BI Daaglik - BI Daily

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Global Trends - Wine Industry Key Elements

Disrupting the three-tier distribution system: new routes to the USA market

The three-tier system in the United States of America (USA) is a hold-over from the days of Prohibition. It ensures that the sale of alcohol is highly regulated and controlled. Over the past several years, barriers in the traditional route to market have increased for small producers through consolidation at the distributor level (tier two) as large companies merge and then rationalise their offerings. Today there are 9 700 USA wineries (excluding imported wines) that are fighting for space with 1 200 wine distributors.

With the help of technology, more creative ways to reach the American consumer have been developing over the past decade. Online routes to market are growing each year, but brands will need to decide which channel will best suit their brand.

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Nuubsbrokkies / News Snippets

A New Era for U.S. Wine-Labeling Laws

Recent disputes find winemakers and legislators reconsidering America’s laissez-faire attitude toward veracity in wine labeling. Wine laws within the European Union set a baseline for quality and veracity that is higher than that of the United States. The appearance of an appellation (AOP, DOP, and so forth) on an EU wine label is a guarantee that all the grapes in that wine came from that geographical designation. By contrast, U.S. federal regulations require only partial truth in labeling—that is, 15 percent of the fruit can be sourced from an appellation other than that stated on the label.

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Boat turned back from Australian waters after brown marmorated stink bugs detected onboard
A boat carrying cars and machinery has been sent home after bugs, including more than hundred brown marmorated stink bugs, were found onboard. The Triumph, owned by Armacup, had come through multiple ports and is now on its way back to China.

Brown marmorated stink bugs (BMSB) can cause physical damage to grapevine berries, predisposing them to bunch rots and yield loss. They are also known to cause wine taint if they end up in ferments. [Click here to read more]

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VinIntell

VinIntell November 2018 Issue 38 - Venturing into the predictable unknown: trends in the global wine industry

Introduction
Writing about global trends in the wine industry is challenging in the sense that there is so much happening at such a rapid pace and that so many variables exert influence all at once. Trends range from consumer behaviour to the impact of climate change, sustainable wines, generations and gender to the trends in cultivars and brands. The realities of climate change, changing consumer demands, preferences and habits, technology and economic and political turmoil are certainly the main drivers behind the most prominent trends currently discernible in the global wine industry. This edition of VinIntell seeks to provide a high-level overview of the main trends and sub-trends that have emerged in 2018 and that are likely to remain valid in the immediate future.

Contents
1. Growth and trade patterns are evolving driven by global consumption patterns
2. Authenticity and transparency will increasingly shine the focus on labelling
3. Packaging trends influenced by premiumisation
4. Increased challenge to maintain style and quality
5. Styles and varieties are playing musical chairs
6. Emerging players are being heard
7. Trends in brands
8. Consumer trends in wine
   • Premiumisation will continue
   • Sustainable, organic & lower alcohol wine continue to gain traction
   • Low and no alcohol wine hampered by quality issues
   • Brexit continues to impact on key trade and consumption patterns
   • Generational impact on wine styles and demand
9. Technology, artificial intelligence and robotics are changing the industry

Conclusion
It is true that as with everything in life, the world of wine is in a continuous state of flux and change. Trends like fashion come and go and perhaps just follow quicker on one another than ever before. Some sectors rise, others decline and styles fall into and out of flavour. Technologies are rapidly impacting on viticulture, logistics, marketing, sales and compliance and then there is the climate and nature; factors that cannot be influenced (although they can be managed to a degree). The effects that weather patterns, drought and fires have had on production and sales have been pronounced in 2018 and are likely to continue being unpredictable. The speed of global warming is making us rethink which grapes are planted in which locations. But these characteristics of the world of wine make it so unique, challenging and interesting. [Click here to read more]