Global Trends - Wine Industry Key Elements

Global wine production up 2% in 2015

Global wine production is estimated to have increased by 2% in 2015, according to a report by the International Organisation of Vine and Wine (OIV), with Italy once again named the world’s biggest producer having increased its volumes by 10%.

Initial estimates presented by the OIV at a press conference this week predict total wine production in 2015 to have reached 275.7 million hectolitres. Italy saw the biggest rise producing 48.9 million hectolitres, up 10% on 2014. Italy was followed by France which produced 47.4 million hectolitres, a rise of just 1% compared with 2014.

Following its bumper harvest last year, Spain’s production is now at a “slightly higher than average level” producing 36.7 million hectolitres, down 4% on last year. The US saw volumes rise by 0.5% to 22.1 million hectolitres, which still falls short of the levels recorded in 2013. Portugal and Romania saw volumes increase by 8% and 9% respectively, rising to 6.7 and 4.1 million hectolitres – a good result for Bulgaria following what was a very poor harvest in 2014. In comparison, Germany saw volumes drop by 4% to 8.8 million hectolitres, and Greece by 9% to 2.7 million hectolitres.

In the southern hemisphere, Chile reached a new record for vinified production with 12.9 million hectolitres, up 22.6% on 2014, while Argentina saw a significant decline with volumes dropping by 12.1% to 13.4 million hectolitres. South Africa maintained its 2014 level at 11.3 million hectolitres.

In Australia and New Zealand production has remained stable for almost three years, at 12 and 2.4 million hectolitres respectively, excluding the "exceptional" 2014 harvest in New Zealand.

The OIV also presented its findings on the rosé sector, following a study carried out in collaboration with the Provence Wine Council (Conseil Interprofessionnel des Vins de Provence, CIVP). Global production of rosé wines in 2014 is estimated at 24.3 mha, accounting for 9.6% of the world’s still wine production with four countries accounting for 80% of all production; France 7.6 mhl, Spain (5.5mhl), the United States (3.5mhl) and Italy (2.5mhl).

In 2014, rosé consumption reached 22.7 mhl in 2014, an increase of 20% since 2002 with many new countries emerging as key importers, including the United Kingdom (250% since 2002), Sweden (750%), Canada (120 %) and Hong Kong (250 %). France has recorded the biggest increase in recent years, up 2.5 million hectolitres between 2002 and 2014.

France and the United States are the main consumers of rosé wines, with 8.1 and 73.2 million hectolitres consumed respectively in 2014. Only a few countries have seen their rosé wine consumption drop, specifically Italy, Spain and Portugal.

Source: The Drinks Business

Attached the OIV Press Release.
Tesco drops 300 wines from range and eliminates half price deals

Tesco finally unveiled the full extent of their new range and pricing policy.

However, it’s the company’s pricing and promotional strategy for wine, which has seen the biggest impact of radical change. The half price deal is no more, with the wine category moving away completely from this promotional mechanic. In its place comes a strategy of ‘simpler, lower, and more stable’ pricing.

Core own brand and the ‘Finest’ range now account for over 50% of total wine sales in terms of value, which has demonstrated to the business that customers trust their own brand proposition.

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