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The Reform of the Common Market Organization (CMO) for Wine: seeking alternatives for collective European action

Professionals in the vitiviniculture industry and European Commission bodies are seeking alternatives to boost the competitiveness of European wines on the world market. The European Parliament asked UMR MOISA to conduct a study on the reform proposed by the European Commission, with: (i) a review of the wine market in European Union-25, (ii) an assessment of the shortcomings of the wine CMO mechanisms, (iii) an analysis of the Commission's reform proposal, and (iv) wine CMO reform proposals.

This study involved 17 researchers from seven countries: the main European wine producing countries (France, Italy, Spain, Hungary), two non-European competitor countries (Australia, Argentina) and a major consumer country (England). UMR MOISA focused on viticulture economics, Common Agricultural Policy mechanisms and the experience of other CMOs. In addition to this study, the coordinators supplied the services of the European Deputy Katarina Batzeli with briefing and analysis notes in real time to address requests as they arrived.

The Report presented to the European Parliament was based on these studies, and the main conclusions were as follows:

■ The policies applied for several decades are no longer tailored to the situation, especially the policy implemented during the 1980s which promoted the systematic elimination of vineyards. A more targeted uprooting (or grubbing-up) programme guided by a voluntary cost-effective policy that is both economic and social would be necessary.

■ Distillation schemes should be reassessed. They are compartmentalised and costly because of the way they are structured. The outlet for wine alcohol has been administered

without price review for over 20 years. It would be essential to take the environmental, ecological and energy aspects into consideration.

■ Some 40 vitiviniculture enterprises currently dominate the world market. The bargaining power and dependency of downstream industry stakeholders will be governed by the emergence of leading companies in each region or production area. Governmental bodies should foster an offensive market strategy by supporting companies via farmers' organizations and economic committees.

■ Assessment of the CMO shortcomings should be focused especially on the adaptation of its mechanisms, in terms of the CAP objectives or viticulture policies, or of world market competition trends with the domination of new wine producing countries. It would be crucial to set and classify the objectives and means before eliminating any existing instruments.

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For further information: www.montpellier.inra.fr/moisa/bartoli/download/moisa2006_pdf/OCMvin_fr.pdf



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Couhins viticultural research station, Bordeaux



Amphibious flood rescue vehicle

M. Soulié © Agropolis International

The competitiveness cluster 'Gestion des risques et vulnérabilités des territoires' ('Risques' cluster)

The competitiveness cluster 'Gestion des risques et vulnérabilités des territoires' pools research and training companies and institutions focused on risk related topics. The work is conducted in the French regions of Provence-Alpes-Côte d'Azur and Languedoc-Roussillon and in other areas worldwide, dealing with natural risks, as well as industrial hazards and risks associated with urban development.

The aim of this cluster is to label, financially support and implement research and development projects to promote the development of innovations that fulfil market needs.

Risk markets and their needs therefore must be identified. Three approaches have been developed:

■ A territorial approach. Current progress on sensors and new information and communications technologies should enable major advances in risk management. Risk prevention and the

protection of property, life and heritage is now the focus of major laws and substantial investment, which means that risks are mainly managed through a public market in which the government and local authorities are involved. This has given rise to territorial risk management systems, enabling cross-sectoral and multirisk management since any given area can be susceptible to several types of risk.

■ An approach associated with industrial innovations. Innovative technologies now have to comply with European regulations on risks and the environment, be socially acceptable and accepted by opinion leaders and prime contractors. The cluster proposes to use technology platforms that are already set up in the two regions to assess the clean and safe features of technological innovations.

■ A training and consultation approach. There is also an important psychosociological aspect to risk. Societies and individuals have highly variable degrees of acceptance or aversion with respect to risks. Training-information-consultation initiatives are required to take this dimension into account, and these could also be a source of economic development.

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