Global Trends - Wine Industry Key Elements

Innovative wine packaging formats driven by Millennials

The US wine market is riding a wave of popularity and new packaging formats are lifted along with it.

While glass is still the dominant packaging preference, it will continue to lose market share to a wide range of alternative package formats. In addition to bag-in-box packaging, other containers that are growing in popularity include plastic bottles, plastic cups and goblets, aseptic cartons, pouches and cans, due to performance features, product differentiation capability, and appeal to younger consumers, who are less attached to wine traditions than traditionalists and wine connoisseurs.

The fastest growth for containers will fall outside the typical 750-ml size, including both smaller- and larger-sized offerings. Single-serving wine packaging will see strong advances, driven by their advantage of enabling wine to be taken to or sold in places that typically don’t allow glass containers. Also, single-serving containers enable wine to compete with beer in venues such as stadiums, theaters, concert halls and theme parks. Single-serving containers for wine include plastic bottles, aseptic cartons, cans, and cups and goblets, with cups and goblets are predicted to post the fastest gains, although from a small base.

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How fair is fair trade wine?

Today, an average supermarket can be expected to offer at least a few fair trade products: sugar, bananas, coconut products, flowers, rice, cotton, soccer balls, and many other products typically imported from impoverished countries. And, as of 2003, the fair trade world includes wine.

Like so many other do-good initiatives in the wine industry, this seems like a good thing, but that sticker on your bottle may not mean what you think it means.

Only about fifty wineries are fair trade-certified, all from South Africa, Argentina, and Chile. Producers must be in the "Global South" to apply for the program and right now, that's the Global South for wine. “Global South” refers more to development status and national wealth, not so much to physical geography; New Zealand and Australia are in the global south, but not in the Global South.

The core idea of fair trade is that global trade contributes to global inequality and producer poverty, and that global trade can be a tool to help fix those problems. Instead of wealthy consumer countries shipping aid to poor countries, we should buy the products we already want from them at better prices with contracts that protect worker welfare.

“Trade not aid” is why fair trade is about Global South products made, often, by workers suffering oppressive conditions. What oppressive conditions exist in the South African and South American wine trade? South African wineries largely continue to operate on an apartheid-era model: wealthy white landowners employ poor black workers, who are sometimes kept poor through low wages and forced indebtedness to their employers. In Argentina, the combination of traditional contract practices (paying for grapes in instalments around the whole calendar year is a good example), new export-focused conglomerate wineries, and an unstable national economy has left many vineyard workers in poverty.

So what's a socially conscious oenophile to do? All of these certification programs and logos on bottles are shortcuts. Good intentions and all, they're attempts to simplify a problem that isn't at all simple so that American and European shoppers can feel socially responsible without having to do anything more disruptive than look for a green and black sticker. A big conversation amongst researchers who study these programs is whether they're actually hurting workers by reinforcing harmful systems that need to be rethought from the ground up. Making a bad situation incrementally better for some may not be enough to get anyone to “good.”

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