**Consumer Countries/Markets**

**Share of total wine listings in China by country**

![China Country Wine Listings](attachment:China_Country_Wine_Listings.png)

*Source: Wine Business Solutions*

**Boxed wine and rosé the star performers at UK retailer Sainsbury’s**

One of the UK’s leading supermarkets has revealed that boxed wine and rosé have emerged as the star performers during the lockdown period.

According to Sainsbury’s, sales of bag in box (Bib) wines surged by 41% year on year, with 6.8m of its customers buying into the format, proving particularly popular amongst younger consumers, with 28% of those aged 25 – 34 buying BiB.
“A new generation of customers are discovering bag-in-box wines for the first time, finding them the perfect remedy to overspending, for money and consumption, because BiB helps them to control both,” said Sainsbury’s wine expert, Helena Nicklin. “There is nothing not to love about these wines – the quality has come on leaps and bounds and many of them offer much more sustainable packaging; something wine drinkers are increasingly conscious of. We expect to see many new BiB brands appear in the next year or so to meet rising customer demand,” Nicklin added.

At the opposite end of the wine spectrum top end wines also enjoyed a 24% year on year sales uptick during the lockdown, with premium rosé emerging as the best performer with sales up by 60% year on year. These account for a fifth of the supermarket’s rose sales.

Sales of Miraval rocketed by 90%, while premium French rosé sales in general were up by 43% and Italian rosé sales up by 70%.
Source: MarketIQ/Vinex

Global and SA Trends

2020 - 2029 BFAP forecast for the wine industry
The wine industry was one of the most severely affected by the COVID-19 pandemic and the measures imposed to curb its spread. According to the BFAP (Bureau for Food and Agricultural Policy) annual baseline study that has just been released, the industry is forecast to recover slowly but surely over the next five to ten years.

Click here to read more (Wine sector from p 103 – 111)

Global Trends - Wine Industry Key Elements

Alcohol industry to invest R150m in alcohol harm-reduction programmes
The investment is to focus on upscaling existing programmes and finding new, innovative measures to deal with key areas of concern including the following:
• Drinking and driving/walking
• Binge drinking
• Underage drinking
• Gender-based violence and femicide
• Supporting the healthcare system during the Covid-19 crisis
Click here to read more

VINPRO News
August 2020

Read more in this extract about important issues pertaining to each person and business working in the industry to strictly adhere to the necessary health and safety protocols, while focusing on changing behaviour with regard to responsible production, promotion, trade and consumption.

[Vinpro news August 2020]

Badge drinking at home: the new down-trading?
A new form of at-home badge drinking in emerging markets is allowing consumers to down-trade financially without down-trading socially.

Badge drinking, otherwise known as conspicuous consumption, allows consumers to display their social status and wealth through the medium of alcoholic drinks brands. Practiced around the world, it is most common in the emerging markets. Traditionally, badge drinking has been inextricably linked to the VIP areas of the on-trade, particularly in parts of Africa and Asia.

Brown spirits are most commonly used to display status in badge-drinking markets. In China, for example, Cognac and Scotch are the most popular status drinks, as well as, to a lesser extent, Champagne and luxury vodka. Premium blended Scotch is the international status drink of choice for Indian consumers, as long as the distribution is in place and disposable income is available. Meanwhile, in South Africa, premium blends, malts, Cognac and Champagne are the bottle-serve must-haves.

Click here to read more

**Major Wine Producing Countries**

**France’s 2020 estimated grape harvest**
Up from 42.1 mhl in 2019 (+9%)

![Production nationale viticole estimée au 1er août 2020](image)

**Sources**: Agreste pour 2020, Agreste-Douanes pour années antérieures

**France Grape Harvest 2020**

**Record harvest forecast for Spain as demand nosedives**
In normal years, Spain’s bumper harvest would have been something to celebrate, but with Covid-19 leading to a drastic drop in sales, Spain’s producers are being left with millions of litres of unwanted wine.

This year’s vintage is predicted to yield 43m hectoliters, compared with an average of 37m. Even without the Covid pandemic to contend with this far outstrips the combined domestic and international demand of 31m hectares. On top of this, restaurants sales have nosedived by 65% and exports by nearly half – 49% - since the start of the pandemic.
The Spanish government is offering growers subsidies to destroy some of this year’s record harvest, with 90m Euros to be spent either on destruction or on the distillation of the grapes into brandy and industrial alcohol.

Producers of Cava, Rueda and Rioja have already had lower limits set on the amount of wine that can be produced per hectare. However, various producers associations claim that the government’s interventions are inadequate, and that some of the larger wine estates are using the pandemic to renegotiate contracts at much lower rates.

“The worst thing about this is that within a month we’ll be harvesting an abundant harvest at rock bottom prices and, if no measures are taken, wine sales are going to deteriorate,” Fernando Villena, president of the Asaja farmers’ union in Castilla-La Mancha told the Guardian.

President of the La Mancha regional denomination Carlos Bonilla said: “World wine consumption is down 10%. Meanwhile we are producing more wine per hectare so unless consumption goes up, we will have to regulate production.”

So far the Spanish government has approved only a tenth of all claims for subsidy for destroying crops, he added, with smallholdings being those most likely to be eligible for the financial support.

During the lockdown grapes were left to rot on the vine, because most pickers are from Romania and North Africa. However, Bonilla said he now expects migrant labourers already in the region for the garlic harvest to stay on and pick grapes.

Other regions, however, such as the Rías Baixas in Galicia, in the north-west, report problems in recruiting sufficient number of vineyard workers as people are worried about exposure to Covid-19 or risking losing their furlough payments.

Source: MarketIQ/Vinex

Fears of too much wine as Europe’s 2020 harvest begins - Click here to read more

Comment: Spain’s 2019 harvest was 33.5 mhl (OIV). An estimated increase of 28%.

Today’s Quote

The Future Is A Little Itchy