Consumer Countries/Markets

Finland alcohol sales remain steady during pandemic
Alcoholic beverage sales have remained steady in Finland during the Covid-19 pandemic, according to new stats from monopoly retailer Alko. The state-owned retailer reported 23% year-on-year sales growth during April, with rosé wine leading the charge. Alko normally accounts for 75% of Finland’s sales by volume, with 10% going through the on-trade and 15% a result of booze cruising, known as “passenger imports”.

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Note: SA’s exports to Finland for the YoY April 2019/20 amount to 5.3 million litres (-20%). However, Blance Noir/Rose and Sparkling Wine increased by 8% and 23% respectively over this period.

Major Wine Producing Countries

France and Spain introduce emergency support for winemakers to distill and store surplus wine
The French and Spanish governments have both stepped in with emergency measures to support their country’s winemakers who are faced with a surplus they cannot sell after plummeting demand in the wake of Covid-19 related closures of the hospitality sector.

The French government has announced a €140 million scheme to distill two million hectolitres of wine which will see the wine being sold off to be used for the production of industrial alcohol for an average price of 70 Euros per hectolitre.

Agriculture Minister Didier Guillaume and Economy Minister Bruno Le Maire described the initiative as “the first series of specific support measures” for the wine industry during the Covid-19 crisis. They also cleared exemptions from social security contributions for small and medium companies.

However, the measures put forward fell short of the support demanded by France’s largest farming union, the Fédération Nationale des Syndicats d’Exploitants Agricoles (FNSEA), which has called for a larger €500m support package for the French wine industry, including a €260m crisis distillation scheme which would be used to distill around three million hectolitres of excess wine.

Secretary general of the farming union, Jérôme Despey, called the government announcement a “first gesture”, but emphasised that the industry’s demands must be met. The government also renewed their calls for European support to offset the impact of the 25% tariffs being imposed by the US on the export of still wine under 145 ABV.
Meanwhile, Spain too has introduced emergency support for stricken winemakers with the Ministry of Agriculture, Fishers and Food (MAPA) proposing measures to help the sector, including a distillation initiative. This will entail up to two million hectolitres of wine being distilled for 0.25 Euros per litre. In addition, MAPA is financing the storage of around 1.5 million hectolitres of wine for 0.02 Euros per hectolitre of wine per day, with a minimum of 50 hectolitres per applicant.

The wine can be stored for periods of six, nine or 12 months, to be decided by the applicant. The Ministry has estimated that the cost of distillation and storage will come to 57,425m Euros (50m for crisis distillation and 7,245 m for storage).

Source: MarketIQ/VINEX

Natural / Physical Resources

European wine industry joins glass recycling project
The Comité Européen des Entreprises Vins, which represents a majority of European wine producers, has joined an initiative to promote glass recycling. Key wine and glass organisations have come together and agreed on an ambitious target for glass recycling within the EU. A new organisation, the Circular Economy Platform for Glass Collection & Recycling aims to collect and recycle 90% of all glass packaging sold in the EU.

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Nuusbrokkies / News Snippets

DTIC COVID-19 Export Impact Survey

Dear Producer,

Please note: Wines of South Africa is sharing the below information regarding on behalf of DTIC.

The Department of Trade, Industry & Competition (DTIC) is conducting a COVID-19 Export Impact Survey to identify emerging challenges faced by exporters as a result of the COVID-19 pandemic, policy responses to the pandemic, and the subsequent economic slowdown. The questionnaire consists of five sections, and should take less than fifteen minutes to complete. All responses to the questionnaire will be kept anonymous, and reporting will only be provided on the summary results of all respondents.

This survey serves as an opportunity to provide feedback on operations under Level 4 regulations.

The survey - Click here to read more

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