Global Trends - Beverages

Cognac On Pace To Hit Major Milestones In U.S. Market This Year

Heading into the spirits market’s crucial holiday selling period, the high-flying Cognac category shows no signs of slowing down. Shipments of Cognac to the U.S., by far the global category’s largest market, crossed the 5-million-case mark on 13.5% growth last year, driven by the double-digit progress of Hennessy, Rémy Martin and Martell. Depletions rose even faster, advancing by nearly 15% to 4.7 million cases, according to Impact Databank. Over the past two years, Cognac depletions in the U.S. are up by nearly 1 million cases, while shipment value has leapt 54% to €942 million ($1.05b). With growth continuing in 2016, U.S. depletions could hit 5 million cases and value could cross €1 billion ($1.1b) by year-end.

Hennessy continues to dominate the category, accounting for 44% of worldwide volume and 66% of the U.S. Cognac market. With its global volume expanding by 55% since 2005, to 6 million cases, Hennessy has risen to become the world’s third most valuable spirits brand by retail sales, at $3.5 billion (trailing only Johnnie Walker and Smirnoff). “A significant portion of consumers drinking white spirits a few years ago have come over to Hennessy,” says Giles Woodyer, senior vice president, Hennessy at Moët Hennessy USA. Rémy Martin remains a distant second to Hennessy in the U.S., but it too has been on an impressive run. In the 12 months through June, Rémy Martin posted a 15% increase in U.S. depletions, and in the first half of this year the brand’s VSOP jumped 20% in IRI channels.

Martell, which neared 100,000 cases in the U.S. last year, is getting increased focus in the market. Brand-owner Pernod Ricard is looking to leverage robust trends in both Cognac and Bourbon with a new hybrid product, Blue Swift ($50), which was finished in Kentucky Bourbon barrels. Bacardi’s d’Ussé brand has also been making strides. Thus far in Bacardi’s fiscal year (beginning in April), d’Ussé’s revenues are up 20% compared with last year, led by its VSOP quality ($50). Meanwhile, senior brand manager Tyler Phillips tells SND that d’Ussé XO ($230), which continues to expand into new markets, is growing exponentially from a small base.

Beam Suntory’s Courvoisier brand sells about one-third of its volume in the U.S. market. “The Cognac category comprises about 4% of all spirits by dollar value in the U.S., according to Nielsen, but it’s growing at 19%, compared with total spirits category growth of 6%,” says Halley Kehoe, Beam Suntory’s marketing director, lifestyle brands. “The whiskey renaissance has inspired greater consumer interest in brown spirits, specifically among multicultural millennial males. They’re looking for premium brands that project success and sophistication, and so Cognac is well-positioned to recruit them.”
French wine production will be the lowest in four years after spring frost, hailstorms, grape rot and drought combined to damage crops from the northern Champagne region to the Charentes area in the southwest, the Agriculture Ministry forecast.

The 2016 vintage will slump 12 percent to 42.18 million hectoliters, the least since 2012, the ministry predicted, cutting its outlook for a second time since July. Champagne and the Loire valley were hardest hit, followed by the Charentes region and Burgundy. The estimated output equals about 5.6 billion bottles.
VERPAK

546 uitvoerders
70 = 80% van uitvoervolume
476 = 20% van uitvoervolume

Volume uitvoer
- > 5m liter = 7
- > 1 - 5m liter = 15
- > 200 000 - 1m liter = 48

Slegs net in verpak = 458

UITVOERER-ONTLEDING

2015

Top 10 landen = 74.3% van uitvoervolume
- VK
- China
- Duitsland
- Swede
- Nederland
- VSA
- België
- Danemark
- Angola

UITVOERERS NA DE TOP 10 LANDEN

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VERPAK

GROOTMAAT

101 uitvoerders
21 = 80% van uitvoervolume
80 = 20% van uitvoervolume

Volume uitvoer
- > 15m liter = 4
- > 6 - 15m liter = 10
- > 4 - 6m liter = 7

Volume uitvoer
- > 1 - 4m liter = 11
- > 500 000 - 1m liter = 15
- > 200 000 - 500 000 liter = 20
- ≤ 200 000 liter = 34

Slegs net in grootmaat = 14

Top 10 landen = 92.1% van uitvoervolume
- VK
- Kanada
- Duitsland
- Swede
- Frankryk
- Nederland
- Rusland
- België
- Danemark
- Thailand

UITVOERERS NA DE TOP 10 LANDEN

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Other Wine Producing Countries

Siberian wine could be coming to a table near you

Siberia is known for its bitter, snowy winters – hardly the conditions associated with a thriving wine industry.

A group of winemakers in the foothills of the Altai Mountains have conquered the frosts to produce both red and white varieties on 12 hectares and hope to start selling them next year.

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