



Department
for Environment
Food & Rural Affairs

Wine Reforms Consultation

Consultation document for the third phase of AEUL
(assimilated EU law) wine reform.

We are the Department for Environment, Food and Rural Affairs. We are responsible for improving and protecting the environment, growing the green economy, sustaining thriving rural communities and supporting our world-class food, farming and fishing industries.

We work closely with our 33 agencies and arm's length bodies on our ambition to make our air purer, our water cleaner, our land greener and our food more sustainable. Our mission is to restore and enhance the environment for the next generation, and to leave the environment in a better state than we found it.



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Foreword

Leaving the European Union has given us the opportunity to review how we make and shape the regulatory framework for food and drink.

The government has delivered the first two phases of the assimilated EU law (AEUL) wine reforms. The first Statutory Instrument (SI), 'The Wine (Revocation and Consequential Provision) Regulations 2023 (No 1362)', introduced simplified labelling rules for the wine trade which came into effect on 1 January 2024. In addition, packaging requirements for sparkling wine were liberalised to reduce costs and support recycling and the removal of restrictions on hybrid grape varieties will give industry the freedom to innovate. The second SI, 'The Wine (Amendment) (England) Regulations 2024 (No 115)', will update the list of approved oenological practices and introduced a definition for ice wine in July 2024.

Following on from the successful delivery of these reforms, the government intends to continue improving the regulatory landscape to boost industry, encourage investment and support innovation to meet existing and emerging consumer demands and trends.

These amendments work towards creating a regulatory environment suitable to promote innovation and reduce industry burdens. These changes also improve sustainable practices and increase consumer choice without compromising on standards.

This consultation forms part of the government's smarter regulation programme of regulatory reform measures that began in May 2023 with the publication of [Smarter regulation to grow the economy](#). Smarter regulation is about improving regulation and guidance for businesses across the board, ensuring it is clear, proportionate and does not unnecessarily impose burdens on businesses which restrict innovation and growth.

Policy Objectives:

1. **Frictionless trade.** Increasing the sector's export capability by removing regulatory barriers to trade.
2. **Consumer confidence.** Ensuring labelling and marketing rules continue to give consumers confidence that the products they are buying are safe, authentic, and meet their quality expectations.
3. **Sustainable growth.** Ensuring our regulatory framework promotes long-term investment and growth in the sector.
4. **Environmental impact.** Introducing regulatory changes that promote sustainable industry practices and are in line with the government's net zero ambitions.
5. **Removing burdens.** Reducing red tape and costs for businesses.

Background

The UK is a global hub for wine. It is home to a diverse and dynamic wine sector and is the second largest importer of wine in the world by value¹. In 2022, off-trade sales of still, sparkling, and fortified wine via supermarkets, convenience stores, and specialist off-licences in the UK were worth around £7.6 billion, while on-trade sales through hospitality outlets were worth an estimated £3.5 billion².

Following the UK's departure from the European Union, the UK incorporated the existing framework of EU wine law into domestic law. This consultation covers England only. Should these changes be introduced, wine produced in accordance with these new regulatory requirements will be able to be sold by retailers in Northern Ireland when moved under the Northern Ireland Retail Movement Scheme. The Internal Market Act 2020 will allow for products produced in England and Wales to be sold in Wales and Scotland.

The AEUL inherited from the European Union on wine is complex and contains unnecessary restrictions on how wine can be produced and marketed. Defra and the wine industry have identified various instances where AEUL impedes growth and competitiveness in the wine sector, and limits opportunities for business to innovate or promote sustainability within the global wine sector.

The government previously consulted on reforms to wine AEUL to gather views on policy proposals. These provided enough information for the reforms we have already introduced, but only provided an outline for the more complex reforms in this consultation, where more time was needed to work up detail with our wine producers and wine trade. This consultation will gather views on the specific elements that we alluded to in the earlier consultation and allow consultees to view the draft statutory instrument that will amend AEUL.

¹Data source Comrade and ITC(2022)

² WSTA Market Report April 2023

Economic Overview

For this section we focus on reforms that we think will have the biggest economic impacts for England.

Transformation of wine (including carbonation). This is an area of the proposed reforms that we expect to unlock economic potential. Introducing the ability to transform wine in-market could create business opportunities for the bottling and re-exporting industry. That could take the form of increased foreign direct investment (especially for in-market carbonation) and potential spill-over benefits on the manufacturing sector (increasing demand, employment, R&D and innovation).

We anticipate that importing wine in bulk as compared to shipping packaged (bottled) wine will have significant environmental benefits. Bulk wine containers enable more than double the volume of wine to be shipped per container compared to the finished bottle, which means that businesses can transport two and a half times more wine for the same transportation costs. As well as reducing emissions, shipping consolidation will help to reduce pressure on the supply chain.

If businesses chose to implement these reforms, they can anticipate incurring additional costs including, upfront investment costs for new plants, operational and staff costs. Businesses will also incur familiarisation costs. Our domestic wine production industry, which is growing quickly, has developed a solid reputation for high quality/high-priced wines, especially quality sparkling wine. While transformed sparkling is expected to compete with other sparkling wines already saturating the UK low/mid-priced market, we recognise that the bandwidth of the sector is fluid and could pose a theoretical risk to domestic industry. Mitigations such as adjusting labelling provisions applicable to wine that is carbonated here have been included to make sure that consumers can clearly see what they are buying.

No and low alcohol wine. Another area of potential growth is the proposed reforms to the definition of wine to allow for the production of no and low alcohol “wine”³. The no and low “wine” share of the total wine category stood at 0.9%⁴ in 2022. We believe the main costs of the reforms related to no and low “wine” to be, upfront investment costs for new plants, operational and staff costs (if businesses decide to produce no/low wine), familiarisation, and opportunity costs as consumers shift away from traditional wine. Benefits include increased innovation, giving producers and consumers more choice and wider health benefits.

³ Throughout this report we have referred to No and Low “wines” in quotation marks as according under regulations these products cannot be named ‘wines’. This has been done to enhance the readability of this report.

⁴ WSTA Market Report April 2023, found at: <https://resources.wsta.co.uk/publications/index>

We will consider relevant World Trade Organization (WTO) and free trade agreement (FTA) obligations in proposing these changes. Defra has incorporated stakeholder views into its policy development process so far and has identified areas to take forward in legislation.

Wine Reform Phase 3: Specific changes and benefits

In the section below we have outlined a further tranche of reforms to our assimilated wine legislation, which will complement the changes that have already been introduced. These reflect some of the most important reform requests from our wine industry, including retailers, bottlers and our domestic wine producers, and help support growth to meet existing and new consumer demand.

The changes cover the transformation of imported wine products such as the sweetening or carbonation of bulk imported wine, scope to produce and market no and low alcohol wine, and changes that ensure consumers are clear on the nature and origin of the products they are purchasing. We are also planning to introduce an online list of currently approved oenological practices and processes.

In addition to the details outlined below, to support your response we have also included a copy of the draft Statutory Instrument (SI). We ask that you review the outline of the proposed reforms and the draft of the SI before responding to the consultation questions.

Detail on proposed policy changes

Carbonation of imported bulk wine

The government is proposing to remove the ban on transforming imported still wine into sparkling wine in-market. This practice would allow businesses to add value to imported still wines and increase consumer choice. It is less efficient to transport sparkling wines in bottle to the UK due to high shipping costs and environmental implications from the weight of glass and volume of bottles. Allowing bulk imported wine to be carbonated in-market removes some of the financial and environmental costs associated with getting the product to market. As set out in the attached draft legislation, this will be done by removing the ban on turning imported wine sector products into another wine category in England.

The carbonation of imported wine in England would allow for production of sparkling wine using either aeration (for example pumping CO₂ into the product at high pressure) or Charmat (tank-based secondary fermentation method) only. The UK has built an enviable reputation as a producer of high-quality wine, especially sparkling wines produced by the traditional method, so this form of transformation will not be permitted to imported wine sector products.

To protect the identity of these products, we will also be introducing some complimentary changes to wine labelling laws (Article 45 of Assimilated (EU) Regulation 2019/33). Still wine transformed into sparkling wine in-market will be required to show exactly where the

wine used in its production originated and where the process of carbonation etc took place, for example, '*Sparkling wine of X, carbonated in England*'.

Sweetening and other adaptation of imported wine

Allowing imported wine to be sweetened or otherwise adapted here could open new possibilities to our bulk wine import trade and reduce potential wastage of wine that, following transit, required further oenological treatment prior to bottling. Increasing the scope to transport dry wine over longer distances and sweeten in-market could reduce the risk of spoilage posed to shipments. Sweet wine for example is more susceptible to spoilage through actions like unexpected secondary fermentation from contamination with wild yeast, and while this can be counteracted by the use of preservatives, these can have health and quality implications. By permitting the sweetening of bulk wine here under controlled conditions, it will help keep spoilage to a minimum and the subsequent use of preservatives reduced.

It is also appropriate to permit other changes to be made to wine that has arrived in England in bulk prior to bottling, for example, to correct faults that have occurred during transit, but only where this is achievable using authorised oenological practices and processes. Many such practices to correct faults are fairly simple to do and do not change the nature of the product materially. Allowing these practices to take place offers the prospect of reducing wastage and gives bottlers the possibility to improve the standards and maintain consistency of wine offered to consumers.

Producing wine from imported grapes and grape must

We intend to allow grapes and grape must to be imported and turned into wine in England once again. This was possible while we were a member of the EU but for EU origin musts and grapes transiting inside the single market. This is no longer an option as we have assimilated the restriction the EU applied to imported grapes and must in our assimilated EU law.

By opening the market to imported grapes and grape must, from either the EU again or beyond, we aim to re-start a niche business that had built up using EU grapes to make bespoke wines for specialist outlets, including restaurants. The origin of wine produced in England from imported grapes will again have to be clearly labelled to show what process took place in England. The label will also need to indicate where the grapes were harvested or where the grape must was produced. This requirement is to ensure consumers are clear on the origin of the products they are buying and the processes their wine has undergone.

British wine

'British wine' has been produced in the UK for many years. It is a product made in the UK from imported grape juice & grape must. However, rules regarding its production mean it cannot be classed a wine in the normal sense. British wine falls into a category of products that includes fruit wine, mead, perry etc, all of which come under the general customs heading of 2206 'other fermented beverages'. Wine such as English and Welsh sparkling and other international wine sector products fall under the general customs heading CN 2204 – 'wine of fresh grapes'.

The government is proposing to remove scope for products currently falling in customs heading 2206 from using the term 'British' when accompanied by the term 'wine'. We are concerned that the reputation being gathered by our own vineyards and producers for high quality still and sparkling wines presents a risk that consumers will become confused that 'British Wine' is the same product as English or Welsh wine. This risk has increased by the rapid rise in our domestic wine production and consumption. English and Welsh wines are now regularly stocked by major supermarkets, which put them into the same market outlets as 'British Wine'.

However, the changes we intend to permit to allow for the import of grape must and transformation into wine here, provide a new opportunity for 'British wine' producers to make CN 2204 wine instead. If they currently use approved oenological (winemaking) practices to produce 'British wine' then these products could be marketed as (CN 2204) wine products with the origin of the grape must and place of production noted on the label.

Where producers opt to continue to produce 'wine' under the category CN 2206, they are free to continue, but the product must be marketed as a '*made*' wine or using another word with the word 'wine' that is not 'British', and that will not mislead the consumer. We intend to provide transitional arrangements to allow British Wine producers adapt to the new market arrangements.

We do not intend to prevent other names or fruits from being used in conjunction with wine so there will be no impact on the marketing of products like 'ginger wine' or 'mead wine'.

No and Low alcohol wine and changing the minimum alcohol content of wine

The increased consumer demand for no and low alcohol products has been significant and rapid. Other sectors now offer no and low alcohol alternatives, most notably the beer and cider sector. The government sees the increased availability of no and low alcohol alternatives to be beneficial to consumers wishing to moderate their consumption of alcohol and is keen to further stimulate product development and availability in this area.

Assimilated EU law currently permits the alcohol concentration of wine to be corrected by up to 20%, but it does not permit the production and marketing of no and low alcohol wine as wine. Consumer demand is currently being met by products that fall outside the wine regime and so cannot be called wine. Many producers currently meeting this demand are wine producers themselves who also want to be able to market their no and low alcohol products as wine.

We consider the current arrangements inhibit growth in this important new market. We therefore plan to introduce rules that will allow the full or partial removal of alcohol from wine sector products. However, as this is a new possibility for wine products, we are seeking consultee's views to help us shape this policy.

In making these changes we have a number of objectives:

- To ensure that consumers have clear information on the bottle about the alcohol content,
- For consumers to be sure that a 'reduced alcohol wine' has had a meaningful amount of alcohol removed,
- For labelling rules to be as simple as reasonably practicable.

Our proposed regulations would therefore introduce some thresholds.

'Partially de-alcoholised', 'reduced alcohol' wine. We are proposing that a wine using terminology such as 'partially de-alcoholised' or 'reduced alcohol' etc, should have *no more than 8.5% alcohol by volume (abv)* when marketed. We are also proposing that these wines will be required to have had *at least 30% of their alcohol removed* compared with their original levels to qualify to use this terminology.

'De-alcoholised', 'alcohol free' wine. The government has recently consulted on no and low alcohol labelling guidance, including the maximum level of alcohol that can be present in products claiming to be alcohol free, and whether de-alcoholised should be used as a marker for alcoholic strength. The Department for Health and Social Care is now considering responses, with values of 0.05% or 0.5% abv under consideration for use of the term 'alcohol free'. We intend to set the level of alcohol and descriptors for wine that are consistent with broader government policy.

Labelling de-alcoholised, partially de-alcoholised wine. In parallel to establishing the framework for producing no and low alcohol wines, we also intend to set out rules on how these products should be marketed to consumers, so anyone buying that wine is clear that alcohol has been removed.

We have used some examples above which are currently being used on 'wine' products marketed outside the wine sector rules. However, we also recognise this is a rapidly evolving international sector and mandatory labelling rules may not help support a diversity of imports needed to meet growing demand for these products. We therefore seek views on our plan to adopt a flexible approach to labelling these wines. This will be on the basis

that the labelling used to show that products have had some or all their alcohol removed meets the definitions set out above, and that the wording ('reduced alcohol', 'partially de-alcoholised' etc) conveys the correct information about alcohol content to consumers. These rules would be underpinned by general labelling rules that require wines to be labelled in a way that does not mislead the consumer.

The government intends to issue advice on the production and marketing of no and low alcohol wines. This will appear on GOV.UK.

As a separate proposal to the above, the government proposes to introduce a minimum alcohol threshold of 4.5% abv for wine that has not undergone any dealcoholisation. Currently the minimum alcohol content for wine is 8.5% abv, with the lower 4.5% abv reserved for wines that are registered as a geographical indication (GI). The change removes an unjustified prejudice that existed between wines that have a GI and those that don't. It will also allow for naturally lower alcohol wines to be produced or imported, increasing consumer choice for products with naturally lower abv.

We anticipate that by permitting the transformation of wine in-market we will encourage the import of wines to be de-alcoholised here, further stimulating the market for no and low alcohol wine and providing a boost to our wine import and bottling industry.

New arrangements for recording approved oenological practices

Approved practices, processes and restrictions for making wine are set out in Assimilated EU Regulation 2019/934. To allow producers to benefit from new and innovative practices adopted by the International Organisation of Vine and Wine (OIV) (of which the UK is a member), this regulation must be updated via an affirmative resolution SI. Given the frequency with which this law is updated, it can be difficult for producers to keep up with the latest approved oenological practices and processes. This could potentially mean they use one practice, where another, more efficient practice would be better suited to their needs.

We therefore intend to provide a concise, consolidated and transparent list of approved practices, processes and restrictions on GOV.UK. This will mirror the approved practices contained in Annex 1 Parts A & B and associated appendixes of assimilated EU Regulation 2019/934. The GOV.UK list will provide an easily accessible list of practices approved in UK law. We intend to update this list when Parliament approves legislation on new or amended oenological practices.

How to respond

The consultation will be open for 6 weeks from 28 March 2024. Responses should be received by 11:59pm on 10 May 2024. Our preferred way of receiving responses is through the online Citizen Space platform. If you are unable to use Citizen Space, you can download the consultation documents and return your response by email to Wine.Exports@defra.gov.uk.

Campaign responses

We recognise that respondents may choose to use some standard text to inform their response. Campaigns are when organisations (or individuals) coordinate responses across their membership or support base, often by suggesting a set of wording for respondents to use. Campaign responses are usually very similar or identical to each other. For this consultation, campaign responses may be analysed separately to other responses to ensure the breadth of views received can be summarised effectively and efficiently. All campaign responses will be considered in the final analysis of public views and campaigns help provide an indication of the strength of feeling on an issue. The preferred route for all respondents to provide their views (including where a response is based on a campaign) is via the Citizen Space platform.

Privacy notice and data protection

A summary of responses to this consultation will be published on the government website at: www.gov.uk/defra. An annex to the consultation summary may list all organisations that responded but will not include personal names, addresses or other contact details. Defra may publish the content of your response to this consultation to make it available to the public without your personal data, personal name and private contact details.

If you answer on 'Yes' in response to the question asking if you would like anything in your response to be kept confidential, you are asked to state clearly what information you would like to be kept as confidential and explain your reasons for confidentiality. The reason for this is that information in responses to this consultation may be subject to release to the public or other parties in accordance with the access to information law (these are primarily the Environmental Information Regulations 2004 (EIRs), the Freedom of Information Act 2000 (FOIA) and the Data Protection Act 2018 (DPA)). We have obligations, mainly under the EIRs, FOIA and DPA, to disclose information to particular recipients or to the public in certain circumstances. In view of this, your explanation of your reasons for requesting confidentiality for all or part of your response would help us balance these obligations for disclosure against any obligation of confidentiality. If we receive a request for the information that you have provided in your response to this consultation, we will take full account of your reasons for requesting confidentiality of your response, but we cannot guarantee that confidentiality can be maintained in all circumstances.

If you answer on 'No' in response to the question asking if you would like anything in your response to be kept confidential, we will be able to release the content of your response to the public, but we won't make your personal name and private contact details publicly available.

Responses may be shared with other government departments. There may be occasions when Defra will share the information you provide including any personal data, with external analysts. This is for the purposes of consultation response analysis only. Where Defra shares your personal data with third parties, we will ensure that we have the right data sharing agreements in place to protect your data and to govern the relationship between Defra and the third party. Defra is conducting this consultation in line with the Cabinet Office [consultation principles](#). Please find our latest privacy notice uploaded as a related document alongside our consultation document.

1. Would you like your response to be confidential? (required)

- a. Yes
- b. No

If you answered yes to this question, please give your reason:

Consultation Questions

Our aim is to bring forward changes that will support growth and competitiveness in the domestic wine sector, the thriving trade arm of the industry and improve availability of products for consumers. The breadth of wine law and the scope of the proposed reforms encompasses a broad range of industry and consumer interest. Given the broad nature of the themes being discussed, we are keen to get views from a broad range of stakeholders. To support this approach, we have included questions below that we would like you to consider in your response. Please note, you will have an opportunity to keep your response confidential if you wish.

Information about you

2. Who are you responding as? (Select one option only)

- a. Individual – You are responding with your personal views, rather than as an official representative of a business or, business association or, other organisation
- b. Public sector body - In an official capacity as a representative of a local government organisation or, public service provider or, other public sector body in the UK or elsewhere
- c. Industry (single business) - In an official capacity representing the views of a single business
- d. Industry (multiple businesses) - In an official capacity representing the views of multiple businesses or, trade association or, business association

- e. Non-governmental organisation - In an official capacity as the representative of a non-governmental organisation or, non-profit organisation or, other organisation
- f. Academia - In an official capacity as a representative of an academic institution
- g. Other: please specify

If responding as 'industry' or 'non-governmental organisation' in question 2, please answer questions 3-7.

3. If responding as 'Industry (multiple businesses)' in question 2, how many businesses are you representing? (Select one option only)

- a. Less than 25
- b. Between 25-100
- c. Between 101-250
- d. More than 250**
- e. Prefer not to say
- f. Not applicable

4. What is your role in the wine sector supply chain? (If you have multiple roles, select all that apply)

- a. Importer
- b. Exporter or Re-exporter
- c. Fine wine trade
- d. Bottler
- e. Domestic producer
- f. Retail
- g. Hospitality
- h. Trade body**
- i. Consumer group
- j. Other: please specify

5. What is the name of your business?

- a. **Please write it.** **WineGB**
- b. Not applicable
- c. Prefer not to say

6. Please identify if your organisation is one of the following (Select one option only)

- a. Micro business: 1-9 employees
- b. Small and Medium-sized Enterprise (SME): 10-249 employees
- c. Large business: 250 employees or more
- d. Other: please specify

e. Not applicable

7. Where does your business or organisation operate? (Select all that apply)

a. England

b. Wales

c. Scotland

d. Northern Ireland

e. EU: please specify

f. Rest of the world: please specify

Carbonation of imported bulk wine

The government proposes to allow for the carbonation of imported bulk wine. This will be limited to aeration with CO₂ and in-tank second fermentation (Charmat method). Labelling rules will also be changed to ensure consumers are clear on the nature, origin and the processes that have taken place on the wine they are buying.

If responding as 'industry' please answer all questions. Otherwise, please only answer questions 11 to 13.

8. How likely or unlikely are you (or are those you represent) to make use of the proposed 'Carbonation of imported bulk wine' reform?

a. Very likely

b. Quite likely

c. Neither likely nor unlikely

d. Quite unlikely

e. Very unlikely

f. I don't know

g. Not applicable

9. If likely to make use of the proposed 'Carbonation of imported bulk wine' reform, what would this depend on?

a. Free text

10. If likely to make use of the proposed the changes, how long do you anticipate it would take you, or the organisation(s) you represent to implement them?

a. Less than 1 year

b. 1 to 2 years

c. 2 to 5 years

d. More than 5 years

e. Don't know

f. Not applicable

11. To what extent do you agree or disagree with the following statements

- Carbonation of still, imported wines, should be permitted in England. **Strongly disagree**
 - Still wine transformed into sparkling wine in England should show exactly where the wine used in its production originated. **Strongly agree**
 - Still wine transformed into sparkling wine in England should show exactly where the carbonation took place. **Strongly agree**
 - The label should say 'produced in England' on wines that have been carbonated in the UK using wine which has been imported. **Strongly disagree**
 - The label should say 'carbonated in England' on wines that have been imported into the UK and subsequently undergone the process of carbonation in the UK. **Strongly disagree**
- a. Strongly agree
 - b. Agree
 - c. Neither agree nor disagree
 - d. Disagree
 - e. Strongly disagree

12. Please briefly describe the main positive impact(s) the 'Carbonation of imported bulk wine' reform will have for you/ your organisation?

Having engaged our members on this issue there is almost total agreement that there will be very little if any positive effect to their businesses from their or others being allowed to carbonate imported bulk wine. Not a single member who has engaged with us intends to devalue the quality products they currently, and hope in future to, produce by using imported bulk product to produce low quality, carbonated wine. They are proud of the fact that they produce English and Welsh wine using only English and Welsh grapes and they do not wish to cheapen their brands by doing what it is that the Government is proposing.

The only area where some members see this as producing anything that might be remotely considered as a benefit is it might lead to increased and more diversified capacity from domestic bottling companies. There are currently very few contract bottlers able to fill 75cl bottles with wine using aeration / counter-pressure or Charmat method to carbonate wines. If demand increases then it is possible that bottling companies may respond to this change by increasing their capacity to meet the increased demand. However, members also expect increased English and Welsh grape harvests in the years to come to also deliver a need for increased capacity.

As a further point it is unclear why Question 11 only refers to 'England'. We realise that Wales, Scotland and Northern Ireland have devolved administrations with their own legal responsibilities and that may be the reason why you are only referred to England. But to avoid creating any loopholes which unscrupulous individuals /companies might look to exploit you should consider changes, in particular to labelling, applying UK wide and engaging devolved administrations as appropriate to make this happen.

13. Please briefly describe the main negative impact(s) the 'Carbonation of imported bulk wine' reform will have for you/ your organisation?

We are very grateful that the 'traditional method' of producing sparkling wines has not been included in these proposals as a method of transforming imported still wine. We believe this is deserved recognition of the importance of the sector which has developed a solid reputation for high quality/high-priced wines, especially quality sparkling wine.

We believe that the same could equally be said of similar high-quality wines from England and Wales produced using the Charmat as well as aeration methods which some of our members also use. These members have active plans in place to significantly grow their market share in the coming years and are concerned that these proposals to allow carbonation using the Charmat and aeration methods will have a disproportionate negative effect on them and their future business plans.

Further to the response to question 11, our members have been vocal about the negative impacts that they see from the Government allowing the carbonating of imported bulk wine from third countries in the UK.

A negative impact that our members believe is that it will undercut the efforts that they are making to grow their businesses by growing their own domestic market share. It will do so in a number of ways including:

- increase production costs and reduce the amount of processing capacity available to English and Welsh wine as imported bulk wine will put more of a squeeze on the already over-stretched production infrastructure
- claim market share from UK wine producers as these inexpensive, lesser quality wines will be promoted in the domestic market at a lower price point than the UK's own excellent quality *Traditional Method* sparkling wines
- larger retailers (e.g. the large multiples AKA supermarkets) will give over more of the limited shelf space available to domestic wines to these third country products with the result that consumers will have less domestic wines available to choose from and will likely move away from them as they will probably become more expensive (given that the squeeze on production infrastructure will likely lead to higher production costs).

A second negative impact our members perceive from this change is that, despite every effort the government makes (including changing the legislation), wine brands produced in this manner will be able to find a way to market /sell themselves as English /Made in England /Wine of GB /etc. and as a result, cause the consumer to believe that they are buying an authentic (i.e. produced using grapes grown in England or Wales) English /Welsh wine. Given this likelihood members believe that this will have exacerbate over time the challenge already faced by the sector around the low-quality impression of English and Welsh Wine in the mind of the consumer.

A third negative impact our members believe allowing this to happen is it will negatively impact on the impression of English and Welsh wine in export markets.

Quality is the key signifier of English and Welsh products and it is what our members leverage in their marketing as they try to grow their export markets. Provenance is key to this. Our members believe that an influx of low quality imported bulk wine that will be finalised (carbonated, sweetened, transformed or even blended) in the UK will introduce uncertainty about the provenance of English and Welsh wine and will raise doubts in the minds of current and potential future overseas customers about the origin of our member's wines.

There is no way of guaranteeing that this proposal will not see imported bulk product bleed into domestic wine production and as a result this uncertainty will, our members believe, undermine our sector's ability to sell its products overseas because it will undermine trust in our products. Making this reality a double blow to the emerging English and Wine sector as it will undermine the market both at home and abroad for our members products.

It is also worth also pointing out that the current wine regulations allow the provenance of sparkling wines to be declared as the country where the second fermentation takes place (rather than the country where the grapes were harvested and turned into still wine).

Given that carbonisation via the Charmat method starts in the second fermentation stage (i.e. when the wine is put into a stainless-steel tank to undergo secondary fermentation and which is where the bubbles start to appear) there exists a potential loophole, which unless closed, could allow imported third country bulk wine, under the current wine regulations definition of provenance, to describe themselves as a product of the country where tank-based secondary fermentation took place. This is not an issue for wines carbonated using aeration as there is no secondary fermentation in this process.

A further negative impact which our members expect to see is that more lower cost and lower quality wine being available will inevitably result in more wine being over consumed and the domestic wine sector, not third country exporters, taking the brunt of the anti-alcohol /government backlash against this.

A final point we would like to convey on behalf of our members is that not a single one of them has asked for this change. The focus of English and Welsh vineyards, wineries, brand owners, etc. is on developing and growing their own high quality, premium offering. The last thing they expect is their own Government to undermine everything they are doing by providing third country competitors with privileged access to the UK market to offload stocks of excess low-quality wines that will undercut domestic businesses.

We would hope that the Government takes this moment to listen to these genuine concerns that would undercut our burgeoning sector. Should the voice of importers loom larger it is an absolute essential that every effort is made to ensure that it is possible to both easily and clearly distinguish cheap, low quality, third country carbonated, sweetened, transformed or blended wines from any domestically produced English, Welsh or British wines product that uses English or Welsh grapes. The aim should be not to mislead consumers. This means that the origin of the imported grapes, grape must or still wine used in these products is referenced on the front of the bottle; UK and British symbols or flags cannot be used in any circumstances; and that reference to UK production (which by existing law has to be

on label) does not appear as part of the branding and /or description of the product in an attempt to suggest that it is something that it is not.

Without proper control over and enforcement of labelling rules applied to this low quality third country products it is likely that consumers will be confused as to their true provenance which will hamper the growth of the domestic wine sector which is set to double over the next ten years.

Sweetening and other adaptation of imported wine

The government proposes to allow other changes to be made to imported wines including the sweetening wine or other adaptations, such as correcting faults that have developed in bulk wines during transit.

If responding as 'industry' please answer all questions. Otherwise, please only answer questions 16 to 19.

14. How likely or unlikely are you (or are those you represent) to make use of the proposed 'Sweetening and other adaptation of imported wine' reform?

- a. Very likely
- b. Quite likely
- c. Neither likely nor unlikely
- d. Quite unlikely
- e. Very unlikely
- f. I don't know
- g. Not applicable

15. If likely to make use of the proposed 'Sweetening and other adaptation of imported wine' reform, what would this depend on?

- a. Free text

16. To what extent do you agree or disagree with the following statements

- The sweetening and adaptation of wine in England should be permitted. **Strongly disagree**
 - Businesses should be permitted to correct faults that have occurred during transit of imported wine. **Strongly disagree**
- a) Strongly agree
 - b) Agree
 - c) Neither agree nor disagree
 - d) Disagree
 - e) Strongly disagree

17. Which of the following most reflects your views/ the views of those you represent: (please select your most preferred option).

- The front of pack label should indicate whether the wine has been sweetened or adapted in the UK.

- The back of pack label should indicate whether the wine has been sweetened or adapted in the UK.
- The front of pack and back of pack labels should indicate whether the wine has been sweetened or adapted in the UK.

18. If applicable, please briefly describe the main positive impact(s) the 'Sweetening and other adaptation of imported wine' reform will have for you/ your organisation?

Our members don't see any positive impact for them as none intend to use imported wine in their products. They believe it will put them at a disadvantage vis-à-vis their, for example, Australian counterparts as no country they export to, and certainly not Australia, will allow them to sweeten or adapt their own products should they be damaged some way in transit.

19. If applicable, please briefly describe the main negative impact(s) the 'Sweetening and other adaptation of imported wine' reform will have for you/ your organisation?

- a. Free text

Producing wine from imported grapes or grape must

The government intends to allow the production of wine to take place in England using imported grapes or grape must from any origin. This practice was permissible while the UK was in the single EU market but was limited to EU sourced products only.

If responding as 'industry' please answer all questions. Otherwise, please only answer questions 22 to 24.

20. How likely or unlikely are you (or are those you represent) to make use of the proposed 'Producing wine from imported grapes and grape must' reform?

- a. Very likely
- b. Quite likely
- c. Neither likely nor unlikely
- d. Quite unlikely
- e. Very unlikely
- f. I don't know
- g. Not applicable

21. If likely to make use of this proposed 'Producing wine from imported grapes and grape must' reform, what would this depend on?

- a. Free text

22. To what extent do you agree or disagree with the following statements (Strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, don't know).

- Wine made in England should be permitted to be produced from imported grapes or grape must. **Strongly disagree**
 - Wine should be labelled with 'made from grapes imported from X'. **Strongly agree**
 - Wine should be labelled with 'made from grape must from X'. **Strongly agree**
- a) Strongly agree
 - b) Agree
 - c) Neither agree nor disagree
 - d) Disagree
 - e) Strongly disagree

23. If applicable, please briefly describe the main positive impact(s) the 'Producing wine from imported grapes or grape must' reform will have for you/ your organisation?

- a. Free text

24. If applicable, please briefly describe the main negative impact(s) the 'Producing wine from imported grapes or grape must' reform will have for you/ your organisation?

It is our understanding that very few English or Welsh businesses will import grapes to make wine as it is not commercially viable for them to do so given that most are SME sized companies. Those who did this when it was allowed gave up long before Brexit happened not because of regulatory changes that stopped it but because it wasn't commercially viable. It is much easier to import grape must or grape must concentrate but most do not do so as it is not compatible with producing a quality product that is English or Welsh.

British Wine

The government is planning to stop products that fall outside the wine sector, but are made from imported grape must or juice, from using the composite term 'British' together with the word 'wine'.

If responding as 'industry' please answer all questions. Otherwise, please only answer questions 27 to 29.

25. How likely or unlikely are you (or are those you represent) to make use of the proposed 'British Wine' reform?

- a. Very likely
- b. Quite likely

- c. Neither likely nor unlikely
- d. Quite unlikely
- e. Very unlikely
- f. I don't know
- g. Not applicable

26. If likely to make use of the proposed 'British Wine' reform, what would this depend on?

- a. Free text

27. To what extent do you agree or disagree with the following statements (Strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, don't know).

- The removal of the term 'British Wine' to refer to 'other fermented beverages'.
Strongly agree
- The term 'British Wine' should be used for all types of wine made in England.
Strongly disagree
- The term 'British Wine' should be used only for wines made in England from grapes grown in England. **Strongly agree**
- The term 'British Wine' should not replace what is currently considered 'English Wine'. **Strongly agree**

- a) Strongly agree
- b) Agree
- c) Neither agree nor disagree
- d) Disagree
- e) Strongly disagree

28. If applicable, please briefly describe the main positive impact(s) the 'British Wine' reform will have for you/ your organisation?

Our members are all British businesses and would welcome the clarity which this proposed amendment could bring to the use of the terms 'British', 'Britain' and 'United Kingdom'. These terms, and for the sake of clarity the terms Scotland, Scottish, Northern Ireland, Northern Irish and those of the various areas and counties of the United Kingdom should be protected terms reserved for wine made exclusively from fresh grapes grown in Britain and its constituent regions plus Northern Ireland. There should be no confusion in the minds of consumers and businesses as to what can and cannot call itself a wine or product of any of these geographical areas. If the Government is willing to deliver this then it would be a positive development without doubt.

Our members being able to market their wines domestically and internationally as British, or using one of the geographic names referred to in the last paragraph, will bring clarity to consumers without the confusion which has historically arisen from cheap 'British made wine'. But this will only be possible if grapes, grape must or still wine that is imported into the UK and transformed, sweetened, blended or

carbonated here is not allowed to be described as 'British', 'product of Britain' or any other variation that might give rise to confusion as to the origin of the product.

In order to avoid the Canadian experience*, it must also apply to any product that blends a little bit of English or Welsh wine with imported bulk wine which could be used as a work-around the proposed restrictions. Under no circumstances should any imported bulk wine that is blended with a little wine made from grapes produced in the UK be allowed describe itself as *British, made in England, product of Wales, produced in Sussex, Cellared-in-Britain wine, English grapes blended with wine of country X*, etc.

It is possible to envisage a scenario where a British brand decides to use their brand name as a means of working around labelling regulations about misleading the consumer, as for example Diageo does with its 'Baileys' brand and some alcohol beverages it sells, to sell a product produced using imported ingredients and thereby giving the impression that it is 'theirs' but at a lower price points than they currently can with UK-grown grapes. Reforms to labelling rules needs to factor the high potential for this scenario into changes that may be forthcoming.

If the Government intends to allow the carbonating, sweetening or transformation of imported bulk wine in the United Kingdom, which to reiterate our sector has not asked for and does not want, then the quid pro quo for English and Welsh wine must be that these third country products cannot, under any circumstance be allowed to suggest in any way to the wine consuming public that these products might be from this country or any of its nations, areas or counties.

* In Canada the most affordable 'Canadian' wines are blends of a little bit of Canadian wine with imported bulk wine. These are known as International-Domestic Blends (i.e. blend of imported and domestic wines). In Ontario, these wines must contain 25% Canadian grapes and account for 58% of the market share for wine in Ontario (by volume). In British Colombia they only have to contain 1% Canadian grapes.

29. If applicable, please briefly describe the main negative impact(s) the 'British Wine' reform will have for you/ your organisation?

Our members believe that should changes be made to the legislation which will allow the carbonisation, sweetening and transformation of bulk wines, grape or grape must imported into the UK then changes need to also be made in legislation to ensure that there is full clarity on the origin of those transformed products so that there is no confusion whatsoever in the minds of the consumer as to what they are purchasing and consuming.

There is a real risk to the reputation of the high-quality wines which our members have developed over the last decade by this proposal. Without proper control on labelling of these products it is a given that consumers will be confused as to their true provenance which will hamper and hinder growth of the domestic wine sector which projections suggest is set to double over the next ten years.

Existing legislation on bottling of third country still wines in the UK states that these wines should not be permitted to use the words 'England', 'English', 'Wales', 'Welsh', 'Scotland', 'Scottish', 'Northern Ireland', 'Northern Irish', 'Britain', 'British', nor 'United Kingdom'. This needs to be extended to cover any wine, grape or grape must imported in bulk into the UK for carbonisation, sweetening, blending or transformation. And the list of words not permitted to be used extended to also include the names of the counties (Sussex, Essex, Lancashire, etc.) and areas (West Country, Lake District, Black Country, etc.) of the constituent nations of the UK.

There should be no ambiguity whatsoever from where these carbonated, sweetened, blended or transformed products originate or that they are a product of the United Kingdom and its constituent nations. This can best be achieved by stating the origin of the wine, grape or grape must in an obvious way and in a typeface of a reasonable size that stands out and can be seen by the consumer.

We understand that existing food labelling laws state that if a product is produced, for example, in England then it has to state clearly that it is a 'Product of /Produced in England'. Since this is unlikely to change we believe that in addition to that, information on the imported wine, grape or grape must that has been carbonated, sweetened, blended or transformed in the UK should also include on the back label clear, legible wording in a font size that can be easily read, intended to convey to the consumer that it is not an English, Welsh or British product. That back-label wording should take the following format:

- 'wine of X' [e.g. Australia], carbonated /sweetened /blended /transformed [use as appropriate] and bottled by Y [bottling company name and WSB reference number] at [UK postcode].

Similarly, in line with existing regulations, carbonated wines should not be allowed to call themselves 'Sparkling Wine' or any derivative of it and should be required to outline clearly on the label that carbonation has been 'Obtained by the addition of carbon dioxide to wine of country X' (e.g. Australia)'.

Consideration might also be given to requiring any imported product carbonated, sweetened, blended or transformed in the UK to carry on label, in colour, the flag of the country of origin of the wine, grape or grape must, used in production. Flags stand out far more clearly than words and their visual language is one that the consumer understands intuitively.

We have seen confusion occur with lower quality products diminishing consumers awareness with higher quality products. *Irish Cream liqueur*, a UK GI product more of which is produced in Northern Ireland rather than in Ireland, is often mistaken for *Irish Country cream*. Irish Country cream is not a GI product and is made using imported bulk neutralised wine by a number of producers across the UK. The vast majority of consumers are unable to tell the difference between the bottles and assume that both are the higher quality, premium GI product. Country cream undermines the Irish Cream liqueur market in the UK on a daily basis. We can anticipate the same will happen to English and Welsh wine if imported bulk wine is

allowed to be carbonated, sweetened, blended or transformed in the UK without a) changes to the legislation about how they can describe and market themselves, and b) increased funding of government agencies whose job it is to monitor and strictly enforce any new rules.

Finally. Although this consultation only covers England, if adopted it sets a precedent for Wales and the same objectives for consumers and producers will apply for Welsh Wines.

We would query whether or not sufficient thought has been given to the implications of these proposed changes for Welsh wine. As things currently stand Welsh vineyards / brands have to send their grapes to wineries in England for processing and via an exemption are able to call the end product Welsh Wine or Wine of Wales. The proposals tabled regarding label requirements for imported bulk wines carbonated (Traditional, Charmat and aeration methods) in the UK may, in an unintended way we hope, require Welsh wines to put on the back label that they were fermented and bottled in England. We assume that it is not the intention of these proposals to penalise Welsh wines in this way and would welcome clarification on this point.

No and Low alcohol wine and changing the minimum alcohol content of wine

The government is intending to introduce rules that will allow for the marketing of no and low alcohol wine products. It also intends to change the minimum alcohol content for naturally produced wines to 4.5% abv.

If responding as 'industry' please answer all questions. Otherwise, please only answer questions 32 to 36.

30. How likely or unlikely are you (or are those you represent) to make use of the proposed 'No and Low alcohol wine and changing minimum alcohol content of wine' reform?

- a. Very likely
- b. Quite likely
- c. Neither likely nor unlikely
- d. Quite unlikely
- e. Very unlikely**
- f. I don't know
- g. Not applicable

31. If likely to make use of the proposed 'No and Low alcohol wine and changing minimum alcohol content of wine' reform, what would this depend on?

- a. Free text

32. To what extent do you agree or disagree with the following statements (Strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, don't know)

- There is a need to change the rules to encourage no and low alcohol wines to be produced and/or marketed in England. **Strongly disagree**
 - 'Partially de-alcoholised' or 'reduced alcohol wine' should be produced and/ or marketed in the UK. **Neither agree nor disagree**
 - For wine to be considered as 'partially de-alcoholised' or 'reduced alcohol wine' it has to have had at least 30% of alcohol removed from their original alcohol level **Neither agree nor disagree**
 - Wines that are marketed as 'partially de-alcoholised' must have an actual alcohol content of 8.5% or less. **Neither agree nor disagree**
 - No and low alcohol wine products should be allowed to be marketed as wine. **Strongly disagree**
 - Wine that is 4.5% abv should always be considered wine, even if it does not have a Geographical Indication. **Neither agree nor disagree**
 - It should be permitted to import No and Low alcohol wines to the UK. **Neither agree nor disagree**
- a) Strongly agree
 - b) Agree
 - c) Neither agree nor disagree
 - d) Disagree
 - e) Strongly disagree

33. To what extent do you agree or disagree with the following statement (Strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, don't know)

- Labelling rules should be flexible to support a diversity of imports needed to meet growing demand for no and low wines
- f) Strongly agree
 - g) Agree
 - h) Neither agree nor disagree
 - i) Disagree
 - j) Strongly disagree**

If you either selected disagree or strongly disagree in the previous question, please briefly explain why

There is going to be increased demand for no and low alcohol beverage products and categories such as beer are better placed to meet this today. We need to recognise where technology and craft techniques currently exist, and ensure that legislation doesn't penalise a sector ahead of being able to achieve an ambition to de-alcoholise wine however much it might seek to do.

Equally in the UK, for many consumers, English and Welsh wine is still seeking to establish the quality benchmark which is recognised both domestically and internationally. Ensuring that the highest quality product leads the category is essential and the support is provided for naturally fermented wine at this stage in

our growth. We therefore ask that any future ways to promote low and no are not through negative instruments for existing products.

In the previous section ('British Wine') we have outlined a series of reasons why the current, more flexible labelling rules for British wine is detrimental in the strongest possible way to the ongoing growth and development of English and Welsh wine. We have urged that the current situation be tightened up.

To encourage more participation in the 'no and low' segment you are also proposing a loosening for those products so that all wines produce for domestic UK sales, and not just PDO /PGI products as is currently the case, can reduce, should they so choose, their ABV to 4.5%. We believe that this will just introduce more confusion for the consumer.

The vast majority of English and Welsh wine producers are small to medium sized producers who do not have the resources needed to purchase the very expensive machinery necessary to de-alcoholise wine and conduct the R&D necessary to guarantee the integrity of the product that might be produced.

Allowing increased flexibility to support a diversity of imports that can label themselves as 'wine' will create further commercial pressure on domestic production. Only large, multinational players have the capacity to play in the 'no and low' arena. If you want a level playing field for wine producers in the UK don't make it create a landscape where only multinational producers, and not small and medium sized ones, can play.

34. If applicable, please briefly describe the main positive impact(s) the 'No and Low alcohol wine and changing the minimum alcohol content of wine' reform will have for you/ your organisation?

35. If applicable, please briefly describe the main negative impact(s) the 'No and Low alcohol wine and changing the minimum alcohol content of wine' reform will have for you/ your organisation?

For most of our members it is likely that these changes will have no impact in terms of what they produce as they do not intend to enter the no and low arena.

None of them are willing to divert the resources needed to de-alcoholise wine and the time or effort to conduct R&D or marketing necessary to understand what has been produced and sell it.

It has been estimated that circa 35,000 bottles is the lowest number of bottles that a producer would need to produce to make it commercially viable which puts it beyond what is possible for nearly all of England and Wales' wine producers given that their main focus is their still and sparkling wines that meet internationally recognised standards.

The negative impacts that most will likely experience from the proposed '*No and Low alcohol wine and changing the minimum alcohol content of wine*' reform will be:

- the giving over of even more shelf space in the wine section of UK retail outlets to more imported products
- uncertainty about English and Welsh wine created by the Government proposing to deviate from internationally understood definitions (i.e. moving from 8.5% ABV to 4.5%),
- lack of clarity as to who would regulate 'wines' between 4.5% ABV and 8.4% ABV
- potential reputational damage to English and Welsh wines if poor quality products emerge, and
- the time and effort devoted by the Government and DEFRA to promoting a category that English and Welsh wine producers cannot engage with for size, cost and technical reasons and do not want to engage with because it is a distraction from their core business.

New arrangements for recording approved oenological practices and processes

The government intends to introduce and maintain an electronic register of approved oenological practices and processes on GOV.UK.

If responding as 'industry' please answer all questions. Otherwise, please only answer questions 40 to 41.

36. How likely or unlikely are you (or are those you represent) to make use of the proposed 'New arrangements for recording approved oenological practices and processes' reform?

- a. Very likely
- b. Quite likely**
- c. Neither likely nor unlikely
- d. Quite unlikely
- e. Very unlikely
- f. I don't know
- g. Not applicable

37. If likely to make use of the proposed 'New arrangements for recording approved oenological practices and processes' reform, what would this depend on?

- a. Free text

38. To what extent do you agree or disagree with the following statement (Strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, don't know).

- This proposal will reduce admin burden for my business.
 - a) Strongly agree
 - b) Agree
 - c) Neither agree nor disagree**
 - d) Disagree
 - e) Strongly disagree

39. If applicable, please briefly describe the main positive impact(s) the 'New arrangements for recording approved oenological practices and processes' reform will have for you/ your organisation?

a. Free text

40. If applicable, please briefly describe the main negative impact(s) the 'New arrangements for recording approved oenological practices and processes' reform will have for you/ your organisation?

It would be important to understand the extent of the proposed new arrangements for recording approved oenological practices and processes. It could possibly be useful in that it should ensure that they are informed more promptly of changes agreed at the international level, and it might save a little bit of time in theory, but how much would be difficult to quantify in practice. We would want to ensure that any registration requirements that do result are not onerous and sit within existing recording methods.

Next Steps

Subject to Parliamentary approval. Defra will progress a Statutory Instrument (SI) to implement the changes that are proposed in this consultation.

The government intends to use powers contained in the Agriculture Act 2020 as the legal basis to implement the changes. The changes that this consultation has proposed will be implemented in England only, subject to parliamentary approval.

[