamento del proprio prodotto a DOC e/o ad IGT, direttamente o mediante centro terzi o società controllanti o collegate, per una percentuale superiore al 50% della produzione di vino prodotto, così come denunciato dalla dichiarazione allegata alla domanda | 4 |

6) SOCIO CONFEITORIO DI CANTINA SOCIALE

Progetto presentato da socio di cantina sociale che conferisce alla stessa, da almeno la vendemmia 2016, il 100% della propria produzione da commercializzare obbligatoriamente come DOC e/o IGT | 4 |

Progetto presentato da socio di cantina sociale che conferisce alla stessa, da almeno la vendemmia 2016, la propria produzione in misura inferiore al 100% ma non inferiore al 50%, da commercializzare obbligatoriamente come DOC e/o IGT | 2 |

7) ETA’ DELL’IMPIRDeNTO

Progetto presentato da imprenditore con età inferiore ai 40 anni al momento della presentazione della domanda | 4 |

8) QUALICAtA/CHICTOGIA DEl RHIClDEntE

Progetto presentato da soggetti che, ai sensi della legge n. 109/96 o precedenti normative, utilizzano terreni agricoli confiscati alla mafia | 8 |

Progetto presentato da IAP o CD | 5 |
Selection criteria provided in the dataset sent by the central team are the following:

<table>
<thead>
<tr>
<th>CRITERION</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant type (categories concerned: owner or legal representative aged between 18 and 40 when the application is submitted, professional farmer; new beneficiary; those belonging to supply chain groupings)</td>
<td>14</td>
</tr>
<tr>
<td>Specific/traditional and/or certified products (categories concerned: organic products certified in accordance with Regulation (EC) No 834/2007, Regulation (EC) No 889/2008 and Implementing Regulation (EU) No 203/2012; certifications of products, processes and enterprises; PDO and PGI grapevine products; use of native varieties and/or varieties included in the relevant PDO and PGI specifications)</td>
<td>5</td>
</tr>
<tr>
<td>Holdings in particular situations (categories concerned: holdings with a ratio between the area planted with vines and the utilised agricultural area (UAA) of more than 50%; holdings and/or areas planted with vines located in specific types of area such as ‘less-favoured areas’ within the meaning of Article 32 of Regulation (EU) No 1305/2013 and Article 3(3) and (4) Directive 75/268/EEC; earthquake-affected areas as defined by Law No 229 of 15 December 2016, as amended; areas of high landscape value; areas affected by officially recognised natural disasters or exceptional circumstances; land confiscated from organised criminals within the meaning of Law No 109/1996)</td>
<td>0</td>
</tr>
<tr>
<td>Intervention type (categories concerned: investments regarding the activities referred to in Article 5(a) and (b) of the Decree; those aimed at increasing a holding’s area planted with vines; interventions by wine producers processing their own produce that involve the restructuring of at least 25% of the area planted with vines)</td>
<td>11</td>
</tr>
</tbody>
</table>
2.1.4 Investment measure

Investments is a measure implemented at regional level. It is triggered annually through a call for proposals.

Table 11: Implementation choices on the investment measure

<table>
<thead>
<tr>
<th>Type of aid and rate of support</th>
<th>Beneﬁciaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital grant, maximum 50% of eligible costs for micro and SME, 25% for companies with less than 750 employees and a turnover &lt; 200 million euro; 19% for companies with more than 750 employees and a turnover &gt; 200 million euro. Maximum expenditure eligible for support 1,500,000 by applicant and minimum 50,000 euro. In the case of projects that involve also construction, modernization and / or improvement of the bottling line, the total amount of the project can be raised up to a maximum of € 2,500,000.00.</td>
<td>Companies that carry out both the processing and marketing phases of wine products. The products processed and marketed are wine products as deﬁned in Annex VII Part II of EU Regulation 1308/2013, with the exception of those listed in points 13 (concentrated grape must) and 14 (rectiﬁed concentrated grape must).</td>
</tr>
<tr>
<td>Companies eligible are those carrying out the following processing activities: • the production of grape must obtained from the processing of fresh grapes, purchased or produced by members, also for marketing purpose; • the production of wine obtained from the processing of fresh grapes or from grape must purchased or produced by members, also for marketing purpose; • the processing, reﬁning and packaging of wine, conferred by the members, also purchased, also for marketing purpose.</td>
<td>Eligible applications are selected on the basis of the following criteria according to the call for proposals 2016/2017: Private companies: PGI, PGO production, organic production, young entrepreneur, positive effects in terms of energy saving, quality certiﬁcations (scores indicated below).</td>
</tr>
</tbody>
</table>

Wine cooperatives: PGI, PGO production, organic production, % bottled wine/total production, % conditioned wine/total production, number of members, quality certiﬁcations, positive effects in terms of energy saving (scores indicated below).

The CAAs are private subjects to whom AGEA delegates the tasks of preliminary screening of farms files; the CAA, after the written mandate of the company owner, prepare, validate and send to the paying agencies, the requests for the provision of incentives, aids and allowances. The CAA have the task of managing the company ﬁle in the system of the Registry of agricultural holdings, a computerized archive located in the regional network containing the personal data relating to all subjects, public or private, even non-entrepreneurial, who want interact with the PA in the agricultural sector.
Selection criteria provided in the dataset sent by the central team are the following:

<table>
<thead>
<tr>
<th>CRITERION</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive effects in terms of energy savings, global energy efficiency and environmentally sustainable processes (Article 36 of Delegated Regulation (EU) 2016/1149)</td>
<td>20</td>
</tr>
<tr>
<td>PDO and PGI grapevine products</td>
<td>15</td>
</tr>
<tr>
<td>Owner or legal representative aged between 18 and 40 when the application is submitted</td>
<td>5</td>
</tr>
<tr>
<td>Membership of supply chain groupings</td>
<td>0</td>
</tr>
<tr>
<td>Exercise of the following activities: a) production of grape must obtained from the processing of fresh grapes produced by enterprises themselves, purchased, or contributed by members, including for the purposes of marketing it; b) the production of wine obtained from the processing of fresh grapes or from grape must, such grapes or must being produced by enterprises themselves, purchased, or contributed by members, including for the purposes of marketing it; Enterprises located in specific areas (‘less-favoured areas’ within the meaning of Article 32 of Regulation (EU) No 1305/2013, earthquake-affected areas defined by Law No 229 of 15 December 2016, as amended; areas with a high landscape value or areas on land confiscated from organised criminals, etc.)</td>
<td>0</td>
</tr>
</tbody>
</table>

Implementatio
period 2014-2018

Information regarding the management of the measure

Applications are presented to the CAA² (Centri di Assistenza Agricola) or by authorized technicians to use the on-line functionalities made available by AGEA. Agricultural inspectorates responsible for the territory at the conclusion of the preliminary phase and on the basis of the assigned scores, insert the projects in a list that are then communicated to the Dipartimento Regionale dell’Agricoltura – Servizio 2 Interventi relativi alle produzioni agricole e zootecniche – U.O. S2.02 “Interventi per l’OCM Vitivinicola. AGEA makes payments and controls.

2 The CAAs are private subjects to whom AGEA delegates the tasks of preliminary screening of farms files; the CAA, after the written mandate of the company owner, prepare, validate and send to the paying agencies, the requests for the provision of incentives, aids and allowances. The CAA have the task of managing the company file in the system of the Registry of agricultural holdings, a computerized archive located in the regional network containing the personal data relating to all subjects, public or private, even non-entrepreneurial, who want interact with the PA in the agricultural sector.

2.1.5 Harvest insurance

Harvest insurance funds some of the costs of insurance premiums paid for coverage of wine grape crop losses linked to adverse weather conditions and plant diseases and/or parasite infestations. The support is paid to wine enterprises in accordance with the annual agricultural insurance plan.
From the 1/1/2015, harvest insurance is included in measure 17.1 – Risk management of the National Rural Development Programme (NRDP) and therefore managed at national level. If the resources available for the aid referred to in Article 49 of Regulation (EU) No 1308/2013 are not sufficient to cover the total required premium, the remaining applications for the wine grape harvest insurance are financed with the resources of sub-measure 17.1 of the PRSN.

<table>
<thead>
<tr>
<th>Type of aid and rate of support</th>
<th>A maximum threshold of 65% aid for insurance premiums was laid down in the 2016 insurance year for policies regarding events such as natural disasters, plant diseases and parasite infestations (in accordance with the combinations envisaged by the national agricultural insurance plan) for the wine grape harvest insurance funded in the framework of the NSP.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries</td>
<td>The beneficiaries are wine grape ‘producers’ where the term ‘producers’ means all parties, both natural and legal persons, who own farms that cultivate vineyards with wine grape varieties and who comply with the rules governing the matter.</td>
</tr>
</tbody>
</table>
| Eligibility and selection criteria | For the payment of the contribution, the winegrowers must:  
  a) be an active farmer within the meaning of Article 9 of Regulation (EU) No 1307/2013;  
  b) prepare the cultivation plan, indicating, inter alia, the crops that will be insured, as well as the presence of any areas under non-productive crops;  
  c) establish and update a holding crop plan and an individual insurance plan and either sign subsidised insurance policies or join collective policies;  
  d) download the updated individual insurance plan from the SIAN system and annex it to the insurance policy. |
| Implementation period           | 2014-2018 |
| Information regarding the management of the measure | The aid for applications funded by the resources of Article 49 of Regulation (EU) No 1308/2013 as well as the aid for applications financed with the resources of the sub-measure 17.1 of the PRSN is paid by Agea.  
Applications are submitted to the competent paying agency each year. Applicants may only be submitted electronically. |

2.1.6 By product distillation

| Type of aid and rate of support | The aid amount is paid to the distiller for the raw alcohol obtained with an alcoholic strength of at least 92°vol:  
  a) 1.100 euro/hl/%/vol if obtained from marc  
  b) 0.500 euro/hl/%/vol if obtained from lees.  
The aid paid is inclusive of the costs borne for the collection and transport of the by-products. If these costs, amounting to 0.016 euros/kg, are borne by the producer, the distiller is obliged to pay it this amount. |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries</td>
<td>The beneficiaries are the distillers that operate throughout the country recognised by the regions in accordance with the national regulations in force.</td>
</tr>
</tbody>
</table>
| Eligibility and selection criteria | Any natural or legal person or association of such persons who has produced wine from fresh grapes, from grapes from partially fermented grape must or wine that is still new in fermentation or who have proceeded with any transformation whatsoever of wine grapes is obliged to deliver the by-products of vinification (lees and marc) to a distiller who is recognised under the rules in force or withdraw them under supervision.  
The alcohol content of vinification by-products must be no less than:  
  a) 10% of the volume of alcohol contained in the red wine if vinification has taken place starting from fresh grapes;  
  b) 5% of the volume of alcohol contained in the wine if vinification has taken place starting from grape must from must of partially fermented grapes or from new wine still in fermentation;  
  c) 7% of the volume of alcohol contained in the white wine if vinification has taken place starting from fresh grapes;  
The obligation can be fulfilled by delivering wine of one's own production to the vinegar industry, in which case the quantity of alcohol contained in the wine consigned for this purpose is deducted from the quantity of alcohol that must be sent for distillation.  
The delivery to the distillery of marc, or withdrawal under control, must take place within 30 days of the end of the harvest period determined annually by provision of the regions and autonomous provinces.  
The delivery of marc, or withdrawal under supervision, must take place in accordance with the established procedures within 30 days of obtaining them, after they have been denatured.  
Vinification by-products must have the following characteristics at the moment of delivery/withdrawal:  
  1) marc: 2.8 litres of pure alcohol (effective or potential) per 100 kg; |

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2) **wine lees:** 4 litres of pure alcohol per 100 kg, per 100 Kg, 45 % moisture content.

The implementing legislation envisages exoneration from the obligation to deliver the by-products to the distillery but the obligation to withdrawn them under supervision remains in certain specific cases (for example, producers on small islands, producers growing grapes organically, producers using by-products for other purposes, etc.), without prejudice to the exemption from any obligation for those producing less than 25 hectolitres in their own installations.

Distillers are required to collect the by-products of wine-making from producers and are obliged to accept them if producers prefer to deliver them by their own means.

<table>
<thead>
<tr>
<th>Implementation period</th>
<th>2014-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information regarding the management of the measure</td>
<td>Applications are submitted to the paying agency in accordance with the procedures and deadlines set by AGEA.</td>
</tr>
</tbody>
</table>
2.2 Effects on the NSP at the level of growers

2.2.1 Information on the implementation of the restructuring and conversion measure

Table 12: Restructuration and conversion: Performance indicators of the measure

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of beneficiaries (no)</td>
<td>1.076</td>
<td>1.068</td>
</tr>
<tr>
<td>Total surface restructured and converted</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Surface for restructuring</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Surface for conversion and / or improvement</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Total Expenditure Restructuration and conversion</td>
<td>29.208.539</td>
<td>34.935.869</td>
</tr>
<tr>
<td>% expenditure/programmed</td>
<td>90%</td>
<td>94%</td>
</tr>
<tr>
<td>Rate expenditure Restructuration- conversion/Total PNS</td>
<td>60%</td>
<td>62%</td>
</tr>
</tbody>
</table>

Source: MIPAAF

In Sicily, this measure absorbed 61% of the regional programme’s budget and it has proven to be a very successful measure of the programme, as on the previous period. It has mainly concerned PDO and PGI vineyards.

Restructuring has mainly aimed at changing the cultivation methods, in order to improve the management practices of vineyards. In particular, a change from Pergola to Spalliera continues to ease the mechanisation of cropping operations. The spread of mechanisation in the vineyards observed in the previous period has continued, pushed by the need to contain production costs and to the preserve quality of the collected product. Besides, it should be noted that the RDP has supported the purchase of agricultural machinery, (such as tractors, machinery and equipment for carrying out cultivation and harvesting operations, as well as for the handling and transport of products).

2.2.2 Information from the literature

On the basis of annual implementation report at national level, the new measures eligible for support under the national programme made it possible to increase the contribution of the CMO to greater competitiveness: this result was achieved by backing the vineyard restructuring and conversion measure with the investment measure and the measure for promotion in third country markets. This resulted in support for the structural adaption of winegrowing to the market (in the agricultural and transformation stages) and greater penetration of Italian wines in foreign markets.

Through restructuring and conversion, with variation of the ampelographic composition of vineyards, the use of improved clones, more appropriate location of the vineyards and improvement in the cultivation systems and techniques led during these years to better product quality, reduced production costs and adaption of national production potential to market demands. Aid for restructuring and conversion also made it possible to protect the value of the landscape and the cultural traditions linked to the actions envisaged, the preferential criteria used and the eligibility requirements for the support (such as incentives for the distribution of native varieties or traditional forms of cultivation). That is why an increase was also permitted for aid for winegrowing in zones with a high environmental and landscape value, identified on the basis of the slope and altitude of the land, or locations with terraces, steps or on small islands.

2.2.3 Synthesis of the interviews

IQ 1.1 To what extent did the restructuring and conversion operations supported by the NSP impact the production potential of vineyards, in terms of quantity? In terms of quality? at the level of the region / of the Member State?

The restructuring measure was used in Italy with a precise strategy to adapt the ampelographic composition of vineyards to market demand: the NSP allows the evolution of production potential of vineyards from low quality to quality vines.

Through restructuring and conversion, the use of improved clones, more appropriate location of vineyards and improvement in the cultivation systems and techniques led during these years to a better product quality, reduced production costs and adaption of national production potential to market demand.
Both restructuring and conversion have strengthened the identification with the territory of origin, especially with promotion of Italian native vines in particular in the last 10 years, even if to meet market’s demand international varietal wines increased (e.g. pinot grigio).

In Sicily all the interviewees agree on the fact that the main effect of restructuring and conversion operations supported by the NSP concerned quality: the measure has changed the regional wine-growing scenario: in a context of constant decrease in vines area (from 120,000 ha - to 103,000 in 2014 - 97,000 2018 and consequent decrease of production), the production of PGI and PDO increases, in particular thanks to the PDO Sicilia, promoted by the Region, was an interesting choice.

The effect is quite significant today: according to regional authorities, in the last 10 years, a total of 60% of the vineyard area has been converted, with a strong decrease of catarratto varieties (common and glossy) and strong increases of other autochthonous varieties such as Grillo or Nero d’avola, the latter is now the second most cultivated varieties. This thanks also to the priority given to the use of native grape varieties.

The renovation rate of the vineyards made possible with support is 3% per year.

All respondents report that growers chose vines that best suit the soil pedological characteristics and varieties most appreciated by the market. Interviewed growers, associated with a cooperative, express satisfaction because the choice is made on indications from the cooperative and support from NSP allows them to make such investments.

With regard to restructuring operation, the most relevant is the implementation of more efficient techniques in the vineyards (from tendone to spalliera) in order to improve quality of production and mechanize operations, including harvesting. In addition, thanks to the RDP support they acquired suitable equipment to preserve the product collected from oxidative phenomena and therefore to adequately preserve the noble aromatic component, to the advantage of quality.

The opinion of the national cooperation representatives is that access to the measure should be possible also for those that have acquired an authorization for new plants (now is the access is restricted).

IQ 1.2 Did the NSP measures intend to support changes in the vineyard management practices or foster specific practices (i.e. organic agriculture, low mechanised systems, etc.)?

National authority reported that aid for restructuring and conversion made possible to protect the value of the landscape and the cultural traditions linked to the actions envisaged, through the preferential criteria used and the eligibility requirements for the support (such as incentives for the distribution of native varieties or traditional forms of cultivation). That is why an increase was also permitted for aid for winegrowing in zones with a high environmental and landscape value, identified on the basis of slopes and altitude of the land, or locations with terraces, steps or on small islands.

In Sicily, the Region intended to promote organic production and now almost 37% (SINAB; according to the Region 50%) of vineyard is organic: the Region points out that this result is due to priority criteria and sinergies with RDP and intends to further promote its dissemination by giving priority also to vineyards in conversion. According to a study of “Istituto della vite e del vino”, Sicily has a competitive advantage due to the climate that allows an easier application of the organic method.

IQ 1.3 To what extent did the NSP result in changes in the management practices of vineyards? Which practices were introduced/abandoned? Did those changes have an impact at national or regional level (e.g. acting as role model)?

All interviewees in the region, as said before, reported that in Sicily the NSP has been used to introduce more efficient techniques in the vineyards (from tendone to spalliera) in order to improve quality of production and to mechanize operations; as a result, the Istituto Regionale della Vite e del Vino reported that the “tendone” has been reduced considerably (from 18.000 ha to 6.000 ha) and is now located predominantly in the central areas where the particular microclimatic conditions (dry and hot) make it more suitable for the production of higher quality levels.

Aid for restructuring has been also used to introduce irrigation systems or make them more efficient (for example underground micro-irrigation): according to growers, all those who can irrigate have made investments for irrigation systems.

IQ.1.4 Have the NSP measures impacted the costs of production?

The widely shared opinion by all respondents, both at national and regional level, is that the NSP measures impacted the costs of production supporting more efficient techniques in the vineyards in order to mechanize
operations and therefore reduce costs.

**IQ.1.5 Have the NSP measures resulted in a better adaptation of the vineyards structure and management practices to market demands? E.g. in terms of variety, quality**

According to all the interviewees, the NSP measures have actually resulted in a better adaptation of the vineyards structure and management practices to market demand. In terms of variety, the producers have chosen predominantly indigenous PDO and wines made with autochthonous varieties (also thanks to a specific priority criterias) and international varieties such as Chardonnay or Sirah. The annual management of support also allowed producers to plant varieties like Pinot Grigio (certified as PDO) to promptly adapt to the demand of the market.

According to cooperative managers, it’s important to give wineries the opportunity to ask the growers the varieties according to market requests: it is necessary to make and respect a varietal plan, while in its absence the consultant pushes towards varieties which get the better score.

In terms of quality there is also a significant increase of organic agriculture.

**IQ 1.6 Have the NSP measures had an impact on the income of wine growers?**

According to National authorities, at national level, there is a better remuneration of production and reduction of the gap with France. The result seems relevant taking into account the structure of the system and the marginality of the production areas which increases the production costs. Moreover, the operations supported resulted in changes in the growers’ income, as investments concerned the varieties that are more acceptable to the market. The effect on income is also a consequence of the reduction in production costs allowed by mechanization.

In Sicily the result in the growers’ income is not evident: all interviewees stated that the remuneration of the product is still very low and growers complain that variable cost increases every year.

Furthermore, in Sicily, with “cordone speronato” practise, yields are very low compared to “tendone”. For this reason, as tendone has higher yields, the cooperative interviewed would like to increase this practise for wine in brik in order to be competitive on the target of medium quality wines because of reductions of unitary productions costs and therefore obtaining higher profitability.

Consortium Sicilia PDO, however, points out that the price of grapes depends on the share of the product that goes to the bottling, that in the last years in Sicily has grown a lot: by increasing the bottled marketed, cooperative wineries are able to pay farmers a better price.

**2.2.4 Conclusion of the expert**

- **Impact of the NSP on the production potential in terms of quantity and quality**

  In Sicily the main effect of restructuring and conversion operations supported by the NSP concerned quality: the measure has changed the regional wine-growing scenario and in a context of constant decrease in vines area and in production, the production of PGI and PDO increases. Regional strategies allow the conversion towards some native vines used for the most successful PDOs such as Nero d’Avola and Grillo, with the objective of strengthening the relationship between product and territory and promote the PDO Sicilia.

- **Impact of the NSP on the vineyard management practices**

  NSP has been used to introduce more efficient techniques in the vineyards (from tendone to spalliera) in order to improve quality of production and mechanize operations.

  Measures also resulted in a better adaptation of the vineyards structure and management practices to market demand. There is also a significant increase of organic agriculture, also because Sicily region introduced specific scores to promote organic farming. Unlike the Veneto, Sicily has a competitive advantage due to the climate that allows an easier application of the organic method.

- **Impact of the NSP on the competitiveness of wine growers**

  In Sicily the result in the growers’ income is yet low, any if the restructuring of vineyard impacted the costs of production supporting more efficient techniques in order to mechanize operations and therefore reduce costs.

  The increase in the price of grapes will be the final result of the overall dynamic of development of regional production supported by NSP, with growth of vertical integration, wine bottling and commercial activities.
2.3 Effects of the NSP at the level of producers and products

2.3.1 Effects on the competitiveness key factors of wine producers

2.3.1.1 Synthesis of the interviews

IQ 1.7 Could you please explain what are the current issues encountered by the wine sector in your Member States/region and describe the strategies implemented by the wine producers to address them?

In the last 10 years the demand for wine has strongly increased in third countries markets and the Italian sector has held up the crisis thanks to exports, but the gap of the Italian supply chain is still enormous compared to direct competitors: volumes grow much more than values while consumption dynamics remain more or less constant over time. Moreover, in the areas where consumption grows (e.g. China), Italian companies can hardly stand up to competition on volumes and production costs.

The major issues is to recover competitiveness and strengthen positioning on emerging and consolidated markets. Even the most important Italian companies are small compared to competitors and it’s important to seek for the economic sustainability of investments bearing in mind that winemaking enterprises (agri-food) are themselves a supply chain whose driver is the wine and as such should be approached.

So, it’s important to "follow" the market, changing the production choices within the necessary timing; changing cultivation techniques and applying new and more efficient systems to improve the quality of the grapes and / or help mechanization, introduce technological innovations in the processing phase for which it is important to renew the wineries.

Looking ahead, the link between support and environmental sustainability could be strengthened, on the model of National Integrated Production Quality System (SQNPI)\(^3\).

It’s important to support aggregation of wine producers and promotion campaigns suitable for promoting wine of Italy (denominations, the varieties etc.), in a process that never stops.

In Sicily, as regional authorities and local representatives of interbranch organisation describe, since 2008 regional production has gained in quality and market strength, since important improvements have been made mainly in the vineyards, changing cultivation techniques and applying new and more efficient systems. In the last few years the strategies implemented by Region and producers focused on the objective of promoting the PDO Sicilia to strengthen the relationship between product and territory and promote co-operative aggregation, concentration of the product, merge and renewal of wineries, increase the share of bottled product compared to bulk production.

PDO has succeeded in safeguarding the value of typical products such as Nero d'avola and Grillo and the progressive affirmation on domestic and foreign markets has pushed the processes of concentration of the product, renewal of wineries and increase in bottling.

The cooperative aggregation is happening especially in the provinces of Trapani and Agrigento where some cooperatives are growing successfully and are strengthening the degree of integration between agricultural production and wine processing (e.g. cooperatives Colomba bianca, Paolìnì).

The strategies implemented by the wine producers (wine co-operatives, private companies cantine sociali) are almost the same: varietal conversion with changes in the cultivation system, improvement of vineyard management techniques, installation or improvement of emergency irrigation system, restructuring of the wineries, building, modernization and / or improvement of bottling lines, purchase of barriques and establishment of sales outlets, diversification of brand and market channel.

\(^3\) The certification of “Sistema di Qualità Nazionale di Produzione Integrata” – abbreviated to SQNPI – (National Quality System of Integrated Production) is a certification released by the Italian Department of Agriculture that guarantees the sustainability of the whole production process, the consumer healthy products, minimizing environmental impact. The certification is the result of many steps and strict controls throughout the production cycle made by independent third-party bodies authorized by the Department of Agriculture. The Protocol is based on quality, environmental safety and a sustainable work in the vineyards in addition to a perfect traceability of each plot and each bottle as an assurance that the wine comes strictly from selected grapes controlled and certified by SQNPI. The goal is to minimize the use of phytopharmaceuticals thanks to integrated control techniques in order to protect the health of the consumers, more and more careful about sustainability in agriculture.
Based on the interviews, the elements characterizing the development strategy are the introduction of process and product innovations, introduction of the organic method and the adoption of systems for production of renewable energy, establishment of sales outlets and testing rooms.

IQ 1.8 Did the actions undertaken by the wine producers with the support of the NSP contribute to improve the competitiveness key factors of EU wine products? Please explain how.

All the interviewees agree that the NSP has allowed a considerable amount of regional producers to consolidate the development strategies initiated with the 2008 reform moving from bulk to bottled wines and to improve the overall quality to reach new markets.

The support of the NSP contribute to improve the competitiveness key factors:

- through a better management of winemaking costs with the mechanization of cultivation and harvest operations;
- cooperative aggregation, concentration of the product, diversification and repositioning of operators from medium to high quality wines (PDO Sicilia): a large number of investment projects with introduction of innovation such as crushers, bottling lines has been carried on by large and small companies (especially in the area of ETNA and Trapani) along with restructuring and conversion and the introduction of local variety (such as grillo, nerello mascarese, frappato, Maraschino) to the detriment of international varieties (chardonnay, merlot, sirah), according to Market trends for wines from specific and well recognized production areas: now Sicilia has strongly increased production of quality wines (in terms of total volume);
- The organization of companies also involved the strengthening of the commercial sector and the use of human resources with stronger marketing and commercial skills to improve access to customers.

As a result, Consorzio Sicily PDO and Assovini reported a strong increase in the number of vine growers and claimed area with PDO from 2016 (3.245 growers and 10.695 ha) to 2017 (7.293 growers and 21.436 ha). There was also an increase in the number of wine companies that bottle the PDO wine that they produce, from 147 (2017) to 182 (2018). In 2018, the PDO Sicilia product will have 60 million bottles with an increase of 135% compared to last year, and it will become the 5th PDO in Italy for bottled volumes.

IQ 1.9 What was the impact of the NSP measures on your supplies, in terms of quality, volume and origin?

All respondents agree that regional production has gained in quality and market strength, since important improvements have been made mainly in the vineyards, changing variety, cultivation techniques and application of new and more efficient systems. The conversion of vineyards has made it possible to introduce clones of higher quality.

The most important changes are taking place in the cooperative wineries which produce the majority of Nero d’Avola in Sicily, and are gradually moving from bulk wine to bottled wine. In some case social cooperatives have succeeded in directing the choices of the growers in terms of varietal renewals and the results are positive also for them.

IQ 1.10 Did the actions undertaken by the wine producers with the support of the NSP contribute to changes as regard the organisation and coordination of the operators in the supply chain? Please explain how.

The actions undertaken by wine producers with the support of the NSP helped to strengthen cooperative aggregation, wineries integration, emphasizing the economic sustainability of the intervention.

In some cases social cooperatives have succeeded in directing the choices of the growers in terms of varietal renewal and the results are positive also for them.

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4 http://www.uiv.it/doc-sicilia-limbottigliato-aumenta-del-124/
5 This is an innovative dynamic: In the past the regional wine sector (including the cooperative sociali) lacked vertical integration and was characterized by and large part of the industry selling intermediate products such as grape must and wine in bulk.
2.3.2 Effects on the capacity of operators to adapt to customers’ expectations

2.3.2.1 Synthesis of the interviews

IQ 1.11 Did the NSP measures contribute to the capacity of operators to adapt to customers’ expectations, using innovative integrated approach?

According with Assovini and Consortium Sicily PDO, the creation of the PDO Sicilia represents the main innovation adopted by the operators to improve the quality and image of Sicilian wine. The PDO has pushed the operators of the sector to improve the productive processes with integrated investments along all the phases of the supply chain. In the commercialization phase it has induced the operators to “network” to promote the product. The whole process would not have been possible without the support of the NSP.

IQ 1.12 What types of supported investment were made to adapt to the evolving demand?

Investments in varietal conversion to introduce varieties most appreciated by the market; strong diffusion of organic vineyard; purchase of winery equipment and barriques to adopt technological innovations aimed at producing “lighter” wines (for example of lower alcohol content and less tannic) and for the production of sparkling wines.

IQ 1.13 Was the promotion measure used to support studies of new markets to identify consumers’ preferences?

Market studies have been financed in a marginal way because they are not considered a priority.

2.3.3 Effects of other factors on the competitiveness and overall performance of wine producers

2.3.3.1 Synthesis of the interviews

IQ 1.14 How did the market shares evolved for your major wine products? on intra and extra EU markets? What are the main factors explaining these changes?

ASSOVINI and Consorzio Sicily PDO reported that the market shares of the two varieties associated with the Sicilia PDO (Nero d’avola and Grillo) increased notably in the US, which was the market mainly affected by the promotion actions of the two organizations. The determining factor of success is the combination of improving the quality of the product and the greater knowledge of Sicily as a wine region. According to producers association Assovini, these two factors seem to be also at the base of the success that is being recorded on the Chinese market. Some brands (e.g. Feudo arancio-stemmari) controlled by large groups are also repositioning themselves on the local market.

IQ 1.15 What are the other factors that could have had an impact on the competitiveness, product quality and market orientation of the EU wine sector (e.g. evolving demand, increased competition, climate change, etc.)?

According to national representatives of the sector, industry unions and wholesalers or brokers, the most important factor is increased competition (China for example has become the second vineyard in the world). According to local interbranch organisations and association of producers, one of the factors that can affect competitiveness is better knowledge of the quality criteria of the product (for example, what are the differences between a PDO wine and PGI one?).

2.3.4 Conclusion of the expert on the effects of NSP measures on the competitiveness and overall performance of wine producers

With the support of the NSP in Sicily, the process of development of the regional production started in 2008 is continuing: regional production has gained in quality and market strength, since important improvements have

6 In Italy wine consumption in 2017 has been driven by white wines and PDO and between theme “Grillo” from Sicily
been made mainly in the vineyards, changing cultivation techniques and applying new and more efficient systems. In the last few years, the strategies implemented by Region and producers focused on the objectives of i) promote the PDO Sicilia to strengthening the relationship between product and territory; ii) promote cooperative aggregation, concentration of the product, merge and renewal of wineries, increase the share of bottled product.

NSP has allowed a considerable number of regional producers to consolidate the development strategies implemented by Region and by the most important regional company and aimed to qualify and characterize regional production by PDO indication.

The effects can be identified in the:

- better management of winemaking costs with the mechanization of cultivation and harvest operations;
- cooperative aggregation, concentration of the product, diversification and repositioning of operators to medium and premium wines (PDO Sicilia);
- the strengthening of the commercial sector and the use of human resources with stronger marketing and commercial skills to improve access to customers.

2.4 Effects of the promotion measure

2.4.1 Effects of the promotion measure on the recovery/capture of foreign markets

2.4.1.1 Evolution of the market shares of national wines on the main foreign markets

At national level

Table 13: National data from the “Report on the implementation of the national support programme” related to the financial year 2015/2016:

<table>
<thead>
<tr>
<th>Destination</th>
<th>Volume of exports per destination in hl</th>
<th>Value of exports per destination in EUR</th>
<th>Evolution of the wine export 2015 compared to 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>3 014 860.48</td>
<td>10 235 619 311</td>
<td>+ 3.3%</td>
</tr>
<tr>
<td>China</td>
<td>277 160.41</td>
<td>90 566 437</td>
<td>+12.9%</td>
</tr>
<tr>
<td>Russia</td>
<td>296 039.89</td>
<td>67 813 159</td>
<td>+10.3%</td>
</tr>
<tr>
<td>Canada</td>
<td>669 525.36</td>
<td>280 927 994</td>
<td>+3.7%</td>
</tr>
<tr>
<td>Australia</td>
<td>96 871.67</td>
<td>42 338 213</td>
<td>+8.9%</td>
</tr>
<tr>
<td>Central/South America</td>
<td>253 834.46</td>
<td>75 690 747</td>
<td>+10.4%</td>
</tr>
</tbody>
</table>

Application under the CMO enabled the funds to finance, indirectly, also the promotion of company brands. It was therefore possible, thanks also to the joint efforts of the administration and producers, to exploit fully the opportunities to strengthen the competitiveness of Italian wines in non-EU markets. Enterprises participating in the measure have seen their image boosted on foreign markets, with a consequent increase in sales; they have become more competitive and have helped increase the renown and reputation of Italian wine in markets considered difficult to penetrate. Particular attention has been given to traditional markets, such as the USA and Canada, but also to new markets, especially Eastern Europe (Russia) and South East Asia (China, India).

In 2017, Italian wine import to China exceeded € 143.3 million in value, with an increase of + 18% on 2016 and, the Italian share has risen from 4.93% in 2015 to 6.05% in 2017. But still remains far behind compared to France (39.43%), Australia (26.04%), Chile (11.76%) and Spain (6.94%)⁹.

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⁷ To achieve this goal the selection criteria reward the cooperative and/or companies that bottle the product as well as growers that give grapes to companies and/or cooperatives that bottle.

⁸ It concerns in particular Brasil and Mexico

As a result of the actions taken, the beneficiaries continued to see a general increase in sales volume in the target countries despite the awareness that other concomitant factors (independent of promotion) may have affected the result.

In general, the objective of affirming the image and increasing the reputation and awareness of the quality of the wines of the companies represented in the target countries has been achieved.

National Authorities report that Exports increased by 8.5% compared to 2016 with revenues increasing by 9%. Third countries represent 34% of the exports in quantity and 50% of the relative revenues.

Based on analysis of Business Strategies – “Osservatorio del vino Paesi terzi” in 2017 the increase in value of sales in non-EU countries was 5.9%, for an estimate of approximately 3.4 billion euro lower than France (+9,8% more than 4,8 Billion €) Spain (+9,7%), Australia (+12%) e Cile (+7,2%).

It follows a virtuous path of growth (+33% in extra-EU countries in the last 5 years), but elements that contribute to a growth crisis are stressed: average price in stagnation (2,77 euro/liter- +1,5 on 2016 for Italy and 6,07 euro/liter- +3,1% on 2016 for France), weakness in fast-developing markets such as the Asian ones, phase of reflection in the USA.

According to the annual survey carried out by Mediobanca in 2018, in Italy, seven companies recorded an increase in revenues of more than 10%. These are La Marca (+ 30.7%), Farnese (+28%), Ruffino (+ 15.5%), Enotitalia (+ 14.5%), Conti (+14.1%), Fratelli Martini (+ 13.3%) and Mezzacorona (+ 13.1%).

Overall, the survey suggests a significant growth (+ 6.5%) of the turnover of Italian wineries, thanks to an increase in domestic sales (+ 5.2%), and, above all, to good export results.

Shipments over the border have increased by 7.7% overall, with peaks of 21.2% for those towards Asian markets and 20% for those towards South America.

Mediobanca also saw an increase in investments (+ 26.7%) and employment in the Italian wine sector (+ 1.8%).

**At regional level**

Based on Data Assovini – Unicredit, in 2016, in terms of percentage weight, the main export markets of Sicilian wine are: US (18.6%), Germany (16.7%), UK (9.4%), Switzerland, Sweden, Canada, France, Japan, China, Russia. US and China are the countries where exports show the highest growth.

The ISTAT data on export performance by region shows, for the period 2014-2017, an increase in the export of Sicilian wines of +30% (from 98 to 127 Meuro) 12.

### 2.4.2 Effects of the promotion measure on the reputation of EU wines

#### 2.4.2.1 Synthesis of the interviews

**IQ 3.1 What are the EU wine products benefiting from the best reputation abroad?**

According to Local interbranch organisations, Wine industries and wine growers cooperatives, Wholesalers it depends on the country: there are some very popular names like the Pinot Grigio (wine grape variety) or Prosecco (PDO) in North America; some regions have a well-established reputation (e.g. Toscana, Veneto), other like Sicily are growing (Sicilia PDO) and so the origin could be an important element. In China for example the wine is red and French because French have worked a lot on information in relation to the quality of their wines.

Indeed, also for Local interbranch organisations as Consorzio PDP Sicily, at the moment it seems that brand names are more important than quality expressed by PDO and PGI.

Furthermore, as national representatives of wholesalers poitend out, in Italy, unlike in France, every region and provinces are considered suitable for viticulture and there are a lot of PDO and PGI: almost all Italian terroir become DO and this message can be destructive.

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11. Mediobanca 2018. Indagine sul settore vinico. The survey was carried out with the aim of tracing the management and equity trends of the main Italian wineries and based on the analysis of the aggregate volumes for the period 2012-2016, integrated with the forecasts of the companies regarding the pre-final data for 2017.

IQ 3.2 Did the promotion measure contribute to strengthen the reputation of the national wines?
At national level the common opinion of stakeholders is that the measure had certainly contributed to strengthening the reputation of the national wines, but a good reputation does not always correspond to a high value.

At regional level the most important representative association of player (Assovini e Consorzio DOC Sicilia) agree with the very positive contribution of the actions to strengthen the reputation of the regional wines, both by improving the perception of the quality of regional production and strengthening the link with the regional territory.

IQ 3.3 Apart from the NSP, were there any other factors that could have impacted the reputation of national wine products abroad?
In the case of Sicily, as local interbranch organisations says, abroad there is a lack of knowledge of the importance of viticulture in the Region.

2.4.3 Effects of the promotion measure on wine companies’ income

2.4.3.1 Synthesis of the interviews

IQ 3.4 Are there spill-over effects of the promotion support on wine producers’ income?
At national level growing exports to third countries (Canada, China, South East Asia) is observed despite very strong competitors such as France. (ASTI sparkling wine has managed to enter the Chinese women’s market). The contribution of NSP is positive and when the measure was not promptly implemented as in the last year (2017) sales slowed down.

While all interviewees agree on the positive dynamics of exports thanks also to a repositioning on markets, doubts are expressed about the increase in value of production.

Compared to more than 16.000 operators who have made wine movements, the success of Italian exports is based on a maximum of 100 Italian operators and on 15 between PDOs/PGIs: this means that the success is the combination of some territories and some companies.

The rate of growth of volumes does not yet correspond to a well-matched speed of growth in value and this happens in a context in which consumption dynamics are more or less constant over time and areas where consumption is developing are those in which Italian companies risk to be always losers when competing on volumes.

Also in Sicily, producers (industries, cooperatives and small wineries) state positive effects, especially thanks to the promotion of the PDO Sicilia by the consortium: in the case of large group (Mezzacorona) has been reported that the promotion activities were one of the factors that allowed them to increase the sales of the Sicilian product and the price point too and became market leader inside the group in some markets as the US and Japan.

Both the Consortium PDO Sicilia and the Association of producers Assovini, which group the main players in the sector (and which play a driving role) argue that the companies participating in the actions they organized recorded a significant increase in exports of the two denominations associated with Sicilia PDO (Nero d’Avola e Grillo) in the United States and China, countries where actions are increasing the image and overall reputation of Sicily as a wine region.

On the basis of the information provided, the companies associated with Assovini have increased the total share of the volumes exported from 50% to 70%.

Among the factors that have limited the effectiveness of the support, it is possible to mention:
- criteria concerning the aggregative component of small and micro companies and new beneficiary/ies pushed to the constitution of temporary business associations not always able to carry out actions that followed the stipulation of stable and continuous contracts. The priority given to new aggregations reduces marketing pressure and therefore the effectiveness of investments: a selection criterion based on the increase in value of production would have been more appropriate.
- the maximum percentage of public contribution 50% and the criterion to request for less than 50% had restricted access to social cooperatives.
- criterion as new markets contradicts the economic assumption that the allocation of resources must be concentrated in the segments with the highest multiplier effect; if the producers gain positions in competitive high density market, the fact that it is not possible to return to those markets goes in favor of all non-European production.
IQ 3.5 Were there any other factors that could have impacted the wine producers’ income?

Representatives of the sector, industry unions as well as some wine industries underlined that the allocation decided at national level, 70% regional and 30% national projects, limits the financing of larger projects – that could increase the value of Italian wine as a whole and would benefit the whole wine sector – while the value gap of the Italian supply chain is still enormous compared to the direct competitors. In addition, in order to recover competitiveness and consolidate the conquered markets, it is necessary to promote aggregation and not to weaken companies with strong and recognizable brands.

Opinion of local representatives of producers is that what is needed to consolidate the conquest of a foreign market, in addition to the relationship with the customer, is a detailed information action, appropriate to the target audience: in China, for example, where wine is identified with the French one, it would be appropriate to make a promotion on Italian wine. In the US, where they already know Italy as a good wine producer country, it would be better to use the promotion for Denominations as it is difficult to explain the great Italian biodiversity13.

Another critical factor reported by producer associations and interbranch organisations, which may have a negative impact on income, is the delay with which Agecontrol carries out administrative ex-post controls, which causes a delay in the release of the guarantee/insurance policies that are a cost for wine producers and have an impact on their financial statements (even more than two years from the end of the project).

National and local representatives of the sector point out that information policies related to the harmfulness of alcohol use are in contradiction with those that promote the awareness of use of wine.

2.4.4 Additional benefits or negative effects in third countries generated by the support for promotion

2.4.4.1 Synthesis of the interviews

IQ 3.6 Are there any additional benefits or negative effects arising from the promotion operations implemented in third countries?

As said in I.Q 3.5 based on information by local representatives of the sector and interbranch organisations, the negative effects concern the delay with which Agecontrol carries out administrative ex-post controls, which have an impact on their financial statements.

2.4.5 Conclusion of the expert on the effects of the promotion measure

Promotion Measure has substantially contributed to generating the expected effects: in fact among other results, there is also a significant increase in the exports of the brands associated with the Sicily PDO and in third countries, in particular the United States, Canada and China, the image of Sicily is emerging as a region producing good wine.

Smaller firms could benefit from the action carried out by Sicilia consortium and by Assovini association which groups both highly-structured companies with a strong drive towards internationalization and bigger cooperative groups. Several producers have improved market orientation implementing further collective communication/commercial activities by using private funds. Specific further investments are necessary to improve marketing competences of regional wineries.

Indeed, in some cases, temporary business associations established to have access to the measure thanks to the data scores on the criterion, have not always proved able to carry out actions that followed the stipulation of stable and continuous contracts.

To consolidate the conquest of a foreign market, in addition to the relationship with the customer, it is needed a detailed information action, appropriate to the target audience.

13 In Italy (see Veneto case study) this measure has been implemented to promote companies (labels) rather than strong and recognizable names and this has split the intervention by putting companies of the same territories in competition. For that the promotion of “Sicily PDO” seems a more successful strategy.
Table 14 Measure Promotion in third countries: criteria and quantitative indicators (by year)

<table>
<thead>
<tr>
<th>STRATEGIC OBJECTIVES</th>
<th>INDICATORS</th>
<th>QUANTITATIVE OBJECTIVES</th>
<th>Realized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve the sector’s competitiveness, including through groupings</td>
<td>Assessment of the development of the image of Italian wines in third countries (trends in trademarks, the renown of denominations, etc.)</td>
<td>100 projects</td>
<td>National Authorities will quantify all the indicator at the end of programme</td>
</tr>
<tr>
<td>Exploit the value of products with designations of origin and geographical indications and specific recognised types of product.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Encourage penetration into new markets or emerging countries</td>
<td>Comparison with the export trends of the main competitor countries and the world average (value/volume)</td>
<td>30% of projects carried out exclusively on new markets or in emerging countries</td>
<td></td>
</tr>
<tr>
<td>Encourage the penetration of Italian grapevine products in traditional markets</td>
<td>Trend in the % of experts as compared to the previous year (value/volume), broken down into non-sparkling and sparkling wines</td>
<td>60% of projects with actions in traditional countries</td>
<td></td>
</tr>
</tbody>
</table>

Source: NSP Italy

2.5 Efficiency of the management of the NSP

2.5.1 Achievement of the technical targets of the NSP

At national level:

Table 15 Rate of achievement of the foreseen expenditures per measures

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion</td>
<td>81%</td>
<td>92%</td>
<td>90%</td>
<td>80%</td>
</tr>
<tr>
<td>Restructuring &amp; conversion</td>
<td>105%</td>
<td>114%</td>
<td>117%</td>
<td>115%</td>
</tr>
<tr>
<td>Green harvesting</td>
<td>12%</td>
<td>14%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Harvest Insurance</td>
<td>132%</td>
<td>100%</td>
<td>100%</td>
<td>152%</td>
</tr>
<tr>
<td>Investment</td>
<td>140%</td>
<td>101%</td>
<td>106%</td>
<td>114%</td>
</tr>
<tr>
<td>By product distillation</td>
<td>90%</td>
<td>83%</td>
<td>60%</td>
<td>55%</td>
</tr>
</tbody>
</table>

Source: DG Agri, March 2018

- **Restructuration and conversion**: According to the implementation report of the financial years 2016/2017, the results of the measure restructuring and conversion of vineyards confirmed the interest of operators in adjusting their production potential. The number of beneficiaries (6,675) decreased slightly compared to the previous financial year (2015/2016), for an area eligible for aid of 12,885 hectares, slightly down (in 2015/2016, 15,258 ha and in 2014/2015 13,828 ha).

- **Green harvesting**: there is a sharp drop in interest in the measure starting in 2012. In 2015/2016 the expenditure was quite limited (around 1,300,000 euro). This was slightly above the levels of the three previous years (around 860,000 euro in 2013/2014 and EUR 900,000 in 2014/2015), but significantly lower than in 2011 (almost EUR 24 million). In particular, 365 hectares of vineyards were subjected to green harvesting in 2015/2016 (13,778 hectares in 2011) and only three regions, Campania, Apulia and Calabria, all located in Southern Italy, paid an aid for this measure. According to the implementation reports of the financial years 2015/2016 and 2016/2017, given that production levels in recent years have been slightly lower than the national average, the limited use of the measure is in line with the fact that there is no need to eliminate production surpluses.
- **Harvest insurance**: in the financial year 2015/2016, the expenditure was around 20.000.000 euro (equal to the programmed financial allocation), a total of 12.980 producers were involved, with a total of 24.401 insurance certificates and over 10 million quintals insured. In the subsequent financial year (2016/2017) the expenditure was higher than the programmed financial allocation (around 26.500.000 euro), a total of 13.686 producers were involved, with a total of 29.200 insurance certificates and over 10,2 million quintals insured. The recourse to the measure mainly occurs in the north of Italy, where there is a greater risk of adverse weather events.

- **Investments**: in the financial year 2015/2016, the regions that used it the most were Sicily, followed by Veneto and Piedmont. In the financial year 2016/2017, the regions that used it the most were Sicily, followed by Veneto, by Emilia Romagna and Abruzzo.

- **By product distillation: the use of the measure has been increasing**: in the financial year 2015/2016, by-product distillation allowed the elimination of 4,9 million quintals of marc and lees, with a production of over 167.000 hectolitres of raw alcohol. In 2016/2017, the measure allowed the elimination of 5,6 million quintals of marc and lees, with a production of over 187.000 hectolitres of raw alcohol.

### At regional level:

<table>
<thead>
<tr>
<th>Table 16: Sicily - Rate of achievement of the foreseen expenditures per measure at regional level</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>--------------------------</td>
</tr>
<tr>
<td>Promotion</td>
</tr>
<tr>
<td>Restructuring &amp; conversion</td>
</tr>
<tr>
<td>Investment</td>
</tr>
</tbody>
</table>

Source: Ministero Politiche Agricole Alimentari e Forestali, Dipartimento delle Politiche europee e internazionali e dello Sviluppo rurale, Direzione Generale delle Politiche internazionali e dell’Unione europea - Piue VIII

The measures with greater rate of achievement are those for which the territory has expressed the greatest needs; on the RC measure, for example, also in the last call for proposals that was the "less popular" there were 1.400 applications (4.000 ha), of which 1.050 eligible for a budget that can satisfy, for now, 700 applications. At the end approximately 900 applications will be funded for an area of 3.000 ha.

Nevertheless, the effectiveness of the expenditure, even if high, does not reach 100%, either because relations with the PO are critical, or because the region does not allocate its own resources as other regions do.

Furthermore, there are also beneficiaries that do not carry forward the application and therefore regional authorities find themselves with sums in surplus.

The promotion measure, on the other hand, had less success, below expectations; there are always savings (this year for example 2 MEURO): probably also because of the low co-financing rate that has not encouraged the cooperative, even the most solid in the region.

#### 2.5.2 Selectiveness of the management procedures

<table>
<thead>
<tr>
<th>Table 17: Main criteria/procedure(s) ensuring the relevance of the selected applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion</td>
</tr>
<tr>
<td>Restructuring &amp; conversion</td>
</tr>
<tr>
<td>Green harvesting</td>
</tr>
<tr>
<td>Harvest Insurance</td>
</tr>
<tr>
<td>Investment</td>
</tr>
<tr>
<td>By product distillation</td>
</tr>
<tr>
<td>Innovation</td>
</tr>
</tbody>
</table>

Source: Regional and National Authorities, National and regional legislation

The criteria are those adopted by the conference state regions. The areas with high environmental value are preferred (which the Sicily region has chosen to set up in substitution of the "reserves": Etna, Pantelleria, Malvasia Lipari, etc. foreseen in the previous programs); moreover, in order to guarantee optimal phytosanitary conditions, re-implantations performed after 3 years from the removal are rewarded.

It was also intended to reward the all supply chain with scores for those demonstrating to pack at least 50% of production in the territory and the members of the social cellars for which a separate score is foreseen, replacing the pre-existing collective project that was no longer proposed.
2.5.3 Description of the management procedures of application files

Promotion measure:
The measure is managed both at national level and at regional level according to the type of project. The measure is triggered annually through calls for proposals. Ministry and regions are in charge of the selection procedure and payments according to the type of project. Applications are presented to Regions. Regional authorities send to the Ministry and AGEA the final list of the projects eligible. AGEA carries out the controls before stipulating the contracts. Finally AGEA stipulates the contracts with beneficiaries. AGEA is also in charge of controls.

Restructuring & conversion:
Restructuring and converting vineyards is a measure implemented at regional level. It is triggered annually through a call for proposals. Applications are presented to the CAA14 (Centri di Assistenza Agricola) or by authorized technicians to use the on-line functionalities made available by AGEA. Agricultural inspectorates responsible for the territory at the conclusion of the preliminary phase and on the basis of the assigned scores, insert the projects in a list that are then communicated to the Dipartimento Regionale dell'Agricoltura – Servizio 2 Interventi relativi alle produzioni agricole e zootecniche – U.O. S2.02 "Interventi per l'OCM Vitivinicola.
AGEA makes payments and controls.

Green harvesting
In the period 2014-2018 the Measure has not been implemented in Sicily.

Investment measure:
It is a measure implemented at regional level. It is triggered annually through a call for proposals. Applications are presented to the CAA (Centri di Assistenza Agricola) or by authorized technicians to use the on-line functionalities made available by AGEA. Agricultural inspectorates responsible for the territory at the conclusion of the preliminary phase and on the basis of the assigned scores, insert the projects in a list that are then communicated to the Dipartimento Regionale dell'Agricoltura – Servizio 2 Interventi relativi alle produzioni agricole e zootecniche – U.O. S2.02 "Interventi per l'OCM Vitivinicola.
AGEA makes payments and controls.

Harvest Insurance:
The aid for applications funded by the resources of Article 49 of Regulation (EU) No 1308/2013 is be paid by AGEA while the aid for applications financed with the resources of the sub-measure 17.1 of the PRSN is paid by Agea.
Applications are submitted to the competent paying agency each year. Applicants may only be submitted electronically.

By product distillation:
Applications are submitted to the paying agency in accordance with the procedures and deadlines set by AGEA.

2.5.4 Data on workload linked to the NSP implementation

<table>
<thead>
<tr>
<th>Workload in Full-time equivalent (FTE)</th>
<th>Other cost (premises, IT, equipment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National authorities n.a.</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

14 The CAAs are private subjects to whom AGEA delegates the tasks of preliminary screening of farms files; the CAA, after the written mandate of the company owner, prepare, validate and send to the paying agencies, the requests for the provision of incentives, aids and allowances. The CAA have the task of managing the company file in the system of the Registry of agricultural holdings, a computerized archive located in the regional network containing the personal data relating to all subjects, public or private, even non-entrepreneurial, who want interact with the PA in the agricultural sector.
2.5.5 Synthesis of the interviews

2.5.5.1 Questions related to the effects of the financial parameters

IT 2.5 Compared to a budget that would have been managed on a 5 years period, have the yearly management of the NSP's budget fostered an orderly implementation of the measures on all the duration of the programme?

There is a broad agreement among the interviewed (beneficiaries and regional authority) regarding a more effective public spending under the yearly management system. Beneficiaries find a big difference in the speed of procedures between NSP and RDP, finding for the latter instrument such inefficiencies as to discourage their access.

However, as the regional authority points out (and as reported in IT 2.9), the orderly implementation of measures have suffered from some criticalities due to the lack of workforce.

IT 2.7 Have the yearly management of the NSP's budget fostered/hindered the selection of the more relevant applications? Have it been an obstacle to the support of multiannual projects or structuring projects?

The selection procedure of the projects (main the adoption of specific priority criteria) guaranteed the relevance of the operations supported.

There were actually fraud attempts that were nevertheless discovered in time.

IT 2.9 Have the yearly budgetary limits created a specific workload, related in particular to the need to close the budget each year?

At national level, the management of the program requires a considerable amount of bureaucratic obligations attributable to the following factors:

- the financial mechanism of the program foresees on the one hand a strict deadline for the expenditure of the annual financial allocation (to be carried out by the end of the corresponding financial year, i.e. by October 15th, excluding any carry-over of residual availability to subsequent years), and on the other hand strong constraints concerning possible modifications to the contents of the program (it is possible to intervene only twice during the year and the last time by 30 June, therefore at a very early stage in respect to the end of the financial year).
- It should also be considered that at the moment of the budget allocation among the different measures chosen, it is impossible to ensure the correspondence between actual expenditure and expected expenditure as it is not possible to foresee the effective adhesion of producers to the measures. Moreover, the program contains measures, i.e. the green harvest and the restructuring for phytosanitary reasons, whose activation is linked to unexpected exogenous factors (market trend). It is not possible to take into account the changes to be made to the eligible expenditure following the results of the checks.
- The complexity of the reporting foreseen for the support program is often excessive and has no real monitoring value.

For the regional authorities, the annual management has increased the critical issues linked to the lack of personnel; the single wine text including distillation, authorization of distillation factories, etc ... is all under the responsibility of the OU (Unità Operativa).

The cost aspect is very critical, both due to the lack of technicians adequately supplied to manage control tools (gps); the average age of administrative staff is over 50 years; controls are carried out by the provincial inspectorates which, taking into account the territorial needs, can be more or less structured (for example in the Trapani inspectorate, where 60% of the regional viticulture is concentrated, the staff is greater, while in Palermo it is undersized: 5 people). Even at central level, the OU is made up of only 5 people, one of which is in charge of the secretariat and each year the OU manages about 45 MEURO (200 MEURO for a programming cycle). Young resources should be introduced.

In reality, the OU should be a service grouping both the promotion and the part related to PDO and PGI.

IT 2.6 Have the absence of obligatory co-financing facilitated the access to support for beneficiaries? Please give details per measure.
Surely because it has guaranteed the timely granting (within the year) of the contribution.

**IT 2.10 Have the absence of obligatory national co-financing facilitated the management of the funds at the level of the managing authorities?**

Yes; the advance of 80% for the Restructuring and conversion allows a greater efficiency of the expenditure that allows to compensate in balance the eventual economies that therefore can be put back in the circuit.

**IT 2.8 Did the absence of obligatory national co-financing encourage the Member State to reach the EU budgetary limit, financing sometimes less relevant operations?**

No. It didn’t happen

### 2.5.5.2 Questions related to the overall effectiveness of the programme

**IT 8.1 Have the traceability of the expenses been improved compared to the previous programming period? If so, how?**

Based on the information collected, no significant changes are detected

**IT 8.2 How do beneficiaries demonstrate their actual need of EU support, and that normal operating costs are not financed by the EU budget?**

See I.Q 8.4

**IT 8.3 Do you think that the measures have supported actions that would have been carried out anyway (without the EU support)?**

Widely shared opinion is that without the EU support the rate of varietal conversion and restructuration of the vineyards would not have been the one registered with the support; investments would have been realized to a much lower extent and only by companies with greater liquid assets; the promotion actions would have been less important, based on the financial resources of the consortia and business associations.

The Sicily PDO Consortium in order to enlarge the number of beneficiaries and to meet ones that really need to make the investment, has requested to increase the share of private co-financing.

**IT 8.4 How do you make sure that the costs of the supported operations correspond to the market prices for similar operations?**

National and regional control system related to NSP implementation is described in paragraph 6.2.3.

As regional authorities report for restructuration and conversion coast are established on the basis of the regional price lists.

For investments measure three estimates are required and companies supplying the services issue a substitutive declaration certifying that the prices are in line with market prices: the non-truthfulness of this declaration gives rise to legal actions.

The control in the preliminary phase allows to detect anomalous cases: in ex post checks (carried out on 100% of documents and projects) the prices are compared with those detected by the manufacturers.

### 2.5.6 Opinion of the expert

- **Effects of the financial parameters**

<table>
<thead>
<tr>
<th></th>
<th>POSITIVE EFFECTS</th>
<th>NEGATIVE EFFECTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yearly budgetary limits</td>
<td>For beneficiaries, certainty of the payment within the expected time frame</td>
<td>Criticalities due to the lack of workforces</td>
</tr>
<tr>
<td>Absence of obligatory national co-financing</td>
<td>For regional authorities, speeding up spending</td>
<td>none</td>
</tr>
</tbody>
</table>

- **Relevance of the selected application and risk of deadweight**

For the restructuring measures the relevance is ensured by the selection criteria aimed to improve quality and performances giving priority to growers who give grapes to winery that bottle.

Also for the investment measure priority was given to the companies that close the cycle through bottling.
The risks of deadweight seem very low because co-financing and bureaucratic obligations discourage growers and producers not seriously motivated by business reasons.

- **Good practices set at Member State and/or regional level ensuring the justifiability of the expenditures:**
  - The practices fall within the norm.

### 2.6 Coherence of the NSP

#### 2.6.1 Coherence of the objectives of the NSP with other EU/CAP objectives

**2.6.1.1 Synthesis of the interviews**

IQ 12.1 According to you, are the objectives of the NSP coherent with:
- the EU overall objective of environmental sustainability?
- the EU overall objective as regards public health and prevention of harmful alcoholic use?
- the EU overall objective of balanced territorial development?

There is a good coherence with regard to the EU objectives of environmental sustainability and balanced territorial development.

#### 2.6.1.2 Identification of measures with similar objectives

**Figure 4: Demarcation criteria between NSP and RDP:**

<table>
<thead>
<tr>
<th>Wine NSP measure</th>
<th>RDP</th>
<th>Demarcation criteria with RDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restructuration and conversion of vineyards</td>
<td>Measure 4.1. “support for investments in agricultural holdings”</td>
<td>The measure is exclusively financed under the NSP measure except for vineyards authorized under art. 63 “Safeguard mechanism for new plantings” and art. 64 “Granting of authorizations for new plantings” of Reg. (EU) 1308 and</td>
</tr>
<tr>
<td>Investments</td>
<td>Measure 4.2. “Investments for the processing and the marketing of agricultural products”</td>
<td>The measure is exclusively financed under the NSP measure except action within the “young farmers package” the renovation and/or extension of buildings used for holding cellars, including the purchase of machinery and equipment for processing grapes and for wine making.</td>
</tr>
<tr>
<td>Promotion</td>
<td>Measure 3.2. “Support for information and promotion activities carried out in EU market”</td>
<td>Territorial approach</td>
</tr>
</tbody>
</table>

**2.6.1.3 Synthesis of the interviews**

IQ 13.1 According to you, are there synergies/complementarities between the NSP measures and:
- the corresponding measures in the RDP?
- the corresponding measures contained in the horizontal regulation on promotion measures of agricultural products?
- the corresponding measures contained in other EU policies?

According with National authorities the horizontal regulation on promotion measures has been used to activate the information actions thus replacing the corresponding measure of the NSP.

Exist a good level of synergies between restructured ad investments measures implemented in Sicily and RDP: the two tools can be considered as complementing each other.

Measure 4.1 of RDP supports investments for mechanization where the restructuring of the vineyards of NSP was mainly aimed at mechanization.

Measure for restructuring of NSP gives priority to farmers with organic areas where Measure 11 supports organic farming. Many investments in wineries have also been integrated by the introduction of renewable energy production systems supported by measure 4.2 of RDP.

With measure 6.4 farmers can diversify agricultural activities and it’s possible to create tasting points.

The economically most robust companies also use measure 3.2 to promote in Italy and in Europe Sicily wine but synergie with this measure, as Interbranch organisations a producers association report, are hindered by
the different timing and procedures of the two instruments. In addition, the territorial approach of demarcation (only in Italy and Europe) permit to avoid overlapping.

The procedures of the RDP are much more complex and slow; expenses can not be anticipated so the access is difficult for smaller companies or for food and wine associations that could implement projects to support the wine sector.

On the other hand, one of the sectors that is having the most access to the measures of the RDP 3.2 is precisely the wine-growing sector where financial resources and access to credit are greater, thanks also to greater financial solidity of some production companies.

IQ 13.2 Is the risk of overlapping avoided?
There are no problems of consistency or overlapping between wine CMO measures and rural development measures.

IQ 13.3 Did you benefit from Rural Development Programme measures? If yes, which one(s)?

Wine industrie, wine growers cooperatives and wineries interviewed confirmed they benefited of RDP in the way described in I.Q 13.1.

2.6.2 Conclusion of the experts on the coherence of the NSP
There is a substantial coherence with regard to the EU objectives of environmental sustainability and balanced territorial development.
In relation to RDP objectives thanks to clear demarcation between measures, the two tools can be considered as complementing each other.

2.7 Relevance of the NSP
2.7.1 Analysis of the needs of the sector

Table 18: SWOT analysis of the wine sector

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grape varieties (local and international);</td>
<td>Structural weakness of most farmers and wineries</td>
</tr>
<tr>
<td>favourable natural conditions (climate, soil, etc.) also for adoption of organic method</td>
<td>Predominance of the sale of bulk wine</td>
</tr>
<tr>
<td>long tradition of grape growing and wine production;</td>
<td>Low remuneration of grapes</td>
</tr>
<tr>
<td>quality of wine.</td>
<td>lack of knowledge of regional production in third countries</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPPORTUNITIES</th>
<th>THREATS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presence of structured companies with a strong push towards internationalization</td>
<td>Strong competions on international markets, especially Australian and South African wines (Cogea Case Study 2011)</td>
</tr>
<tr>
<td>Positive dynamics of cooperative aggregation</td>
<td>Logistics fragility (RDP 2014_2020)</td>
</tr>
<tr>
<td>Increasing consumption of quality wines on the national territory</td>
<td>Lack of human resources with strong marketing and commercial skills [interviews]</td>
</tr>
</tbody>
</table>

Source: own elaboration, based on the main sources used

The main needs of the sector are the following, in that order:
1. Support the dynamics triggered with the recognition of the PDO Sicily
2. Continue with the restructuring and conversion of the vineyards to allow timely adaptations to market demands and the increase in PDO surfaces
3. Support process and product innovations in particular to enhance wines of native varieties
4. Encourage product concentration processes, cooperative aggregations and system actions
5. Increase share of packaged product to create greater added value
6. Stimulate Innovations for the exploitation of by-products
2.7.2 Synthesis of the interviews

IQ 15.2. From your point of view, are the NSP measures suited/well designed to address the need of the wine sector at the EU level? national level? At regional level?

Overall, interviewees stated that the national support programme is suited to address the needs of the wine sector but pointed out that the activation of the investment measure, could/should also assist the national/regional supply chain to compete more effectively.

Indeed, both national representatives of the wine sector and industries (especially the bigger one) challenge the logic underlying the design of the measures that seems more oriented towards guaranteeing “at least one drop at all”, rather than strengthening the competitiveness of the system.

At local level regional authorities and interbranch organisations report that the measures are drawn up with a participatory approach involving the main stakeholders of the supply chain. Consultation with the region has made it possible to tighten the access to the growers and wineries who bottle the product to increase the added value.

Indeed, wine cooperatives and industries beneficiaries confirm that the measures are consistent with the needs of the sector because they have avoided the emergence of new economically unsustainable wineries and have rewarded reorganization and technological improvements.

IQ 15.3. How did the increase of the NSP budget in 2014 impact the management of the NSP?

No significant elements are noted in this regard.

IQ 15.4. Are the budgets on each measure appropriate to address the needs of the sector?

Based on the report of National and regional Authorities, the contribution threshold has been reduced in order to increase the number of beneficiaries.

National representatives evaluate positively the increase in the budget assigned to the Measures for Investments and Promotion (from 45 to 60 Meuro) but in relation to the Promotion Measure, the allocation decided at national level of the quota 70 (Regions) / 30 (Italy) limits the financing of larger projects, where one of the greatest needs is to support the Country System and the strongest names also with a view to favoring small producers.

In Sicily, the concertation between region and stakeholders allowed to adapt the design of the investments measure (limit of eligible expenses and resources allocated) to the actual needs of the sector.

Concerning promotion measure, beneficiaries said that the 50% contribution has probably limited the access of the cantine sociali.

IQ 15.5. From your point of view, can the NSP and the scheme of authorisation allow for the development of the wine production and consumption?

Pointing out that the activation of the scheme, in the next future, could/should assist the regional supply chain to compete more effectively, regional authorities and interbranch organisations consider to introduce Criteria of priority that reward the most suitable areas (even if in Sicily there is not a load of vocationality) and the productions for bottling.

IQ 15.6. From your point of view, are those schemes needed to maintain the supply/demand balance?

Stakeholder point of view at regional level is that those schemes are needed to maintain the supply/demand balance and to prevent the reduction of the regional wine-growing potential.

2.7.3 Opinion of the expert

The national support programme is suited to address the needs of the wine regional sector because the measures are drawn up with a participatory approach involving the main stakeholders of the supply chain, which strengthens the coherence between the budget spend on each measure and the actual needs of the sector.
Activation of the investment, restructuring and conversion measure and promotion assist the regional supply chain to compete more effectively.

2.8 EU added value and subsidiarity

2.8.1 Synthesis of the interviewes

IQ 17.1. In your opinion, what would have been done (/how would have the wine sector been supported) at national or local level, in the absence of the EU NSP?

Based on the opinions collected at all level, without support the smaller farms and companies would not have been able to face restructuring and conversion investments. The observed rate of varietal conversion of the vineyard (3% on average) and the level of modernization achieved at the regional level would hardly have been achieved.

Without support, investments would have been made only by the most structured companies with sufficient liquid assets and access to credit and, inter alia, to a lesser extent than what was possible: this in particular for the Promotion investments, as pointed out by interbranch organisations (Assovini and Consorzio Sicilia DOP).

IQ 17.2. From your point of view, did the fact that the support was provided to the wine sector in the framework of EU regulation create an added value? i.e.

- it results in more effectiveness than if actions would have been carried out at national level only?
- it is more efficient than actions that would have been carried out at national level only?
- it creates more synergies between instruments and policies than actions that would have been carried out at national level only?

EU regulation creates a homogeneous context in relation to the forms of support and their application at the level of all European countries and, in agreement with the national authority, the NSP has provided not only financial instruments but also intervention strategies at the sector level (vineyard retraining) that have been integrated at national level, with the promotion policies of the made in Italy.

Due to the Italian public debt, imagining only national public support would be absolutely penalizing. However, National representatives of the wine sector point out that an overall industrial vision of the wine system has been lacking and the NSP has been solved in a multiplicity of interventions that at the global level did not generate the expected added value.

At local level, the widely shared opinion is that the support granted under the EU framework is more efficient than actions that would have been carried out at national level only.

IQ 17.3. Do you know of any specific cases in which a lack of flexibility in the EU framework has hindered the added value of the programme?

There is a general consensus in highlighting the restrictive interpretation of the Regulation regarding the duration of promotion actions that severely limits the access of those who have already benefited: this rule strongly penalizes the larger groups that still constitute a tow even for the little ones. The market by its nature is frequented by important groups.

IQ 17.4. Would you have any proposal of improvement in the sharing of responsibilities between EU and Member States:

- Regarding the design of the measure?
- Regarding the implementation of the programmes?

No proposals have emerged in Sicily. The most significant elements collected in this regard concern the promotion measure and the authorization system and have been addressed in various responses.

2.8.2 Conclusion of the expert

NSP measures are suited to address the need of the wine sector at national and regional level and the proof is that the efficiency in spending is very high both at national and regional level. It is significant that national and representatives of the cooperative world hope to extend this type of support to other sectors, and in Sicily all representatives of sector and producers would like the sector to be supported only with the CMO.
The implementation of NSP has allowed a considerable number of regional producers to consolidate the development of strategies with focus on a better management of the winemaking and marketing costs also in combination with the RDP.

NSP has well supported cooperative aggregation, concentration of the product, diversification and repositioning of operators from medium to premium wines (PDO Sicilia).

Without support, the rate of varietal conversion of the vineyards and the level of modernization achieved at regional level in the transformation and bottling processes observed would be difficult to achieve.

There is a substantial coherence with regard to the EU objectives of environmental sustainability and balanced territorial development.
3. THEME 2: SCHEME OF AUTHORISATIONS OF VINE PLANTINGS

3.1 Synthesis of the literature at national level

The scheme of authorisations of vine planting assigns to the Regions a reference role in the management of the vineyard potential.

The available area (1%) is calculated in percentage ratio with regional potential area; to individual applicants the available area is allocated proportionally to the requested and eligible area.

The system has shown many critical and elusive phenomena: many farmers, in 2016, deliberately required much larger areas than they could get (even hundreds of hectares, with short-term rental contracts), well knowing that - with the pro-rata criterion - they would receive a significantly lower allocation.

Moreover, the pro-rata criterion has allowed "non traditional vine growers" with large areas required, creating a distortive mechanism.

The changes adopted in 2017 and 2018 (MD 527 del 30/1/2017 and MD del 13/2/2018) aimed to correct these distortions through the introduction of constraints as follow:

- the obligation to maintain the vineyard implanted for at least five years;
- the grubbing up of the vineyards planted with new authorisation, before the expiry of the five years from the date of planting, does not give rise to re-planting permits;
- maximum threshold of 50 hectares for each application (which may be further reduced by the individual Regions);
- minimum quota of between 0.1 and 0.5 hectares to all applicants, in the event that the admissible applications are found to be greater than the available area (as has happened in the last two years);
- the possibility to use the acquired rights obtained as a result of vineyard grubbings in land rented in a different Region only after 6 years from the date of registration of the rent.

These changes discourage farmers from requesting authorizations in less competitive regions (such as Umbria or Lazio) and then move the vineyard to more competitive regions, such as Veneto or Friuli.

Therefore, the implementation of the new scheme has seen the contrast between the Central-South Regions and those of the North-East.

The system has determined a national average allocation of 9.5% of the area requested for 2016 and 3.9% for the year 2017 but with strong differences between Regions: in 2016 the Veneto Region was the first in Italy, with applications for 34.677 hectares of new vineyards out of 66.000 hectares required overall on the whole national soil.

In 2017, as review TerraEvita reported and shown in the following table, Authorizations were requested for 165.000 hectares compared to an availability of 6.500 hectares: in Veneto and Friuli, the requests exceed even the surfaces that are currently cultivated.

<table>
<thead>
<tr>
<th>REGIONS</th>
<th>Required surfaces (ha)</th>
<th>Number of applications (N°)</th>
<th>Regional Vineyard area (ha)</th>
<th>Plafond* (1%) (ha)</th>
<th>Grantable surface/h* applications (ha)</th>
<th>Medium surfaces required (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABRUZZO</td>
<td>1.967</td>
<td>706</td>
<td>31.648</td>
<td>316</td>
<td>0,45</td>
<td>2,79</td>
</tr>
<tr>
<td>BASILICATA</td>
<td>364</td>
<td>92</td>
<td>5.023</td>
<td>50</td>
<td>0,54</td>
<td>3,96</td>
</tr>
<tr>
<td>P.A. BOLZANO</td>
<td>236</td>
<td>589</td>
<td>5.433</td>
<td>54</td>
<td>0,09</td>
<td>0,4</td>
</tr>
<tr>
<td>CALABRIA</td>
<td>336</td>
<td>105</td>
<td>10.656</td>
<td>107</td>
<td>1,02</td>
<td>3,2</td>
</tr>
<tr>
<td>CAMPANIA</td>
<td>856</td>
<td>521</td>
<td>24.073</td>
<td>241</td>
<td>0,46</td>
<td>1,64</td>
</tr>
<tr>
<td>EMILIA-ROMAGNA</td>
<td>8.398</td>
<td>1.958</td>
<td>51.451</td>
<td>515</td>
<td>0,26</td>
<td>4,29</td>
</tr>
<tr>
<td>FRIULI VENEZIA GIULIA</td>
<td>29.264</td>
<td>1.571</td>
<td>24.861</td>
<td>249</td>
<td>0,16</td>
<td>18,63</td>
</tr>
</tbody>
</table>

\[15\] Edagaricole 2017. White paper: Impianti viticoli
https://elearning.unite.it/pluginfile.php/56824/mod_resource/content/0/1_monografia_VVQ_15_03_2017.pdf
\[16\] M.D. 12272 15/12/2015
### Synthesis of the interviews- regional level

**IT 11.1** Do you assume that the new scheme of authorisations will impact the structure of the vineyard (in terms of distribution of varieties, type of wine, size of holdings, age structure of the vineyard), at regional level? at national level? Are there already evidences of such effects?

For Regional authorities it's too early to make an evaluation. Probably the validity of the authorization should be extended from three to five years.

Unlike the opinion found in Veneto, regional authorities and interbranch organisation considered very positive the stop to the trade of planting rights and the calculation of share of 1% on regional basis.

However, the opinion is not (obviously) shared by the large groups that operate both in Sicily and on the national territory (es MEZZACORONA), because the scheme as it is now designed represents an obstacle to the adaptation of the vineyard structure to market expectations, as shown in 3.1 This is confirmed by the 2016 and 2017 ratio between demand for new planting authorisations and availability (see table in 3.1).

**IT 11.2** If so, do you assume that the new scheme of authorisations will result in a vineyard structure that will be better adapted to the markets expectations? Are there already evidences of such an effect?

Based on the opinions of beneficiaries and interbranch organisation new scheme will result in a vineyard structure better adapted to the markets expectations because in Sicily the movement of the vineyards is mainly made by private companies with well working wineries and market channels. The market adaptation relies on privates taking the right decisions, and not on the characteristics of the regulation.

**IT 11.3** Do you assume that the new scheme of authorisations will impact the economic value of vineyards? Are there already evidences of such an effect?

In the opinion of all regional respondent the system will **not impact** the economic value of vineyards in Sicily.
3.3 Conclusion of the experts

At regional level the system contributes mainly to preserve the production potential of the region, especially after the last changes aimed to avoiding speculative phenomena in the trade of planting rights.

Sicily is a situation opposed to that of Veneto because in the last years many farmers rented land in Sicily and then used the acquired rights (obtained as a result of vineyard grubbings) in other Regions, enriching their wine heritage to the detriment of Sicily.

Since 2004, Sicily shows a decrease in vineyard area and only in 2017 the trend seems to change: so, unlike Veneto, it is plausible that the share of 1% of available area on regional basis enables an increase of the production potential, while keeping the balance between demand and supply and without generating significant increases in value of vineyards.
# 4. Theme 3: Wine Products Definition, Restrictions on Oenological Practices and Authorised Wine Grape Varieties

## 4.1 Detailed description of the implementation at Member State and regional level

### Table 20: Description of main local specificities in oenological practices and authorised varieties

<table>
<thead>
<tr>
<th>Geographical level for the rule</th>
<th>Type of wine product concerned</th>
<th>Description of the specific rule (compared to EU standards defined in the regulation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Italian PDO</td>
<td>Still wine, sparkling wines</td>
<td>The use of oak chip isn’t permitted</td>
</tr>
</tbody>
</table>

**Authorised wine grape varieties**

<table>
<thead>
<tr>
<th>Region</th>
<th>Type of wine product</th>
<th>Principal grape wine variety</th>
<th>Accessory grape wine variety</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sicilia</td>
<td>White wines</td>
<td>Inizolla, Catarratto, Grillo, Grecanico, e Chardonnay</td>
<td>all white grape wine variety suitable for cultivation in the Sicily region registered in the National Register of vine varieties</td>
</tr>
<tr>
<td></td>
<td>Red wines</td>
<td>Nero d’Avola, Frappato, Nerello Mascalese Perricone and Syrah</td>
<td>all red grape wine variety suitable for cultivation in the Sicily region registered in the National Register of vine varieties</td>
</tr>
<tr>
<td></td>
<td>Sparkling white wines</td>
<td>Catarratto, Inzolla, Chardonnay, Grecanico, Grillo, Carricante, Pinot nero, Nerello Mascalese, Moscato bianco e Zibibbo</td>
<td>all red grape wine variety suitable for cultivation in the Sicily region registered in the National Register of vine varieties</td>
</tr>
<tr>
<td></td>
<td>Sparkling rosé wines</td>
<td>Nerello Mascalese, Nero d’Avola, Pinot nero e Frappato</td>
<td>all red grape wine variety suitable for cultivation in the Sicily region registered in the National Register of vine varieties</td>
</tr>
</tbody>
</table>

## 4.2 Competitiveness distortions due to specific rules on oenological practices

### 4.2.1 Description of competing wines

### Table 21: Specificities oenological practices of main competing wines

<table>
<thead>
<tr>
<th>PDO/PGI wine</th>
<th>Main differences in oenological practices and variety authorised</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU competitor 1</td>
<td>None of the witnesses interviewed reported situations in which the rules on oenological practices generate competitive distortions</td>
</tr>
<tr>
<td>EU competitor 2</td>
<td></td>
</tr>
<tr>
<td>Abroad competitor 1</td>
<td></td>
</tr>
<tr>
<td>Abroad competitor 2</td>
<td></td>
</tr>
</tbody>
</table>

---

**AGROSYNERGIE – Case study report: Italy - Sicily**

Evaluation study of the impact of the CAP measures applicable to the wine sector
4.3 Synthesis of the interviews

4.3.1 Effects of oenological practices on marketing conditions for producers and traders

5.10 Did oenological practices as applied in your Member State/region/PDO-PGI territory help to improve the marketing conditions of concerned wines?

The widespread opinion of interviewees is that the rules are necessary and help to regulate the market. As representant of interbranch organisations said, practices are important for achieving a quality level accepted by the consumer and the rule base looks good. Regional researcher underlines that oenological practices mainly serve to intercept consumers’ tastes: in Japan for example are preferred wines “Rosati” yellow onion coloring, while in US they want Rosati pink tone or red wine with wood notes. The reduction vinification of Grillo enhances the organoleptic characteristics.

IQ 5.11 Were oenological practices as applied in your Member State/region/PDO-PGI area more or less constraining than for main competing wines?

No, they are equivalent. The prohibition of using oak chips isn’t a problem.

IQ 5.12 Are the decisions of the EC concerning the changes in marketing standards taken in a timely manner? Can you provide examples?

National representatives of the sector and largest industrial groups noted that the process of DG Agri has been streamlined and the response is now faster thanks to the dialogue between the EC and OIV.

4.3.2 Effect of oenological practices on the safety and quality of the products

IQ 5.1 How do EU rules on oenological practices contribute to the safety of EU wine products?

The common opinion of the respondents is that the rules are necessary and contribute to regulating the market and food safety.

IQ 5.2 Was there any major safety issue related to EU wine products in your Member State during the last 10 years?

The stakeholders do not mention any major safety issue.

4.3.3 Relevance and added value of specific oenological practices and restrictions on varieties

IQ 14.2 For what reasons were restrictions regarding varieties initially set up?

According to national representatives of the sector and interbranch organization, the restrictions were initially set up to defend national PDO and PGI.

IQ 14.3 Are the initial justifications for restrictions still relevant today?

According to national representatives of the sector and interbranch organization, the initial reason is still relevant.

IQ 14.4 Today, what are the issues at stake regarding the use of varieties in wine production?

The opinion of regional authorities is that it’s important to continue the exploitation of native varieties to characterize the Sicilian product and strengthen the identification with the territory of origin, as it is happening for DOC Etna, strongly connected with the mythology of the volcano.
The production world (including the consortium DOC Sicilia and association Assovini), however, is expressing the need to meet the demands of the market which at this moment are going also to use varieties such as pinot grigio or sauvignon.

Researchers underline that one of the issues at stake is climatic change: the biodiversity available to the region also allows us to recover cultivars that can be adapted to places where vines were cultivated in the past, able to adapt to climate change.

According to interbranch organisations, the introduction of hybrid varieties in perspective can improve aspects such as productivity or environmental sustainability: we must work and make innovation, but we must also bear in mind that viticulture is strongly linked to tradition.

**IQ 16.4 What would be the consequences of applying strictly OIV definitions, rules on oenological practices and rules concerning authorised wine grape varieties in the EU?**

National representatives of the wine sector considered positive the progressive homologation of the EU rules with the rules of the OIV.

In Italy, the OIV rules are already applied and in the production disciplinary rules are more restrictive both in relation to the enology practices and in relation to the use of the varieties.

But there is a need to align the Codex Alimentarius (to which the World Trade Organization refers in commercial disputes) and the OIV by updating the list of additives of Codex alimentarius for wines (narrower than OIV one) and inclusion of practices and additives recognized by the OIV.

**4.4 Comments and conclusions of the expert**

**4.4.1 On the effectiveness of EU rules on competitiveness and quality**

In Italy it recognizes the need and the effectiveness of the rules in order to regulate market and food safety but no significant contribution to competitiveness emerge.

For competitiveness, the most relevant information collected the need to align the Codex Alimentarius (to which the World Trade Organization refers in commercial disputes) and the OIV by updating the list of additives of Codex alimentarius wines (narrower than OIV one) and inclusion of practices and additives recognized by the OIV.

**4.4.2 On the relevance of EU rules and their added value compared to OIV rules**

In Italy the OIV rules are already applied and in the production disciplinary rules are more restrictive both in relation to the enology practices and in relation to the use of the varieties.
5. THEME 4: EU RULES ON LABELLING AND PRESENTATION

5.1 Description of the labelling rules applied at Member State and local level

5.1.1 Description of specific labelling rules applied in your Member State, region or main PDO/PGIs (including restrictions on variety labelling)

Labelling rules applied in Italy are regulated by law no 238/2016 on the “Organic discipline of vines cultivation and of production and trade of wine”.

Mandatory and optional indications for PDO and PGI wines and for wines without a designation of origin are summarized below.

Table 22: Mandatory and optional indications for PDO and PGI wines

<table>
<thead>
<tr>
<th>Mandatory indications</th>
<th>Optional indications (Reg. Ce 607/2009):</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The designation of origin or geographical indication followed respectively by the words “Protected Designation of Origin” or PDO, “Protected Geographical Indication” or PGI, or the related traditional terms used in the country;</td>
<td>1. Grape varieties, only if they represent at least 85% of the varieties used</td>
</tr>
<tr>
<td>2. the actual alcoholic strength by volume;</td>
<td>2. the sugar content;</td>
</tr>
<tr>
<td>3. indication of origin;</td>
<td>3. traditional mentions;</td>
</tr>
<tr>
<td>4. the indication of the bottler or, for the sparkling wine categories, of the producer or seller and, if any, of the importer in the case of imported wines;</td>
<td>4. the community symbols of the PDO / PGI;</td>
</tr>
<tr>
<td>5. the indication of the sugar content, for the sparkling wine categories;</td>
<td>5. UE Logo related to the presence of allergens</td>
</tr>
<tr>
<td>6. the presence of allergens;</td>
<td>6. the community symbols of the PDO / PGI, indications concerning the aging and / or processing method (eg superior, new, etc.);</td>
</tr>
<tr>
<td>7. the identification number and / or lot;</td>
<td>7. References to the production method (fermented in cask, etc.);</td>
</tr>
<tr>
<td>8. the vintage of the grapes, only for DOP wines (Legislative Decree 61/2010);</td>
<td>8. Use of terms such as abbey, castle, fortress, etc. referred to the farm but only if all processing operations take place in the area mentioned</td>
</tr>
<tr>
<td>9. the indication of the quantity;</td>
<td>9. the name of a smaller or larger geographical unit of the delimited area of production of the PDO / PGI;</td>
</tr>
<tr>
<td></td>
<td>10. nutritional declaration (EU Reg. 1169/2011);</td>
</tr>
<tr>
<td></td>
<td>11. further indications.</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 23: Mandatory and optional indications for wines without a designation of origin

<table>
<thead>
<tr>
<th>Mandatory indications</th>
<th>Optional indications</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Name of the product followed Sales name</td>
<td>1. References (name or trademark + address) to other commercial operators involved in the supply chain (eg manufacturer, distributor, etc.).</td>
</tr>
<tr>
<td>2. Alcoholic strength by volume.</td>
<td>2. UE Logo related to the presence of allergens</td>
</tr>
<tr>
<td>3. indication of provenance</td>
<td>3. Vintage of the grapes, only if at least 85% of the grapes come from the same vintage.</td>
</tr>
<tr>
<td>5. References to the bottler (name and / or brand + address).</td>
<td>4. Varieties of the grapes, but only if they belong to the typologies admitted by the Mipaaf, in the Circular of 30/07/09 (Cabernet franc, Cabernet sauvignon Cabernet, Chardonnay, Merlot, Sauvignon, Syrah.).</td>
</tr>
<tr>
<td>7. Indication regarding the presence of allergens</td>
<td></td>
</tr>
<tr>
<td>8. Lot</td>
<td></td>
</tr>
<tr>
<td>9. indication of the quantity</td>
<td></td>
</tr>
</tbody>
</table>

Law 238/2016 has introduced some innovations that may have implications from the point of view of labeling and presentation. These changes will be maintained with the recent Regulation (EC) 273/2018.

- For the protection and classification of designations of origin and geographical indications (Article 43), the text regulates the labelling and presentation of wines with PDOs and PGI, traditional indications and other indications reserved for PDOs and PGI, introducing the novelty of allowing the use of geographical names reserved to a PDOs and/or a PGI. Therefore, in order to indicate the territorial location of the winery or of the vineyards, the name of the Region or Province of another PDO/PGI may appear on the wine label, even if that Region or Province is recognised as PDO or PGI. This is possible provided that such indication is clearly separated from the mandatory
ones and provided that it is reported among the supplementary information related to the history of the wine, the origin of the grapes and processing techniques.

- The introduction of "native italic vine" or "italic vine": in particular only varieties of wine grapes recognised as such on the basis of criteria identified in a ministerial decree belonging to the species Vitis vinifera, of proven origin from Italy and whose presence is recorded in delimited geographical areas of the national territory; the use of the term "native italic vine" and its synonyms can be used only for labeling and presentation of specific DOCG17 (controlled and guaranteed denomination of origin), PDO and PGI wines.

- The name of the designation of origin and of the geographical indication and other traditional indications can not be used to designate similar products or used in such a way as to create confusion in consumers concerning the identification of products.

- It is forbidden to refer to a geographical area of any dimension in the labeling, presentation and advertising of wine products without PDO or PGI.

- It is allowed to indicate in the labeling and presentation of PDO or PGI products referring to interregional or inter-provincial or inter-municipal areas, the name of a smaller administrative area reserved to another PDO or PGI falling within the same territorial area (location, municipality or a fraction of sub-area (wine-growing subregion or part of it), an administrative area).

- In the case of two or more grape varieties, the one present to a lesser extent must represent at least 15% of the total. Previously the presence of small quantities of high value grapes could be used to promote products of lower quality.

5.1.2 Description of the system set up for controlling the labelling

The indications on the label of non PDO- PGI wines must be guaranteed by the traceability system regulated by the ministerial decree of 19 March 2010 described in 6.1.

5.2 Existing national data on non-compliance with labelling rules

N.A.

5.3 Synthesis of the interviews

5.3.1 Effects of labelling and presentation rules on the adequate information of consumers

IQ 6.2 Do EU rules on labelling allow an adequate, clear and sufficient information on the products?

According with National Authorities EU rules on labelling and controls allow an adequate, clear and sufficient information on the products (despite oenological practices are not reported on the label). In the opinion of Italian representatives "information and transparency on the list of ingredients must be guaranteed to consumer. If an industry uses sucrose, it cannot fail to indicate it.

IQ 6.3 Is the information provided sufficient as regards health warnings, alcohol content, calorie and nutritional aspects?

In March 2018, the EU wine sector presented a self-regulatory proposal to the EU Health Commissioner, Vytenis Andriukaitis wine. The proposal comes after a two-year delayed call by the EU, which opted for a self-regulatory approach to alcohol labelling. Under the current regime, alcoholic beverages are not obliged to indicate the list of ingredients and nutrition declaration, which is not the case for other foods.

Talks on labelling requirements have reopened the discussion about sugar. Several Italian organisations are ready to challenge the nutritional labeling of alcohol in the part concerning information on wine ingredients.

The proposal was developed jointly by CEEV (for the industrial part) and COPA COGECA (agricultural producers and cooperation) and represents a compromise between the various representatives except for the indication of sugar. For mediterranean operators (to whom the use of sugar is forbidden) the use of sucrose to enrich the

17 Identifies the geographical origin of a wine and can only be used for those wines of particular value that, for at least 5 years, have been classified as PDO.
alcohol content of wines should at least be indicated on the label. For producers of Northern Europe (to which "sugaring" is allowed) the use of sucrose leaves no residues in wine and therefore should not be counted among the ingredients. This latter position seems to be prevalent.

In the opinion of Italian representatives "information and transparency on the list of ingredients must be guaranteed to consumer. If an industry uses sucrose, it cannot fail to indicate it ".

In the opinion of industrial producers, labeling rules that are being discussed represent a great injustice for Italy, in particular in relation to the obligation to declare the practice of sweetening: it is not the same thing if this is made with concentrated must instead of sucrose also for the greater costs.

IQ 6.4 For foreign wines sold on the local market, do the languages used allow an adequate, clear and sufficient information on the products?
Yes concerning the most relevant information such as indication of origin; the actual alcoholic strength by volume; the presence of allergens.

IQ 6.5 Is there any other type of information that would be necessary to add on the labels to ensure an adequate, clear and sufficient information on the products?
In the opinion of Italian representatives, "information and transparency on the list of ingredients must be guaranteed to consumer. If an industry uses sucrose, it cannot fail to indicate it ". An investment would be necessary to integrate them with elements of differential communication (dematerialization of the label) to enhancing the link between product and territory and consumer knowledge.

IQ 9.1 To what extent do consumers understand the specificities of PDO/PGI labelling compared to non-PDO/PGI labelling?
Representatives of the sector recognize that consumers (in foreign countries) don’t understand the specificities of PDO/PGI labelling compared to non-PDO/PGI labelling.

Furthermore in Italy, unlike in France, every region and provinces are considered suitable for viticulture and there are a lot of PDo and PGIs: almost all Italian terroir become DO and this message can be destructive.

IQ 9.2 Without labelling restrictions applied to non-PDO/PGI wines, to what extent would consumers be misled?
The national market restrictions applied to non-PDO/PGI wines allow consumers to be well informed about the quality of product they are buying.

In foreign countries, consumers don’t understand (yet) the specificities of PDO/PGI labelling compared to non-PDO/PGI labelling.

5.3.2 Effects of labelling and presentation rules on marketing conditions and fair competition between operators

IQ 6.6 Did the new rules on labelling allow an increase in the quantity of production marketed/traded?
In the opinion of interviewees, the new rules have not had any effect in terms of quantity.

Opinion of wholesalers is that control system at the base of labelling restrictions applied to PDO/PGI wines is not a marketing instrument: on the foreign markets, the product is presented by the entrepreneur and not by the certification body.

IQ 6.7 Did the new rules on labelling allow an increase in the value of production marketed/traded?
The product’s attractiveness is mainly given by the label graphics while the information must be clear just on the denomination.

IQ 6.11 In your opinion, what changes would be necessary in the labelling rules to ensure a fair competition between operators?
The various representatives of Italian wine world agree that the use of sucrose to enrich the alcohol content of wines should at least be indicated on the label.

A significant change would be the dematerialization of the label: the cost of updating a web page is much lower than that of a label and this also guarantees the claims of a consumer who wants to be kept informed.

IQ 6.8 Were the rules on labelling simple to implement?
No particular problems were highlighted.
IQ 6.9  What would be the consequence of rules requiring more detailed information (on ingredients for instance)?

It may be critical to adapt the information using the language of the importing country because this implies unsustainable additional costs for the exporting companies.

As said in IQ 6.11 the dematerialization of the label could be a possible solution also because with the electronic label one could integrate informations on terroire and/or enological practices that enhance the link between the product and its territory and consumer knowledge.

5.4  Comments and conclusions of the expert

5.4.1  On the effectiveness of labelling rules on the adequate information of consumers

The rules on labeling provide the consumer with adequate information. The risk derives from the homologation of the wine to other agro-industrial products: as emphasized by the chairman of Copa-Cogeca, Thierry Coste, “Wine is an agricultural product that constantly evolves and does not have a fixed recipe.”

For instance, the caloric impact is only one of the many factors that describe it, but it must be kept in mind that the nutritional values of the wine can vary from harvest to harvest and sometimes even from batch to batch.

Furthermore, being the caloric content linked to the alcohol level, less aware consumers could be induced to prefer nutritionally poor foods (such as diet sodas) or less alcoholic beverages like beer, in order to reduce the excess of calories in the diet.

For the same reasons, doubts expressed by operators about the use of harmfulness thresholds (like traffic light system adopted in England) linked with alcohol content, seem reasonable.

5.4.2  On the effectiveness of labelling rules on marketing conditions and fair competition between operators

From the opinions gathered, a further articulation of the labeling rules and, in particular, those on the caloric content, will make it necessary to produce different and updated wine labels, increasing the costs.

For Italian operators (to whom the use of sugar is forbidden) the use of sucrose to enrich the alcohol content of wines should at least be indicated on the label to ensure fair competition between EU producers.
6. THEME 5: CERTIFICATION PROCEDURES, MONITORING AND CHECKS

6.1 Description of the local implementation of the rules

Law n. 238 -12/12/2016- Organic discipline of the cultivation of the vines and of the production and the commerce of the wine- (Know as Testo unico del vino) constitutes the national reference discipline of the Italian wine sector in relation to:

- the regulation for the production and marketing of wine products, including quality policy, labeling, controls and penalties
- the system of sanctions related to authorizations for the vineyards
- the keeping of registers (Inward and outward register) by operators in the wine sector
- the system of sanctions for aromatised wine products and spirit drinks.

The “Testo unico del vino” was developed with a participatory process that involved all the most important stakeholders in the wine sector: therefore the rules that have been introduced and / or declined are generally shared.

6.1.1 Description of monitoring and checks procedures applied in your Member State and region

The Ministry establishes a vineyard register, managed by the Regions, within the SIAN (National Agricultural Information System) on the basis of the data referring to the company file, which contains updated information on the wine production potential; each vineyard unit suitable for the production of wine grapes is entered in the register with the information about the suitability for the production of wines DOCG, DOC and IGT.

The informations must be available to the bodies responsible for checks, including the control bodies, as well as the recognized protection consortia.

The authorization system for vineyards is managed within the SIAN services.

All mandatory declarations, accompanying documents and registers in the wine sector, information, communications, self-certifications, data and related updates that companies in the wine sector are required to provide to the Public Administration and to other subjects identified by the relevant legislation - are part of the SIAN services.

From 1 January 2017 all operations related to the production of wine (harvesting, crushing, bottling, marketing etc.) must be communicated to SIAN in electronic form (Registro Telematico Vino – RTV) and communications must faithfully follow the progression of the processing steps (dematerialization within SIAN). Before 2017, it was a paper register.

Holders of oenological establishments with an annual production equal to or less than 50 hectoliters with related direct sales or catering activities are exempt from the obligation to maintain the electronic register.

The presence of telematic registers guarantees a quicker verification of all the characteristics of producers and wines, since it is no longer necessary to go to the company to check the information and data reported on the registers themselves, but it is possible to perform online checks.

There are almost 15,000 registered operators on RTV and around 16% of them produce 1,000 or more hectolitres per year. By this the ICQRF is now able to daily check online the stocks and movements of over 438,000 wine storing containers and monitor more than 20,000,000 oenological and movement operations carried out annually by the Italian wineries.

The first year of operation of the computerized register of wine has already given important results in terms of fight against frauds. In fact, querying the register allows having precise data on individual movements and stocks for each company.

Also, it allows a dynamic monitoring on high-risk operators behaviour.

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18 Entered into force on 12 January 2017
19 SIAN is the NATIONAL information system of services in the agricultural, agri-food and forestry sector made available by the Ministry of Agricultural, Food and Forestry Policies and Agea – Payment Agency for Agricultural. SIAN is operating for 1984
20 Organisation managing a specific PDO or PGI
21 MIPAAF- IQCRF 2017_Report 2017
In addition to allowing official control authorities to monitor and verify on line each operation and movement carried out by all operators on national territory, the register provides important data for the knowledge of the wine market. Starting from 1 January 2018, ICQRF publishes the data of RTV in a report called “Cantina Italia”, in an aggregated form every two weeks, available on the website www.politicheagricole.it.

All the subjects to whom functions of public interest are assigned, such as analysis laboratories, control bodies for PDO and PGI wines, consortia and tasting commissions for wines can access to the on line register.

As a tool adopted by the Italian Parliament in 2014 for the Coordination and planning of controls and limit the overlapping of controls on agricultural enterprises, a single Register of inspections on Agricultural Enterprises – (Registro Unico dei Controlli sulle Imprese agricole - RUCI) is implemented\(^{22}\).

Data from the "Supervision Database" are also automatically added in RUCI. This database is the information base shared between ICQRF and other competent Authorities (Regions and APs) which collects information such as: supervisory activity of authorities in charge (ICQRF – Regions and APs); control activity carried out by CBs and, in particular, non-compliances and the list of operators included in the certification system.

RUCI is a repository containing the identification and main information related to the inspections carried out on agricultural enterprises from over 120 supervisory and control bodies such as ICQRF, Regions and Autonomous Provinces (APs), certification bodies (CBs) and Carabinieri: enterprise tax code; data from the authority carrying out the control; premises and date of inspection; type of control; sector concerned; outcome of the control. Through the "RUCI", the ICQRF has been able to optimize the inspection activities, avoiding overlapping controls on agricultural enterprises. On 31st of December 2017, in the RUCI was recorded data on over 507,000 controls performed by the ICQRF, Regions, Control Bodies and Carabinieri.

The immediate consultation of the RUCI is allowed to the staff of all the administrations, bodies and organisms that carry out the controls on the agricultural enterprises and on the wine-producing enterprises: therefore, when preparing individual inspections, it is necessary to check whether inspections have already been carried out by other control bodies on the subject to be inspected.

### 6.1.1.1 Description of the control and certification system for PDO and PGI wines

A Certification and Control Body, which can be public authorities or private companies, is in charge of the control of all stages of production (wine growers, wine maker, bottler) of PDO and PGI wines.

Public CBs are local public entities authorised by the Central Inspectorate for Quality Safeguarding and Anti-fraud of foodstuffs and agricultural products (Ispettorato Centrale della Tutela della Qualità e della Repressione Frodi dei prodotti agroalimentari – ICQRF); private CBs must be accredited by ACCREDIA (Italian National Accreditation Body -Ente Italiano di Accreditamento. See 6.1.1.4.1).

Following an agreement between ACCREDIA and the ICQRF, the accreditation procedures for CBs performing inspection and certification for foodstuffs, wines and spirits have been harmonised and streamlined.

Each GI is controlled by a Control Body, chosen by the Protection Consortium from the list of authorised CBs and subsequently approved by the MiPAAF (see also point 6.1.1.2).

The conformity of wines with the production specification of the PDO or PGI is verified with control of the requirements of the specification and characteristics for consumption, chemical and organoleptic parameters.

The only phase of control in charge of the Protection Consortia is that of the product on the market through the surveillance agents: a sampling plan is agreed with the ICQRF and the samples taken are subjected to chemical-physical and organoleptic analysis to verify their correspondence with the sample originally submitted for certification.

The control plan foresees the following steps:

<table>
<thead>
<tr>
<th>Phase</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>The producers concerned make an annual claim for the production of the grapes and of the DO and IG wines at the same time as the harvest declaration and / or the declaration of production. For each harvest, the hectares and the total number of grapes claimed must be declared, to which the hectoliters required by the production regulations must correspond. The reporting of the grapes is presented by the producers directly to the Sian</td>
</tr>
</tbody>
</table>

\(^{22}\) Implemented in force of the Decree of the Ministers of Agricultural, Food and Forestry Policies and the Minister of Interior of 22 July 2015

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**AGROSYNERGIE – Case study report: Italy - Sicily**

Evaluation study of the impact of the CAP measures applicable to the wine sector

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<table>
<thead>
<tr>
<th>Phase</th>
<th>Action</th>
<th>sample / years</th>
</tr>
</thead>
<tbody>
<tr>
<td>CB acquires data of the declarations by Regions or directly by SIAN and carries out a sample inspection in farm to verify the compliance of surface and total number of grapes declared and of the production yield of the vineyard with production disciplinary</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>The company requires the certification of wine</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>CB control for the quantitative correspondence on the loads and on the movements of DO wines and DO acts</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Verification of the consistency of the wine loads at DO and conformity with with the declaration of harvest and / or of the declaration of production</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Compliance with online register from SIAN.</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>CB carries out an annual inspection at the winemakers, to check:</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>- the quantitative correspondence of the product and correspondence to the relevant documents and records of the winery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- the compliance of the technological operations with the provisions of the product specification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CB carries out a sample to the analysis laboratory connected to the control body, which verifies the compliance with the chemical and physical parameters (alcohol, acidity, extracts, etc.) provided for by the production specification.</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>organoleptic test by a tasting commission, to verify, even in this case, the compliance with the organoleptic characteristics required by the specification</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>For PGI wines is compulsory only the analytical examination</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>CB carries out an annual inspection at the bottling companies, to ascertain the quantitative correspondence of the product held with the corresponding documents and winery records</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Verification of the correct use of DO in closure and labeling systems</td>
<td>15%</td>
<td></td>
</tr>
</tbody>
</table>

Once obtained the suitability from the laboratory and the commission, the company can boast of the DOC / DOCG and can request the State stamps to be applied on the bottles: state stamp, which contains an alphanumeric code, is an anti-counterfeiting tool that is a guarantee for DOC/DOCG wines.

Until now, the state stamp mark could only be provided by the Institute of Printing and Mint of the State: L 238 provides that it can also be printed by authorized printers.

For a PDO wine, the average cost is around 4 cents per liter of wine, but the cost of the items included in the control plans varies widely between regions, and even between individual names of the same region.

In Sicily the Istituto Regionale della Vite e dell’Olio is in charge of the certification since 2012 and adopts the national legislation. It’s the only one certifying body for the entire region.

The certification procedure (whose duration must not exceed 20 days and 8 days for novello) starts from the company’s certification request: Institute start with documentary control, (winery register, declaration of grapes, vineyard registration in the PDO areas, control of the requirements of the specification and characteristics for consumption, chemical and organoleptic parameters: after control of conformity of compulsory declarations and other administrative documents, a sample is taken to be analysed for assessment of chemical parameters and, by a tasting commission, for compliance with organoleptic ones established by production disciplinary. The final phase is the issue of the certificate.

Around 40 people are involved in the management of the certification procedure of PDO Sicilia (almost 80% of regional production), including secretarial and tasting commissions.

The only phase of control remaining in the Protection Consortia is that of the product on the market through the “agenti vigilatori” (supervisory agents).

A sampling plan is agreed with the ICQRF and the samples taken are subjected to chemical-physical and organoleptic analysis to verify their correspondence with the sample originally submitted for certification.

Controls implemented for PDO Sicilia have well worked, thanks to the subsequent limitations in the production of Grillo and Nero d’Avola that prevent fraud and the commercialization of poor quality products that alienate the consumer.

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23 For PDO wine organoleptic tests are systemic (100%) when production is over 10000 hl; analytical checks are sampled.
When production is lower than 10.000 hl both analytical and organoleptic checks are sampled.
Consorzio Sicilia DOP underlined that the Consortium’s controls (surveillance agents that operate both in Italy and abroad) have certainly improved volumes and market values: since Nero d’avola can only be mentioned on labels of PDO, the distortion effects that led to the Nero d’avola market value decrease to € 1.5 per bottle have been eliminated.

6.1.1.2 Description of the control system and certification of non-PDO and PGI wines

For varietal wines, the control and certification system (established by Ministerial Decree n. 381 of March 19, 2010) requires that producers are required to submit themselves to the control of suitable structures to carry out the verification and certification of the entire production process (public authorities, control bodies with a specific ministerial decree, control bodies pursuant to art. 14 of the law of 21 December 1999, n. 526). Producers must communicate the CB chosen to the Region in which they are responsible, as well as to the Central Inspectorate for the Protection of Quality and Fraud Prevention of Agri-Food Products.

The control body (CB) must guarantee, through a documentary verification, the truthfulness of the optional indications mentioned in the wine labeling system and in this sense, it must verify the documentation relating to the purchase or production of the batch destined for packaging.

The procedures for monitoring and certification provide for the following provisions:

a) in the case of products obtained directly from the company production, the CB verifies through the SIAN services the harvest declaration, as well as any other documentation necessary to ensure effective control over the product and in particular to guarantee the quantitative compliance of the loads of the wines designated with the name of the variety and / or of the vintage and of the items subject to control;

b) in the case of products purchased or conferred, the CB verifies the official transport documentation showing, in addition to the mandatory indications provided for in the Union and national legislation, also the indication of the year of production of the grapes and / or the name of one or more varieties of grapes used to obtain the product. In this case the transport document will constitute attestation of conformity.

Subjects who produce varietal wines are required to communicate to the structures responsible for checking the beginning of the bottling operations together and / or subsequently the lot number assigned to the lot or, in the case of wines marketed in bulk, the start date of the shipments to the importing Member States or Third Countries.

Following the communication, the CB verifies the existence of the requisites for the claim of the optional indications and in the event that irregularities are detected, CB within 3 working days will notify the user, the Region and the Central Inspectorate for the protection of quality and fraud prevention of food products. All of the products and the lots are verified every year.

The same control procedure is applied for sparkling wines designated with the name of the wine grape variety and / or vintage of production thereof.

6.1.1.3 Use of accompanying document


The decree (art. 16) provides that the procedures for the issuance of the MVV document in electronic format will be established, within the services of SIAN, with the determination of the Head of the Central Inspectorate Department for the Protection of Quality and Fraud Removal of Agri-Food Products.

With the MIPAAF decree of April 13, 2018, the new Electronic MVV (MVV-E) is established.

The MVV E replaces the accompanying paper documents for the transport and handling of wine products.

The MVV-E document is issued through a special feature integrated in the electronic register.

For the release of MVV-E the consignor is registered at SIAN and is provided with an ICQR code.

The MVV-E can be used as a certification, and by certification it is meant:

- the certificate of origin or provenance, of the quality and characteristics of the wine product, of the vintage or of the grape varieties from which it is obtained and, where appropriate, of the PDO or PGI
- certification for export

Certification is not mandatory, but may be required by the destination country.
The MVV-E containing the certification must be printed and signed by the consignor.

The provision was eagerly awaited by the producers because it allows to simplify the bureaucratic steps: the online model replaces all paper requirements, i.e. the "transport documents" of wine and wine products, from vineyards to the winery, from this to the bottling plant, to distribution in Italy and abroad.

The Certificate will also be available in English, French, German, Spanish and Chinese, and will allow the operator not to request certifications and / or certificates from other public bodies (ASL, Chambers of Commerce).

For now, the adoption and use of MVV-E takes place on a voluntary basis in order to allow operators a gradual transition to the new document issuing system. Subsequently, it will pass to mandatory use.

### 6.1.1.4 Competent authorithies and control bodies for GIs

Herein after is described the Competent authorithies and control bodies for GIs and system of protection and control applied to wine. The source is the study: “Protection and control of geographical indications for agricultural products in the EU Member states” made in 2017 by European Union Intellectual Property Office.

#### 6.1.1.4.1 Central authority

The National Central Authority (NCA) is the Central Inspectorate for Quality Safeguarding and Anti-fraud of foodstuffs and agricultural products (Ispettorato Centrale della Tutela della Qualità e della Repressione Frodi dei prodotti agroalimentari — ICQRF) — Department of Central Inspectorate for Quality Safeguarding and Anti-Fraud of Foodstuffs and Agricultural Products — a central department within the Ministry of Agricultural, Food and Forestry Policies.

The NCA has a central office in Rome, ten decentralised inspection offices and nineteen local units, as well as six laboratories. From an organisational point of view, the ICQRF is divided into two main offices:

- The Directorate-General for the Accreditation of Control Bodies, Certification and Consumer Protection (Direzione Generale per il riconoscimento degli organismi di controllo e certificazione e tutela del consumatore — VICO);
- The Directorate-General for Prevention and Enforcement of Agri-Food Fraud (Direzione Generale della prevenzione e del contrasto alle frodi agro-alimentari — PREF).

The VICO is responsible for recognition/approval and withdrawal/suspension of Control Bodies (CBs) for the inspection of GIs and TSG products, as well as for the approval of control plans and the associated costs of inspections by CBs and public control authorities.

However, the PREF is responsible for planning and coordination, as well as for monitoring and assessment of the inspections carried out by the ICQRF’s decentralised offices and laboratories. PREF conducts accurate monitoring of the regional offices and laboratory control activities through constant measurement of inspection outcomes.

The ICQRF has the task of authorising the — private or public — certification and CBs that certify quality products (i.e. GIs, including wines, organic products and spirits, voluntary certifications of quality). The ICQRF also approves the control plans for each GI and the costs of controls paid for by producers.

ICQRF plays an intensive coordination and guidance role for the harmonization of the controls on operators and of the activities of CBs. ICQRF is also responsible for the supervision of CBs (in cooperation with the regional authorities and the autonomous provinces of Trento and Bolzano).

ICQRF officers have the legal status of inspectors and can carry out inspection activities concerning the whole agri-food sector (including the phytosanitary, seed and fertiliser sectors).

The ICQRF has the capacity to implement its inspection activity throughout all the production phases, following their annual control plan. Following the principles of food traceability, established in Regulation (EC) No 178/2002, ICQRF officers may also implement inspection activities at retailer and supermarket levels.

All ICQRF laboratories work in compliance with ISO/IEC 17025:2005, ‘and all the analyses performed by ICQRF laboratories are accredited by the Italian National Accreditation Body (Ente Italiano di Accreditamento — ACCREDIA), which is recognised at European level, in accordance with the criteria defined in Regulation (EC) No 765/2008 setting out the requirements for accreditation and market surveillance relating to the marketing of products, which is compliant with ISO/IEC 17011:2004, ‘Conformity assessment — General requirements for accreditation bodies accrediting conformity assessment bodies’.
The harmonisation of the quality system of ICQRF laboratories is guaranteed by a competent ICQRF office (PREF IV), which manages and supports the adoption of well-defined management procedures, as well as the management of corrective measures (in the event of non-compliance) provided by ACCREDIA during its periodical audit activity. ICQRF laboratories develop also research activities.

ICQRF laboratories carry out an average of nearly 10 000 samples analysed per year.

Figure 5 - ICQRF organisational framework at central and peripheral level

The ICQRF department has around 758 employees. Amongst these, there are 18 managers (office directors, plus two general directors and the chief of the department). The table below summarises employees’ distribution (including management) across ICQRF central and regional offices and laboratories. Staff has undergone several reorganization processes, both in central and regional offices of ICQRF and laboratories.

6.1.1.4.2 Control bodies

CBs must be specifically authorised by the MiPAAF. Each GI is controlled by a single CB, chosen by the Producers Group (PG) from the list of authorised CBs and subsequently approved by the MiPAAF. The authorisation is valid for 3 years, after which renewal is required. When the renewal occurs, the PGs or, where available, the GI protection consortium, may request that the authorised CB be replaced, for justified reasons.

The CBs that are currently responsible for the controls on agri-food GIs are:

- 48 CBs authorised for foodstuffs (20 private and 28 public);
- 30 CBs authorised for wines (8 private and 22 public);
- 6 CBs authorised for spirits (3 private and 3 public).

Public CBs are local public entities authorised by the ICQRF to carry out controls on GIs (e.g. chambers of commerce or regional agencies or institutes).

All private CBs must be accredited by ACCREDIA, which ensures impartiality and competence of these bodies through inspection audits and periodic support audits during the controls, in order to assess the work of inspectors. The CB is accredited in accordance with the technical requirements established in ISO/IEC 17065:2012.

Following an agreement between ACCREDIA and the ICQRF, the accreditation procedures for CBs performing inspection and certification for foodstuffs, wines and spirits have been harmonised and streamlined.

The full list of approved CBs for foodstuffs, wines and spirits can be found on the MiPAAF website.

6.1.1.4.3 Police forces: Carabinieri, Polizia and Guardia di Finanza

The Command of Carabinieri for Agricultural and Food Policies is a ‘specialised department’ of the Carabinieri, encompassing an Operational Coordination Unit and an Anti-Fraud Unit (Nuclei Antifrotti Carabinieri — NAC) based in Parma, Rome and Salerno. It operates throughout the country and, if necessary, also abroad, in compliance with the current legal provisions and MiPAAF directives. For international coordination activities, a liaison officer with the European Anti-Fraud Office (OLAF) is based in Brussels.

The Command depends on the Ministry and carries out specific controls collaborating with the ICQRF in the prevention and repression of fraud in the agri-food industry.
The Guardia di Finanza (the Italian Economic and Tax Police corps) activities are aimed at contrasting the various illicit phenomena that threaten industrial property, ‘Made in Italy’ products, and consumer safety. It acts along three lines: i) oversight of customs areas, complementing Customs activities; ii) economic control of the territory and monitoring the movement of goods on the road and in points of sale; iii) investigations into illicit supply chains or the production of illegal goods, aiming to identify criminal organisations.

6.1.1.4.4 Consortia for protection of GIs

Consortia are in charge of the surveillance activity of agri-food GIs on the market (e.g. labelling controls) and may employ inspectors with the qualification of public agents. These inspectors may carry out any type of verification, inspection or control after the products bearing a GI certification have been put on the market, carrying out the ‘surveillance’ duties of the producers’ Protection Consortia.

As far as wine GIs are concerned, the MiPAAF recognises consortia based on specific requirements, in terms of representativeness and certified production. Those groups of producers are assigned with functions of protection, promotion, enhancement, consumer information and general care of GIs.

However, it should be emphasised that producer-based controls are not part of official controls carried out by protection consortia and hence these bodies are not accredited to ISO 17065.

6.1.1.4.5 Coordination measures between national authorities

In relation to coordination measures between national authorities, there is currently no specific institutional protocol signed between the ICQRF and other national authorities for carrying out specific inspection activities to protect Italian GIs. However, the ICQRF cooperates constantly with the other national authorities (Guardia di Finanza, Carabinieri, etc.) and especially with the Italian Customs Agency, mainly through the exchange of information and data.

6.1.1.5 Organization of the system of monitoring and checks

Field controls for both GI and conventional products are implemented through the network of ICQRF regional offices and laboratories. These provide evidence of inspection/sampling activities carried out by ICQRF inspectors through chemical analyses.

Public and private CBs are delegated by the central authority to carry out controls on GIs, in order to check whether operators that wish to certify their products as a GI follow the requirements set in the relevant product specifications.

The organisation of the national control system implemented in Italy to protect GIs is organised at different levels:
### 6.1.1.6 Performance of controls

#### 6.1.1.6.1 Planning and procedural aspects

At the end of September each year, PREF I (the office of the central administration, in charge of planning the national control activity) edits the Annual Strategic Plan for Inspection Activities. Each regional office and laboratory sets up its own Annual Control Activity Planning Document before the end of October, describing the inspections planned throughout the year. Indeed, those planning documents define control activity goals addressed to each agri-food sector, with appropriate explanations for each single planned goal.

At the end of this process, usually around mid-December, the planning documents of the decentralised inspection offices and laboratories are sent to the ICQRF’s Head of Department for approval. In addition, the ICQRF organises and plans its inspection activity both with respect to conventional products and to GIs on the basis of a risk analysis model, which helps the PREF I office, as well as the regional offices, to plan the yearly inspection activities in a very effective way.

The ICQRF stated that the frequency of official controls undertaken at GI operators depends on risks identified at each production step in the product specifications. ICQRF regional offices perform controlling activities at each stage of the production chain (from raw material producers to market level), following the principles of product traceability.

This means that if, for example, ICQRF officers find any irregularity during an inspection activity (e.g. concerning the way a GI is labelled), they can trace back all the production stages by executing deeper investigations in order to check further irregularities.

During their activity, ICQRF inspectors follow a well-defined inspection procedure established in the ‘Inspection Checklist’, which establishes which products have to be monitored, the types of controls by operators, the treatment establishments to be checked, etc. Generally, the checklists report all the different operators belonging to the production chain of a given sector in a very detailed way.

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**Figure 6 - Organisation of the national control system implemented in Italy to protect GIs**

<table>
<thead>
<tr>
<th>Field inspection activity based on risk analysis and input information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Department of the Central Inspectorate for the Protection of Quality and Combating Agro-Food Product Fraud (ICQRF)</strong></td>
</tr>
<tr>
<td><strong>ICQRF regional offices</strong></td>
</tr>
<tr>
<td><strong>ICQRF is competent to carry out controls along the production chain of GIs and conventional agro-food products</strong></td>
</tr>
</tbody>
</table>

### Recognition

| **MPA/AFGD POA 1** |
| Competent authority at national level in the field of quality agro-food products |
| **Recognition of GI products** |
| **Approval of Producers Associations of the GI Product Specifications** |

### Authorisation and Accreditation

| **Department of the Central Inspectorate for Quality Safeguarding and Anti-Fraud of Foodstuffs and Agricultural Products (ICQRF)** |
| ACCREDIA: the national accreditation body appointed by the state to perform accreditation |
| **Authorisation of the control bodies and approval of the control plan** |
| **Control bodies independent and external body (private, public or joint public-private), which provide assurance that the relevant requirements have been followed: the European standard for PDOs and PGI’s ISO 17065:2012** |

### Supervision

| **Department of the Central Inspectorate for Quality Safeguarding and Anti-Fraud of Foodstuffs and Agricultural Products (ICQRF)** |
| **DC PREF and Branch Offices and Regions Control Body Supervision** |
| **Control bodies supervision** |

Source: “protection and control of geographical indications for agricultural products in the EU Member states” European Union Intellectual Property Office, 2017
The control plan for each GI sets the frequency of controls and the proportion of the products that is analysed by sampling.

Producers are informed about the control by the CB inspectors, since each operator has a quality officer whose presence is required during the control activities. If irregularities are detected, inspectors can carry out further inspection without prior warning.

### 6.1.1.6.2 Controls during the production phase

Controls during the production phase have two phases: the sampling and the Chemical and organoleptic analysis. Sampling and analysis play a relevant role regarding the quality and effectiveness of the inspection activity. Once the sample has been taken, it is sent to the ICQRF laboratory that carry out chemical analyses.

### 6.1.1.6.3 Controls on the market

CBs are responsible for controlling GI products before they are placed on the market. Public authority and the protection consortia authorised by the MIPAAF are responsible for the surveillance of the use of the name in the marketplace.

Some consortia use specialised personnel, the agenti vigilatori (supervisory agents), who carry out verifications at points of sale, markets, etc. to verify the correct use of GIs. Those inspectors are formally authorised by the MIPAAF and operate according to a control plan that is agreed between the consortium and the MIPAAF. The role of the consortia in market controls is of great importance because it allows the identification, not only in Italy but also abroad, of any misuse of designations. Any misuse is promptly reported to the public authority which has the obligation — according to the recently introduced ex officio procedure, that is to say, a procedure that is meant to be started by public authorities regardless of a request — to intervene immediately in order to stop any illicit use.

As regards the control activity at market/retail level conducted by the public authorities, ICQRF inspectors check whether products placed on the markets are comply with requirements on commercial quality specified in relevant provisions and declared by the producer or operator placing them on the market.

When agri-food products do not meet the requirements specified in the relevant EU and national legislation, the director of the regional office may decide on the following actions:

- administrative sanctions; crime reports;
- ordering reclassification or assigning products to other specified treatments; ordering withdrawal of products from the market;
- ordering destruction of products at the expense of owner;
- prohibiting storage of products in inappropriate conditions or transportation of products using inappropriate means of transport.

### 6.1.1.7 Administrative sanctions system

ICQRF is the single Italian authority responsible for imposing fines and other administrative sanctions for the infringement of GIs for both PDO and PGI wines and non-PDO/PGI wines. The regional and central ICQRFs are always informed about any major non-compliance, thanks to the SIAN services and control performed directly by the ICQRF, as the regional ICQRF has the legal authority to impose penalties.

In cases of severe non-compliance detected by an inspector, the following protocol applies: the operator has thirty days to appeal against severe non-compliance, and fifteen days against minor non-compliance. After that, the regional ICQRF can implement the subsequent sanction.

The operator that has committed the irregularity is prohibited from using the protected name of GI on the products until satisfactory remedies have been implemented.

### 6.1.1.8 Ex officio commitment for wines

At EU level, the ICQRF is the Italian liaison body (a sort of ex officio authority for quality wines) responsible for contacts with the liaison bodies of other Member States and with the European Commission. In particular, the liaison body receives and forwards requests for cooperation with a view to implementing the regulation and represents Italy vis-à-vis other Member States or the European Commission.

In this framework, the ICQRF plays the role of liaison authority for the protection of GI wines throughout the EU.

For this purpose, the ICQRF has entrusted one of its two Directorates-General, namely DG PREF — Unit PREF III.
From 2014 to date, 866 liaison authorities procedures have been initiated to stop the unlawful use of the most popular Italian PDO and PGI wines in European Union territory.

The administrative procedure is usually generated by a report from a PG, from a consumer, or following in-house web market research.

At national level, similar to foodstuffs, activities are carried out by regional ICQRF offices. The implementation of these controls is based on an annual plan, drawn up on a risk analysis, and performed by ICQRF inspectors using operational procedures and checklists.

The producer groups and the regional ICQRF agree on a plan for market controls every year. This plan is transmitted to the central administration of the ICQRF for the final green light. The PGs have to report regularly on their activities to the competent regional ICQRF. If there are any deviations from the plan, they must be communicated to the regional ICQRF and approved by the central administration of the ICQRF. In 2016, 151 plans for market controls on PDO and PGI wines were approved by the central administration of the ICQRF.

For GI spirit drinks and GI aromatised wines, the Italian ex officio authority is currently the Directorate-General for International and EU Policies (PIUE, Unit VIII) of the MiPAAF, while the ICQRF acts as the national enforcement authority.

6.1.1.9 E-commerce controls

The growing popularity of e-commerce in the agri-business sector requires a renewed commitment from public authorities towards consumer protection, in particular with respect to the fight against counterfeiting, imitations, misuses and evocations of GIs.

Regarding controls on e-commerce, the very heart of the strategy relies on specific ‘agreements’ with the main global players, also called internet hosting providers — IHPs (on which online commerce is gradually concentrating), which recognise the inspectorate as a GI rights holder, together with the consortia, and allows them to take down irregular listings on the platforms.

In this context, in May 2014, the MiPAAF signed an important Memorandum of Understanding (MoU) for the protection of GIs on the internet with the Italian Association of GI Consortia (AICIG) and eBay. The MoU assigns a central role to the ‘Verified Rights Owner Programme (VeRO)’ created by eBay, through which IPRs owners can easily report any infringement of their rights. Through the VeRO programme, the ICQRF, on its own initiative and/or at the request of a GI Group, has been empowered to send eBay a ‘notice of GI infringements’, whenever an unauthorised use of those is found on the eBay platform.

From 2014 to date, 628 fake GI listings were removed from the eBay platform, such as a ‘Chianti’ wine kit, a cheese kit and ‘Parmesan cheese’ from Florida.

Similar cooperation began with Alibaba in 2015 and has led to the removal of 121 irregular listings that were misusing and evoking Italian GI foodstuffs, preventing conspicuous quantities of generic products being sold to the European B2B market as GIs.

The cooperation was strengthened in September 2016, with the signing of an official MoU, which extended protection to the Alibaba Group’s B2C platform as well, reducing further the irregular listings’ removal time, and providing education and training initiatives aimed at sellers and consumers on the meaning and the importance of European GIs.

Finally, in 2016, another protection activity also began with Amazon, which led to the removal of 197 328 irregular listings that were misusing and evoking Italian GIs.

Similar new initiatives are currently being planned by the ICQRF with some important social networks, such as Facebook and Instagram, which are also up-and-coming e-commerce platforms.

E-commerce controls on GI foodstuffs are also carried out nationally by the regional ICQRF offices. In order to ensure uniformity of the modus operandi, the operational procedures for e-commerce controls are set out on paper in a yearly ‘e-commerce circular’, which is sent to the local units. For the same purpose, periodical training opportunities for the local offices are carried out by video conferences from the central ICQRF staff.

At national level, in 2016, 450 e-commerce controls had been planned.

6.2 Existing national data on non-compliance and workload

The table below contains the main parameters of ICQRF inspection activity concerning wine GIs from 2014 to 2016.

| Table 24 - ICQRF inspection activity concerning wine GIs (2014-2016) |
|-----------------------------|-----------------------------|-----------------------------|
| 2014                        | 2015                        | 2016                        |
| 2014                        | 2015                        | 2016                        |
6.2.1 Data on workload linked to the monitoring and checks system implementation

<table>
<thead>
<tr>
<th>Type of check</th>
<th>Workload in Full-time equivalent (FTE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vineyard register</td>
<td>Authorities</td>
</tr>
<tr>
<td>Declarations</td>
<td>n.a.</td>
</tr>
<tr>
<td>- Production</td>
<td></td>
</tr>
<tr>
<td>- Harvest</td>
<td></td>
</tr>
<tr>
<td>- Stock</td>
<td></td>
</tr>
<tr>
<td>Inward and outward register</td>
<td>n.a.</td>
</tr>
<tr>
<td>Accompanying documents</td>
<td>n.a.</td>
</tr>
<tr>
<td>Labelling certification</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

6.2.2 Existing data on fraudulent manipulation of wine

The table below contains the main results of ICQRF inspection activity concerning wine GIs from 2014 to 2016.

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seizures (No)</td>
<td>156</td>
<td>141</td>
<td>113</td>
</tr>
<tr>
<td>Seizures value (EUR)</td>
<td>3,409,723</td>
<td>17,932,401</td>
<td>5,048,793</td>
</tr>
<tr>
<td>Crime reports (No)</td>
<td>59</td>
<td>29</td>
<td>49</td>
</tr>
<tr>
<td>Administrative sanctions (No)</td>
<td>975</td>
<td>675</td>
<td>880</td>
</tr>
</tbody>
</table>

Source: “Protection and control of geographical indications for agricultural products in the EU Member states” European Union Intellectual Property Office, 2017

6.2.3 Existing data on non-compliance with NSP rules

6.2.4 Description of the control system related to NSP implementation

The competent authorities for implementation of the NSP are central government, the regions and autonomous provinces, AGEA and ICQRF for checks.

At National Level monitoring is carried out by the paying agency both directly and through the delegated control body AGECONTROL.

The checks are aimed at verifying whether:

- in the promotion measure, the supporting documents for expenditure are consistent and that there is no double invoicing for the same activity. This check is carried out on 100% of documents and projects. There are also on-the-spot checks on a sample of 30% of the promotional events in the third countries while they are taking place.

- in the vineyard restructuring measure, eligibility and cross-compliance checks are carried out. Furthermore, in order to ensure that no over-compensation occurs, the national rules provide that a maximum threshold be set -wichever the grape variety planted- for the average amount of support per hectare payable to beneficiaries of the measure. The system for calculating this threshold is based on the results of a study by a national research agency, which lists the average costs of restructuring and/or conversion of a vineyard depending on the growing method and type of operation. When determining the conditions for applying the measure in their territory, the regions then establish the maximum threshold for the average amount of support payable at local
level on the basis of the corresponding vineyard restructuring and/or conversion costs, while nevertheless ensuring that:

- the assessment of the cost of all operations envisaged falls within the limits set out in the regional price lists certified by Region
- the maximum threshold of the average amount of support per hectare set at national level is complied with.

Moreover, the checks on the amounts paid out in this way are systematic and administrative checks are carried out on 100% of the expenditure.

In accordance with Article 42 of Regulation (EU) 2016/1150, the ex ante check includes verification of the existence of the vineyard and of the area planted with vines determined in accordance with Article 44 of that Regulation.

That check aims also to verify compliance with Article 46(3), second indent, of Regulation (EU) No 1308/2013 concerning ineligible operations, in particular the normal renewal of vineyards (the ‘normal renewal of vineyards that have come to the end of their natural life’ means replanting the same parcel with the same variety using the same vine growing system).

To that end a sample is extracted of at least 5% of the applications for support and then an on-the-spot check on the vine plantings in question is carried out.

Investigating bodies carry out on-the-spot checks on 100% of final payment claims.

- In the investments measure, all payment claims undergo the checks provided for by the legislation in force Reg. (UE) 1308/2013 and Commission Delegated Regulation (EU) 2016/1149 and Implementing Regulation (EU) 2016/1150:
  - systemic administrative controls (documentary and IT) are carried out on the applications for support/payment and accompanying documentation. Eligibility of support is checked against the objective and subjective requirements set out in the calls for contribution;
  - checks on a sample of intervention (Technical inspection) are carried out to verify compliance with the conditions of eligibility for the support and compliance with the commitments made in respect of the investments made.

6.3 Synthesis of the interviews

IQ 7.1 to 7.3 Is the certification procedure simple to apply?

According to the information provided by Consortium and Association of Producers the procedures are acquired and do not give significant problems.

Based on the UIV analysis for a PDO wine the average costs for certification operations are 0,42 €/hl for inspection and documentary checks; 0,40 €/hl for the laboratory analysis phases; 0,10 €/hl for the tasting.

IQ 7.4 When change occurred in the certification system, did it allow an increase in the quantity of wine marketed or exported?

The most important change has been the (recent) introduction of the computerised register of the sector - Italy is the first in Europe. The presence of telematic registers guarantees a quicker verification of all the characteristics of producers and wines, since it is no longer be necessary to go to the company to check the information and data reported on the registers themselves, but it is possible to perform online checks.

An other important change, introduced by L 238, concerns the reduction of chemical analysis for small PDO (production < 10,000 hl which are 70% of total DO) from systemic (100%) to sample (10%).

It’s shared opinion that this change will have a positive impact on production costs24.

IQ 10.1 Did you encounter any difficulties or problems in the implementation of monitoring and checks EU requirements?

Concerning the obligation to keep and send electronically the winery registers

The National representatives of the wine sector and local interbranch organisations (such as confagricoltura, Fedagri, consorzi DOC etc.) welcomed the simplification of the formalities that could reduce the time for bureaucracy (No more preventive authentication, No more paper prints, Remote consultation, More checks, Cost reduction and streamlining of procedures).

But the obligation to keep and send electronically the winery registers for the wine sector it was not easy especially for smaller companies as interbranch organisations says in Sicily. The winemakers can choose whether to work directly within SIAN system or to use another software, but data are send to SIAN anyway.

As Fedagri reported, the winemakers had to self-finance the transition to the new computerized management system, but they preferred it to the alternative proposed by IQCRF to work directly online on the SIAN system because this solution is more practical only for smaller companies and because SIAN system is not particularly performing.

IQ 10.2 Did you encounter any difficulties or problem in the implementation of the control system related to NSP implementation?

Regional authorities underlined difficulty both in human resources shortages and in staff motivation, training, and non-timely technology up-dating. For example, the acquisition of new GPS software and aerofotogram refreshes takes a long time and this results in a slowing down of ex post checks with additional costs for the beneficiary companies, timing mismatch between checks and release of insurance policies. Indeed, beneficiaries highlight high transaction costs due to the adjustment of the rules for admission to support (guarantee policies, design cost, different times between final checks and cancellation of the guarantee policy).

In relation to the control of costs for beneficiaries they underlined:

- growers report average fixed costs to access support not directly proportional to the area invested, which, therefore, penalize smaller ones;
- in the calculation of the surfaces, those serving agricultural activity (e.g. surfaces for maneuvering agricultural machinery) are not included;
- the rigidity of interpretation of the rules in cases of small misalignments between the measurements made with GPS and the project presented, which forces the farmer to be continuously assisted by a technician;
- the delays in the final checks also point to the release of the guarantee policies (which is a serious problem especially for beneficiaries of promotion measure);
- beneficiaries of promotion measure report an excessive rigidity of the document control: correspondence between planned and realized expenditure is required for each item; that prevents physiological adaptations to changed conditions in a field where the evolutions are very rapid (estimates in the design phase are made about two years before the implementation of the intervention).
ANNEXES

List of the interviews

<table>
<thead>
<tr>
<th>Organisation</th>
</tr>
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<tbody>
<tr>
<td>MIPAAF – PIUE VII – Settore Vinicolo</td>
</tr>
<tr>
<td>Fedagri Confcooperative</td>
</tr>
<tr>
<td>Lega Cooperative</td>
</tr>
<tr>
<td>FEDERVINI</td>
</tr>
<tr>
<td>Regione Siciliana</td>
</tr>
<tr>
<td>Istituto Regionale della Vite e del Vino</td>
</tr>
<tr>
<td>Consozio Doc Sicilia</td>
</tr>
<tr>
<td>ASSOVINI</td>
</tr>
<tr>
<td>Cantine Settesoli</td>
</tr>
<tr>
<td>Gruppo Mezzacorona</td>
</tr>
<tr>
<td>Tenuta Gorghi Tondi</td>
</tr>
<tr>
<td>Cooperativa Settesoli</td>
</tr>
<tr>
<td>Cooperativa Settesoli</td>
</tr>
</tbody>
</table>

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Aspen Institute Italia, Wine survey 2017
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ISMEA – QUALIVITA, 2017 RAPPORTO 2017 sulle produzioni agroalimentari e vitivinicole italiane DOP, IGP e STG
ISMEA 2016 Complementarietà e demarcazione del sostegno con particolare riferimento ai settori vitivinicolo, olivicolo e ortofrutticolo: analisi dei PSR 2014-2020
Manzo C, Reti sociali e innovazione in viticoltura. Franco Angeli 2017
Mediobanca, 2018 Indagine sul settore vinicolo
Samma G. 50 milioni di euro e una giungla di tariffe. Corriere Vitivinicolo n 37 _27/11/2017
Sourin V. G. Castelli, 2015 Il nuovo quadro normativo per il settore vitivinicolo- Informatore Agrario 5/2017
### List of the PDO-PGI of Sicilia, with their type (red/white/rosé/sparkling)

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<th></th>
<th></th>
<th>RED</th>
<th>WHITE</th>
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Source: ISMEA