Global Trends - Wine Industry Key Elements

Rabobank Reflections from ProWein 2018

The Rabobank Wine Quarterly Q2 2018 reflects on the following:

1. Organic wine - Demand for organic wine is growing even if it has taken longer than initially anticipated. The profusion of terms and the fact that each market has its own sensitivities does not help to standardise and roll-out the products.
2. Non-alcoholic wines are lagging alcohol-free beer.
3. Bulk wine prices remain high and tight availability is likely to prevent any correction in the near future.
5. Blurring boundaries - A number of wine companies extend into spirits segments, going beyond the historic production of brandy. Other wineries remain closer to their core business, but offer innovative products more associated to spirits than wine such as wine-based gin & tonic flavoured cocktails in single-serve bottles. Other look to narrow the gap with beer.
6. Packaging - In the US, it is increasingly acceptable to see quality wines in cans, bag-in-box or other packaging alternatives. In Europe over 90% is packed in glass bottles.
7. Route to market - In the wine industry and in many others, the middle-man in all its shapes and positions – wholesaler, distributor, importer and exporter – has been getting squeezed out for some time. However, the industry remains fragmented.
8. Cider is struggling with its identity.
10. US imports – Imports rose 8% in volume and 7% in value in 2017. Italy, France, Spain, Australia and NZ are the main players.