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To: Office of the United States Trade Representative
600 17th Street, NW
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From: James B. Clawson, JBC International
Subject: Federal Register Notice, Vol. 77, No. 7, Wednesday, January 11, 2012
U.S.-EU High Level Working Group on Jobs and Growth
Docket number USTR–2012–0001.

JBC International submits these comments on behalf of the United States (U.S.) wine industry, ("U.S. industry") comprising Wine Institute, the California Association of Wine Grape Growers (CAWG), and WineAmerica. Wine Institute, the public policy advocacy association of California wineries, brings together the resources of over 1,000 wineries and affiliated businesses to support legislative and regulatory advocacy, international market development, media relations, scientific research, and education programs that benefit the entire California wine industry. California represents more than 90 percent of U.S. wine production and 95 percent of wine exports. CAWG is an advocate for farmers, providing leadership on public policies, research and education programs, sustainable farming practices and trade policy to enhance the California winegrape growing business and our communities. WineAmerica, the National Association of American Wineries, has more than 800 winery members in 48 states supporting initiatives to expand opportunities for US wine producers to export their product worldwide.

At the November 28, 2011, European Union (EU)-United States Summit meeting, President Obama, European Commission President Barroso, and European Council President Von Rompuy directed the Transatlantic Economic Council to establish a High Level Working Group on Jobs and Growth, led by U.S. Trade Representative Ron Kirk and EU Trade Commissioner Karel De Gucht. The Working Group was asked to identify policies and measures to increase U.S.-EU trade and investment to support mutually beneficial job creation, economic growth, and international competitiveness. The Leaders also asked the Working Group to work closely with public and private sector stakeholder groups and to draw on existing dialogues and mechanisms, as appropriate.

To ensure that it has access to a wide range of views, ideas, and options concerning policies and measures to increase transatlantic trade and investment, the Working Group indicated that it plans to consult extensively with business, nongovernmental organizations, academia, and other stakeholders. As part of this process, and consistent with the Leaders' mandate, the U.S. Government requested written input from members of the public on options for increasing trade and investment in areas including, but not limited to, the following:

- Conventional barriers to trade in goods, such as tariffs and tariff-rate quotas;
- Reduction, elimination, or prevention of barriers to trade in goods, services, and investment;
- Opportunities for enhancing the compatibility of regulations and standards;
- Reduction, elimination, or prevention of unnecessary "behind the border" non-tariff barriers to trade in all categories;
- Enhanced cooperation for the development of rules and principles on global issues of common concern and also for the achievement of shared economic goals relating to third countries.

The request also states that:

> ***Background:*** *Transatlantic trade and investment flows constitute the largest economic relationship in the world, creating jobs, increasing economic growth, and driving competitiveness on both sides of the Atlantic. The United States and the EU are committed to identifying new ways of strengthening their economic relationship and developing its full potential. A number of studies and proposals have advocated new bilateral trade, investment, and other economic agreements to access the untapped economic opportunities of the relationship.*
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> *The High Level Working Group on Jobs and Growth will consider these and other proposals aimed at promoting job creation and growth through expanded trade and investment. Upon completing its analysis, the Working Group will consider and recommend practical means necessary to implement any policy measures it identifies. These could include a range of possible initiatives, from enhanced regulatory cooperation to negotiation of one or more bilateral trade agreements addressing the issues above.*

Implicit in this statement is the possibility of a free trade agreement as well as other agreements that facilitate and enhance trade flows. Some of those other agreements can include mutual acceptance agreements of the respective regulatory standards regimes, mutual recognition of standards certification requirements, and eliminating trade distorting subsidies.

On two previous occasions the U.S. wine industry has been asked to make comments about improved regulatory and trade relations with the EU. In 2005 and again in 2011 similar comments were provided with suggestions and recommendations for improved cooperation and strengthening the economic relationship. Since most of these comments are the same, copies of those previous submissions are attached for reference.

The industry is grateful for the opportunity to provide comments on this proposal.

Background

Wine trade between the European Union (EU) and the United States (U.S.) has a contentious past. In the 1970s, the EU maintained import quotas, high tariffs, and regulatory standards barriers on U.S. wine. U.S. tariffs were low and there were few regulatory impediments for the import of EU wine. As a result, the trade balance for wine was more than 10 to 1 in favor of EU exports to the U.S. With the passage of the Wine Equity Act in 1984, Congress mandated that the U.S. negotiate better market access in foreign countries including the EU. The first wine bilateral was completed in 1984 and allowed U.S. wine to be imported without meeting all of the regulatory standards in exchange for the U.S. recognizing and protecting hundreds of EU geographic names. In 1990, the EU did not renew the agreement. It began granting temporary derogations on an annual basis. The U.S. wine industry needed a more predictable market so a comprehensive wine agreement was negotiated and finalized in 2005. That agreement does not cover tariffs, subsidies, or mutual recognition of each other's standards (see below).

Collectively, the EU is the world's largest producer, consumer, and exporter of wine. It maintains almost 50 percent of the world's total vineyards and produces 60 percent of the world's wine volume. The EU's exports account for about 65% of global exports of wine by volume. Wine exports are the EU's highest value agriculture export. Of those exports, in 2010 the EU exported $2.8 billion or 43 percent of its total to the U.S. while U.S. producers shipped only $425 million to the EU -- an imbalance in trade of about 6.6 to one. The U.S. is the largest export market for EU wine and the EU is the largest export market for U.S. wine. This trade relationship, while asymmetrical, demonstrates that the U.S. and EU are significant stakeholders in each other's market. Consequently, every effort should be encouraged to reduce tariff and non-tariff barriers that impede trade.

Based upon the historical trade imbalance, U.S. wine regulations obviously do not significantly restrict EU wine imports. By comparison, EU wine regulations have significantly restricted U.S. and other wine producing countries' wine imports. The EU regularly issues new wine regulations that affect quality standards and technical aspects of wine production. The EU mandates that wine imports must meet the same standards that it imposes on domestic producers even though there is often no health or safety risk to the consumer. Other wine producing countries have their own standards that are different from those in the EU. EU standards that are related to subjective notions of quality or have no impact on health and safety should not be imposed on third country producers.

To gain access to the EU wine market, third country wine producing countries have been required to negotiate bilateral trade agreements with the EU. In those agreements, EU regulations are not changed or aligned with producing countries nor is there regulatory cooperation. Those agreements provide for derogations from the EU's regulations for the wines from the other parties to the agreements. In exchange for the derogations and resulting increased access to the EU market, the other party to a bilateral agreement must agree to provide compensation to the EU. That compensation usually takes the form of the other party giving up its WTO rights under the Trade Related Intellectual Property (TRIPS) agreement to use geographic indications (GIs) that were grandfathered under the TRIPS agreement. The party agrees to cease using those terms on its wine and to protect all EU GIs and traditional terms even if they are not being sold in that market. Interestingly, the EU is not prepared to accept equivalence or mutual acceptance type agreements. Its goal is to have other countries adopt its standards and technical regulatory schemes or to pay for exceptions to its rules.

Given the EU's refusal to allow access for third country wine without compliance with its quality standards or a bilateral agreement providing for compensation in exchange for derogations, and in an effort to reach regulatory equivalence or alignment, U.S. wine producers urged USTR and the Interagency Wine Committee to initiate negotiations with the EU to reach an agreement on mutual recognition of each other's wine making practices. In the negotiations, the EU insisted on receiving economic compensation in the form of eliminating any future use of long standing U.S. intellectual property rights concerning certain descriptive terms that the EU viewed as geographic, in exchange for the EU accepting U.S. winemaking practices (which it had been doing for more than 30 years under renewable derogations) on a permanent basis. The EU would not agree to actual mutual acceptance so the resulting bilateral agreement only provides for a permanent derogation for the U.S. winemaking practices that were in existence when the agreement was signed. The EU also reserved the right to restrict wine from the U.S. produced with any "new" winemaking practice or technique.

Although the bilateral agreement was not totally effective in reaching compatibility of regulatory practice for wine, it created a regime for bilateral regulatory consultation between the U.S. and the EU. The agreement provides for advance notice of any regulatory changes and cooperation to resolve regulatory issues as they arise. Since the signing of the bilateral agreement in 2006, U.S. and EU officials have met at least once each year to discuss issues of mutual concern. Also since that time, the EU has adopted and implemented at least three major wine regulatory reforms -- none of which it was prepared to include as topics for advance discussion as required by the agreement. The EU's stated position is that the EU system does not provide for advance consultations with third countries and that the WTO required notification after the regulations are finalized is sufficient to meet their obligations. This is inconsistent with the bilateral agreement and raises the question of what the EU would do if the U.S. adopted the same practice. In any event, it points up the need for a more robust regulatory agreement based upon mutual acceptance principles. The U.S. wine industry believes that this should be the goal of U.S. negotiations with the EU.

Specific Opportunities

The request asks for comments in 5 specific areas with assessments for each in 3 parts; 1) the short-and medium-term impact on economic growth, job creation, and competitiveness; 2) the feasibility; and, 3) the implications for, and consistency with, bilateral and multilateral trade obligations. The 5 areas are:

1. Conventional barriers to trade in goods, such as tariffs and tariff-rate quotas;
2. Reduction, elimination, or prevention of barriers to trade in goods, services, and investment;
3. Opportunities for enhancing the compatibility of regulations and standards;
4. Reduction, elimination, or prevention of unnecessary "behind the border" non-tariff barriers to trade in all categories; and,
5. Enhanced cooperation for the development of rules and principles on global issues of common concern and also for the achievement of shared economic goals relating to third countries.

Taking each in turn:

1. **<u>Conventional Barriers</u>**

   The EU tariff burden is 6.3 percent, which is 3 to 5 times higher than U.S. tariff rates. This tariff burden is compounded by the VAT and excise taxes applied to wine sold in the EU countries The EU market is the largest export market for U.S. wine. A significant reduction in or removal of the EU tariff applied to U.S. wine would make U.S. wine more price competitive in EU markets, particularly the U.K., which is the largest single EU market for U.S. wine. This should significantly increase U.S. wine exports to the EU and, as a result, create more jobs and economic activity in the U.S.

The EU refused to discuss wine tariffs during the negotiations over the 2005 bilateral agreement. The U.S. wine industry understands that the EU depends on the revenue from those wine tariffs to fund the substantial subsidies it provides to the EU winegrape growers and wineries. While reduction or elimination of the EU wine tariff would be consistent with the EU's existing bilateral and multilateral trade obligations, an agreement specifically for wine may not be feasible. However, U.S. and EU wine import tariffs could be substantially reduced or eliminated in the context of a broader free trade agreement. The U.S. wine industry is open to a discussion of this possibility.

2. Reduction, elimination, or prevention of barriers to trade

Use of Traditional Terms

In the mid-70s, the EU introduced as part of its geographic indications regime protections for the use of certain purely descriptive wine terms such as classic, ruby, and vintage. A list of those terms restricting U.S. wine is attached. A complete list can be found on the EU website sBacchus, http://ec.europa.eu/agriculture/markets/wine/e-bacchus/index.cfm?&language=EN. The EU regime requires a definition of each of those terms for their use by Member State, third country, type of wine, and language. The definitions are arbitrary and vary from Member State to Member State and from third country to third country. For a new third country to use any of those terms, that country or a private wine organization in that country must now make an application for the use of the term. That application process is complicated, time consuming, and costly and it provides little value to the consumer. For more than 20 years, the EU allowed U.S. winemakers to use those terms. With the negotiation of the bilateral agreement, since the U.S. industry was not prepared to pay more compensation in exchange for "grandfathering" the terms, the EU withdrew the derogation for the use of those terms and is now requiring the U.S. to make an application under the EU process even though the EU has accepted similar definitions from Australia, Canada and Chile that can be used on their wine labels.

When the EU withdrew its derogation on the use of traditional terms for U.S. wine, several EU importers stopped importing those wines because of a concern that the authorities would restrict those imports. Many U.S. wine producers use such terms on the wine sold in the U.S. and other markets. As a result, shipments to the EU require the creation of special labels at additional cost. An agreement that would allow the import of U.S. wine with those terms on the label should substantially encourage U.S. exports to the EU markets.

Import Testing and VI-1 Form and Other Certification Documentation

The EU maintains extensive import testing, analysis and certification of wine. The VI-1 Form and the accompany testing and U.S. Government certification is redundant and unnecessary. The removal of this requirement should save exports more than $500 per shipment.

Use of Varietal Names

The EU Commission has delegated authority to the Member States to regulate the use of varietal terms on wine labels. This process is not transparent in that there is no notice of the agency or process by which the Member States will conduct such certification and verification. This creates uncertainty and confusion with importers of U.S. wine and becomes a technical barrier. While there is no current economic detriment occurring, the concern is the possibility of disruption of supply chains should a Member State take a negative action.

As described above, should the EU wish to impose such regulations on domestic producers there is no objection. We assume that any action taken by a Member State will only apply to wine produced in that state. An agreement clarifying this provision and providing greater transparency will remove the uncertainty and encourage more U.S. wineries to export to EU markets.

Inspection and Certification of Geographic Areas

While not yet a problem, the new regulations promulgated after the U.S.- EU Agreement was finalized and for which no advance consultation was held, the EU can now require on-site inspection and verification of U.S. wineries compliance that they are compliant with EU winemaking standards. This inspection can be made using EU authorities or U.S. public authorities (assumed to mean TTB). Again, this uncertainty is a disincentive for U.S. wine producers to ship, particularly small and new-to-market winemakers.

A comprehensive mutual acceptance agreement will eliminate the need for such inspection and verification.

New Winemaking Practices

As described above, the U.S. – EU Wine Agreement provides for advance notice of any changes in each party's winemaking practices with the express provision that the other party must approve those changes if that wine is to be exported into the other party's territory. The Agreement was initialed in 2005 and signed in March 2006. In 2008 and 2009 and again as recently as March 2011, the EU issued new winemaking regulations without advance consultations with U.S. officials and implemented them without the express consent of U.S. officials. That wine is now being shipped into the U.S. territory. The EU professes and expects advance consultations but is not prepared to reciprocate.

The U.S. industry supports mutual recognition so this lack of advance consultation and consent does not restrict wine imports as long as those wines meet the other party's regulations. Mutual acceptance should apply to new practices unless there is a demonstrated health or safety concern.

Changes in Winemaking Standards, Standards of Composition, Additives and Processing Aids

As noted in point 3 above, the EU does not undertake advance consultations with regard to winemaking. Regulatory cooperation is non-existent except in the context of the Organization of Wine and Vine (OIV) in Paris. In the most recent wine reform, the EU accepts winemaking practices approved by the OIV. Even though it is accepting those OIV practices it is difficult for new to market winemakers to determine what is approved. The new rules are in regulatory locations that are non-transparent or have been delegated to the Member States. The EU de-linked appellation labeling from varietal and vintage date labeling and is now putting the U.S. under pressure to follow suit. See example above where it is up to the Member States to put rules in place (no timetable specified) to validate the vintage and varietal information including provision that the Member States can exempt certain varietals if they so wish. U.S. producers have no way to assess where the wine producing states of the EU have progressed in this process.

In addition, the EU has undertaken a broad review of all additives, processing aids, and maximum residue limits for contaminates in food and beverages. The objective of the review is to reduce all limits even below those international standards of CODEX. There has been no advance notice for consultation provided. Often the reduction of limits for food may be appropriate but not for wine, especially when the U.S. limit provides for good manufacturing practice.

This process of review has not been sufficiently transparent. When notice is finally provided, the decision has usually already been made. In one instance concerning the use of the pesticide carbaryl (Sevin) we were told after the fact that the authorities took a survey of EU farmers to determine how often it was being used. Based on the use in the EU, a decision was made to reduce the residue limit lower than the international CODEX limit. Third country farmers were not consulted about the frequency of use.

Again, should the EU wish to limit the use of pesticides below international standards it has that authority. Those limits should not then be applied to third country imports that have produced product using international standards. An agreement concerning regulatory cooperation should either require advance consultation long before a decision is made or acceptance of imports that are compliant with international standards.

3. Opportunities for enhancing the compatibility of regulations and standards

Even though the EU - U.S. Wine bilateral agreement overall is a benefit to both parties, there is significant room for improvement. The political environment is such that amendments to the existing agreement may be too difficult to achieve but should at least be considered by the High-Level Study Group. An alternative is to consider a broader regulatory coherence agreement based upon mutual acceptance principles for agriculture. An "umbrella" agreement that eliminated redundant testing and certification, recognized that quality standards should only be imposed on domestic producers, and provided for greater cooperation and transparency would be an economic benefit by removing unnecessary costs of production and distribution for the benefit of the consumer and the creation of additional jobs.

4. Reduction, elimination, or prevention of unnecessary "behind the border" non-tariff barriers to trade in all categories

As described in point 2 above, many current EU wine regulations are based upon subjective "quality standards." These standards act as "behind the border" non-tariff barriers because third country imports that do not meet those standards cannot be sold in the market place. Restrictions on the use of descriptive terms such as fine, ruby, classic, chateau, and crusted as defined by EU regulation limit the sale of third country wine. There is no heath or safety issue. There is no support in fact for the EU claim that the use of these terms by third country winemakers is misleading.

The U.S. industry recognizes that countries and states should be able to regulate wine produced within their borders. For example, California prohibits the use of sugar in grape wine produced in the state (subject to specific exceptions) and requires grape wine labeled with a "California" appellation to be made 100% from California grapes. However, California does not restrict the import and consumption of non-California wine that is made using sugar and does not regulate wine with non-California appellations.

Similarly the creation of new "types" of geographic designations by the EU for agriculture products is another behind-the-border barrier. The creation of Product of Designated Origin (PDO) in addition to the internationally accepted designation of Protected Geographic Indication (PGI) is another example of broadening the restriction of normal terminology for the benefit of EU producers and the exclusion of third country producers. The EU is creating *de facto* intellectual property protection using public rights rather than private rights. The EU website states:

> ***Geographical indications and traditional specialities***
> *Three EU schemes known as PDO (protected designation of origin), PGI (protected geographical indication) and TSG (traditional speciality guaranteed) promote and protect names of quality agricultural products and foodstuffs.*
> *The following EU schemes encourage diverse agricultural production, protect product names from misuse and imitation and help consumers by giving them information concerning the specific character of the products:*

- ***PDO****- covers agricultural products and foodstuffs which are produced, processed and prepared in a given geographical area using recognised know-how.*

- ***PGI**- covers agricultural products and foodstuffs closely linked to the geographical area. At least one of the stages of production, processing or preparation takes place in the area.*
  - ***TSG**- highlights traditional character, either in the composition or means of production*

The designation Traditional Specialty Guaranteed (TSG) has been developed out of nothing but a desire to restrict other producers and imports on the basis of quality. It is taking the place of the usual intellectual property legal protection using trademarks and brand names. The EU website for TSGs states:

> ***Summary***
>
> *An agricultural product intended for human consumption or foodstuff with a traditional composition, or produced according to a traditional production method may become a traditional speciality guaranteed (TSG). This possibility encourages the diversification of agricultural production and has positive consequences in several areas. The introduction of the designation TSG boosts farmers' revenues and maintains the population in less favoured or remote areas by promoting the rural economy. It also increases the market value of the products of economic operators, by guaranteeing that they are distinguishable from other similar products or foodstuffs. In addition, thanks to the introduction of this designation, consumers will able be to make more informed choices on the basis of clear information on the specific characteristics of the products they buy.*
>
> ***Protection***
>
> *The Member States must take the necessary measures to ensure legal protection against any misuse or misleading use of the term "traditional speciality guaranteed", the abbreviation TSG and the associated Community symbol and against any imitation of names registered and reserved. Registered names must be protected against any practice liable to mislead the consumer, including practices suggesting that a product is a traditional speciality guaranteed recognised by the Community.*

There are numerous examples that can be found in the EU website DOOR: http://ec.europa.eu/agriculture/quality/door/appliedName.html?denominationId=4950. Emmental, Pizza Napoletana, Mozzarella and Watercress are examples of TSGs for France, Italy and the UK that could easily be restrictive for U.S. imports.

To respond to these behind the border restrictions, the High Level Group does not need to seek elimination of the EU designation schemes but to only have them apply to domestic production. Imposing those quality standards on its own producers, similar to what the State of California is doing would be perfectly acceptable. What needs to be considered is an agreement that allows third country imports to use those terms even though they may not meet the quality standards as set by the EU.

Allowing the import of U.S. wine using descriptive terms will encourage more U.S. wine producers to export to the EU as well as allow existing U.S. exporters to ship their wine that is produced using U.S. standards.

5. **Enhanced cooperation for the development of rules and principles on global issues of common concern and also for the achievement of shared economic goals relating to third countries**

Recently the U.S. and EU wine producers have begun to cooperate in responding to the regulatory proposals in third countries. The U.S. and EU have discussed responses to World Trade Organization TBT and SPS notices by China, Russia, Canada, Japan and several developing countries; where feasible, common positions have been adopted in response to those notices. The creation through agreement of a more formal consultation mechanism by which the U.S. and EU can discuss responses to such TBT and SPS notices would improve coordination where there is a common position. As wine consumption continues to increase around the World, more non-wine producing countries are adopting winemaking and labeling regulations. Working together will increase the potential for economic development of both EU and U.S. wine industries.

Conclusion

Wine and wine regulations have been the subject of bilateral discussions with the European Union for over 30 years. Those discussions have now become institutionalized with the adoption of the U.S – EU bilateral agreement. The annual discussions are beneficial to the respective industries concerning the issues that arise. Nevertheless the bilateral agreement is not sufficiently comprehensive. There are EU issues that were off the table from the beginning because they are too politically sensitive for those talks. It is for this reason that we encourage the U.S.-EU High Level Working Group to at least consider the additional opportunities for cooperation outlined in these comments keeping in mind the importance of defending U.S. wine interests. We respectfully request that in coordination with the U.S. Interagency Wine Committee, these issues be part of the review.

Thank you for the opportunity to provide these comments.

ATTACHMENT

Production terms for wines produced in the United States destined for export to the EU WineAmerica March 2009

Term	Conditions of Use	Wine type
Cream	'Cream' describes a style of U.S. fortified sweet wine. The wine will be pale yellow to light amber in color, rich and sweet to taste and typically with a vinous to fruity aroma. However, the wines may reflect the characteristics of careful aging showing 'developed' characters. The wine can be blended from more than one vintage and typically sustaining sweet vinous characters. Ageing takes place in a variety of vessels. Fortification must be from grape spirit.	U.S. fortified wine
Crusted/Crusting	Crusted/Crusting describes a fortified wine in which deposits may develop in the bottle.	U.S. fortified wine
Ruby	Ruby describes a style of U.S. fortified wine aged prior to bottling. At bottling the wine retains a deep ruby color and tends to be robust in character, full bodied and fruity. However, the wines may reflect the characteristics of careful aging showing 'developed' characters. The wine can be blended from more than one vintage, with a view to sustaining the primary characteristics of color and aroma. Fortification must be from grape spirit.	U.S. fortified wine
Solera	Solera describes a system of using casks/barrels containing wines of varying ages. The wines from the barrel containing the oldest mix of vintages is taken from the solera. All of the wines in the barrels of the solera then cascade in order of age and the barrel containing the youngest mix of wines refreshed with new wine. The process creates a blended product, ranging from pale straw to a dark amber color depending on the style being produced. This process is reserved for the production of fortified wines.	U.S. fortified wine
Tawny	Tawny describes a style of U.S. fortified wine that is aged prior to bottling. At bottling the wine has a red-gold or ‘tawny’ hue. The wines should reflect the characteristics of careful aging showing ‘developed’ rather than ‘fresh’ fruit characters. However, many show the fresh well developed ‘fruit’ characteristics of younger wine. The wine is usually blended from more than one vintage, may be aged in oak containers	U.S. fortified wine

	and reaches an optimal age before sale. Fortification must be from grape spirit.	
Vintage/Vintage Character	“Vintage,” either alone or in a descriptive term such as “Vintage Character” describes a style of U.S. wine that is 85% produced from a single vintage year and shows that vintage year on the label. When applied to U.S. fortified wine, the wine would also generally be characterized by relative long periods of bottle maturation and would be generally deep in color, full-bodied and smooth. These U.S. fortified wines also generally would have the ability to improve with aging or cellaring. Fortification must be from grape spirit.	U.S. wine
Noble	A U.S. fortified wine from an appellation of origin as defined by 27 C.F.R. § 4.25 which has been aged.	U.S. fortified wine
Clos/Chateau	A wine produced in an appellation of origin as defined by 27 CFR §4.25 by a producer or producer group from grapes originating in the vineyards of this producer or producer group or vines that have been traditionally used by this wine producer or producer group using on the wine label the term 'château' or 'clos' as part of the brand name as defined by 27 CFR §4.33.	U.S. wine
Classic	A wine produced in an appellation of origin as defined by 27 C.F.R. § 4.25 from a specific grape variety	U.S. wine
Sur Lie	Practice of aging wine on the lees after primary fermentation.	U.S. wine