Consumer Countries/Markets

**Nielsen: US market adapts to ‘new normal’ as wine sales slow**

US off-trade consumers are settling into new normal following the incredible sales spikes seen at the height of the pandemic, the latest data from Nielsen has shown, but US wine appears to be losing out to imports from New Zealand, Italy and France in the most recent weeks.

According to the data for the week ending 22 August, wine in the US off-trade grew 17.4%, marginally lower than the previous week, and well below the 25.2% of the whole Covid period to date. Spirits meanwhile led the charge at with growth of 26.2% (down from 27.2% last week, or 33.5% over the whole Covid-period to date) led by the whiskey (24.2%), which accounts for a third of the spirits category, tequila (+59.1%), ready-to-drink cocktails (+101%) and cognac (+53.2%).

Hard seltzers also saw triple digit gains, up 113% this week, compared to the same period last year. Although this growth has slowed slightly, it still accounts for 10.2% of sales in the latest week. Craft and super-premium beer also showed strong sales within the core beer category, which rose 9.8% overall.

Drilling into wine sales, sparkling wine grew well ahead of table wine, rising 35.5%, compared to table wine’s 13.3% growth. However the data showed sales of American table wine are losing out to wines imported from New Zealand (23.6%), Italy (23.3%) and France (18.7%) at a faster rate than pre-pandemic, with the market share of domestic table wine falling 3 percentage points, on the back of a 2.5 percentage point decline in Californian wine.

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Economic Environment

**SADC Research Centre: Impact of Covid-19 on the SA Food & Beverage Manufacturing Sector**

The SADC Research Centre assessed the 'Impact of Covid-19 on the South African Food and Beverage Manufacturing Sector'. Please find attached the findings, in a form of a policy brief, on how the lockdown measures have affected the performance of the
South African food and beverage manufacturing industry and the critical issues that firms face during and post lockdown.

Natural / Physical Resources

**WWF Partnership with South African Wine Set to Make Inroads in International Markets**

The South African wine industry's partnership with the World Wide Fund for Nature (WWF), the world's most recognisable name in global conservation, has the potential to substantially grow the country's wines' international and local footprint as the demand for sustainable (agriculture) products increases.

The programme was initially known as the Biodiversity and Wine Initiative (BWI), then largely funded by the wine industry and the South African Botanical Society. The WWF decided in 2015 to restructure the programme and focus on driving continuous improvement and recognizing the environmental leaders in the industry, known as the Conservation Champions.

Farmers who are WWF Conservation Champions own some 45 000ha of land between them, of which 22 000ha is conserved as a pristine part of the world-famous Cape Floral Kingdom comprising fynbos and Karoo succulent plants. The 45 members work closely with the WWF in their conservation endeavours, undertaking annual assessments to ensure they meet the specifications required of a Conservation Champion. All Champions’ credentials are also underscored by South Africa’s Integrated Production of Wine certification (IPW), with these wineries having achieved 70% or more in their IPW audit.

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**Nuusbrokkies / News Snippets**

**California Heatwave Leaves Grape Growers Sweating**

Exacerbating this dilemma is a truly impressive manifestation of climate change. Here are some high temperatures Sunday from key wine-country cities in California: 110 Farenheit (43.3 Celsius) in Boonville in normally cool Anderson Valley; 111 (43.9) in Healdsburg, gateway to the Russian River Valley in Sonoma County; 113 (45) in St Helena in the middle of Napa Valley; and an intimidating 117 (47.2) in both Paso Robles and normally cool Santa Ynez in Santa Barbara County.

The heatwave was predicted, and many wineries rushed to harvest their grapes before it hit, even in some cases while wildfires were still burning nearby.

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