

## **Explanatory Memorandum to the Wine (Amendment) (Wales) Regulations 2024**

This Explanatory Memorandum has been prepared by the Welsh Government Food Policy and Strategy Unit and is laid before Senedd Cymru in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1

### **Minister Declaration**

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of The Wine (Amendment) (Wales) Regulations 2024

**Lesley Griffiths MS**

**Minister for Rural Affairs, North Wales & Trefnydd**

**12 December 2023**

## **PART 1**

### **1. Description**

This statutory instrument has two distinct purposes.

(1) As a result of the UK joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the 4 devolved governments of the UK must introduce rules by statutory instrument to prohibit the marketing of wine as “ice wine” and using similar descriptions unless the product is wine made exclusively from grapes naturally frozen on the vine. These statutory instruments must be in force by 15 July 2024 when the UK formally joins CPTPP.

(2) It will also make changes to the oenological practices, processes and restrictions that may be used in the production and conservation of wine and other wine products. These changes are extensive. (NB “oenological” means ‘of wine and wine making’).

This statutory instrument applies only in relation to Wales. Defra is making a parallel instrument which applies in England. It is understood that the Scottish Government is making its own instrument to apply in Scotland.

The following Retained EU Regulations are amended by these regulations;

- I. Commission Delegated Regulation (EU) 2019/33 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards applications for protection of designations of origin, geographical indications and traditional terms in the wine sector, the objection procedure, restrictions of use, amendments to product specifications, cancellation of protection, and labelling and presentation.
- II. Commission Delegated Regulation (EU) 2019/934 of 12 March 2019 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards wine-growing areas where the alcoholic strength may be increased, authorised oenological practices and restrictions applicable to the production and conservation of grapevine products, the minimum percentage of alcohol for by-products and their disposal, and the publication of OIV files.

### **2. Matters of special interest to the Legislation, Justice and Constitution Committee**

None.

### **3. Legislative background**

This instrument is made in exercise of the powers conferred by section 34(1), 50(3) and paragraph 9 of Schedule 1 of the Agriculture (Wales) Act 2023.

It will make Regulations to introduce a restriction prohibiting the marketing of a wine as “ice wine” and using similar descriptions unless the product is a wine made exclusively from grapes naturally frozen on the vine. This will accord with obligations relating to the marketing of wine in the CPTPP following the UK signing the Protocol of Accession relating to that agreement on 16th July 2023.

It will make Regulations to update the oenological practices, processes and restrictions that may be used in the production and conservation of wine and other wine products in line with those adopted by the International Organisation of Vine and Wine (OIV) since 2019.

Updating oenological practices is not required to comply with CPTPP however, Regulations to update them will allow wine businesses in Wales to adopt new practices and be up to date with the latest OIV standards. The UK Government will be making Regulations for the same provisions and mirroring the Regulations in Wales gives Welsh businesses the same opportunities. If the Regulations are not made then Welsh businesses are potentially at a disadvantage in the market.

### **4. Purpose and intended effect of the legislation**

The UK signed the Protocol of Accession to join the CPTPP on 16<sup>th</sup> July 2023. Entry into force of the accession will take place in July 2024. The imposition of the ice wine etc. restriction will accord with obligations relating to the marketing of wine in the CPTPP.

The UK is a member of the International Organisation of Vine and Wine (OIV), an international intergovernmental organisation that deals with technical and scientific aspects of viticulture and winemaking. The oenological standards agreed by the OIV form the basis of the oenological practices, processes and restrictions that may be used in the production and conservation of wine and other wine products in Great Britain. The legislation that applies in Wales relating to such practices, processes and restrictions is being updated so that they remain in line with those of the OIV.

The UK started discussions on joining CPTPP in 2021 and in March 2023 it concluded the negotiations on our agreed terms of entry to that agreement. It provides that wine marketed using the term ‘Ice wine’ must be produced only from grapes naturally frozen on the vine. Such products are commercially and technically challenging to produce and hence command high value on the market. With the UK signing the CPTPP, it means the regulation for ice wine has to be amended throughout the whole UK to implement the provision.

This statutory instrument will also update oenological practices that have been introduced by the International Organisation of Vine and Wine (OIV) and approved by the UK at that forum. These practices will apply in Wales. Both the

UK Government and bodies in the wine trade play an active role in the OIV, attending technical meetings and voting on the approval of new oenological practices. The OIV adds or removes practices from its recommendations annually following a 7-step scientific scrutiny process that UK, EU and other world experts feed into. To be adopted, the resolution must be approved on a consensus basis. Compliance with these practices, forms the basis by which wines can be marketed and imported into the GB, EU etc. Regulation (EC) 2019/934 sets out lists of approved oenological practices, processes and restrictions which are updated periodically. Welsh wine producers can only access the latest technological developments and winemaking practices, if the oenological provisions in Regulation (EU) 2019/934 are amended to update these provisions.

The Welsh SI will come into force on 15 July 2024, to meet the requirements of the CPTPP treaty and align with the SIs being introduced by UK and Scottish Governments, to limit any divergences between how the laws apply in Wales and the rest of GB.

## **5. Consultation**

The joint consultation conducted by the UK Government on behalf of Welsh and Scottish Governments ran for eight weeks from the 24 May 2023 – 21 July 2023. There were a total of 96 responses, 18 of which were respondents from Wales. Overall, the proposed changes were welcomed by the industry and seen as having potential for a significant and positive economic impact to businesses, allowing innovation and more sustainable practices in the wine sector, broadening consumer choice and permitting measures that may help reduce carbon emissions and production costs. There was no significant difference between Welsh respondents and others. Representative bodies have members inside and outside Wales and were all in support of change.

Responses in relation to the ice wine definition were predominantly supportive and understanding of the introduction of the definition. Questions concerning wine made from artificially frozen grapes were raised. Such wines can still be produced and sold, but not marketed as ‘ice wine’.

Responses to the proposal to update oenological practices were positive. The industry understood that being able to make use of newer practices would benefit them. There was overwhelming support to update these practices from both our domestic producers as well as international trading partners; all understanding the importance of having access to the latest methodologies.

The World Trade Organisation (WTO) requires a 60 day notification period for the regulations, as means for any WTO member to raise an issue. That period started in September 2023 and ended in November 2023, and no issues were raised. Following this 60 day notification period, a further period between the laying of the draft regulations and the coming into force date is required by the WTO to apply a standstill period, creating an approximately 6 month period between the laying date and coming into force.

## **6. Regulatory Impact Assessment (RIA)**

The Regulations introduce amendments which does not alter the policy (or its impact) in any significant way; the SI relates to minor technical amendments being made to retained EU legislation, to provide flexibilities to businesses. The impact to businesses is anticipated to be nil.

This is in line with the policy set out in the Welsh Ministers' code of practice for carrying out regulatory impact assessments for subordinate legislation.