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AGRICULTURAL OUTLOOK
2025 - 2034

Navigating export led growth in a dynamic
and uncertain global trade environment.

WINE GRAPES AND WINE



The South African wine industry has evolved substantially over the past 30 years. In 1994, 4 599 wine grape producers cultivated 84 030 ha of vineyards and produced 1.02 million tonnes of wine grapes. At the time, 245 cellars produced 804 million litres of wine, with 48 million litres exported and 448 million litres consumed domestically. Thirty years later, the industry comprises 2 350 producers who cultivated 86 544 ha, down from 110 000 hectares in 2003 and 2004 and produced 1.05 million tonnes of wine grapes. In turn, 508 cellars produced 744 million litres of wine, with 306 million litres sold internationally and 456 million litres sold domestically. Technical efficiency gains at farm level – producing higher volumes from more or less the same cultivated area, and defragmentation post farm gate shows how the different nodes in the wine value chain adapted to the changing domestic and global landscape, both in terms of production and consumption.

The outlook for the industry considers many factors – global macro-economic and trade dynamics, domestic macro-economic and political factors, international and domestic wine market dynamics and also the biological and economic considerations driving wine grape and wine production domestically.

INTERNATIONAL MARKET OVERVIEW

In 2024, global grape production continued its downward trend, with vineyard surface area (wine grapes, table grapes and raisins) contracting by 0.6% to 7.1 million ha – the sixth consecutive year of decline. This contraction was driven by uprooting of vineyards across major vine-growing countries in both hemispheres, particularly affecting wine grapes. South Africa's wine grapes mirrored this global trend, marking the seventeenth consecutive year of decline. This ongoing reduction is partly attributed to the lingering effects of severe droughts between 2015 and 2017. While some countries like Italy and Brazil saw modest expansions, the overall global picture was one of contraction, reflecting structural adjustments in response to climatic and economic pressures (OIV, 2025).

Global wine production in 2024 fell to 22.6 billion litres, a 4.8% drop from 2023 and the lowest level in over 60 years. This decline was largely due to extreme weather events – frosts, droughts, and heavy rains – affecting vineyards in both hemispheres. In the Northern Hemisphere, France and Germany saw significant declines, while Italy managed a partial recovery. In the Southern Hemisphere, production was also historically low. South Africa produced 883 million litres – of which 743 million litres is drinking wine, down 5.4% from 2023 and 14.3% below its five-year average, making it the lowest output in more

than 20 years. This decline was driven by a combination of frost, floods, and fungal disease pressure, aligning South Africa with the broader global downturn (OIV, 2025).

Wine consumption in 2024 continued its decline, estimated at 21.4 billion litres – a 3.3% drop from 2023 and the lowest since 1961. This trend reflects both short-term economic pressures, such as inflation and high prices, and long-term structural shifts in consumer behaviour. Most major markets, including the USA, France, and China, saw declines, though some like Spain and Portugal showed resilience. South Africa was also fairly resilient, while consumption declined by 2.8% to 456 million litres, this level is similar to the five-year period prior to the pandemic, reflecting relative strength in the African context. Globally, demand for bulk wine grew in volume and value, while bottled wine saw mixed results – a decline in volume of 1.8% while value (in Euros) grew by 0.1%. Both bag in box and sparkling wine trade declined in value and volume terms (ITC, 2025; OIV, 2025).

TRADE

In 2024, global trade in wine remained constrained by low production volumes, but bulk wine emerged as a growth segment. Bulk wine exports rose by 3.3% in volume and 9.8% in value, with average prices increasing to €0.80/litre (+6.3%). In contrast, bottled wine volumes declined by 1.8%, though value remained stable due to a 1.9% price increase. South Africa's bulk exports declined marginally, but prices increased by 8.2% on average, while packaged exports increased by 5.4% although the average price decreased by 2.7%. Among Southern Hemisphere exporters, South Africa ranks behind Chile and Australia in total volume but remains a key bulk wine supplier, with bulk accounting for 60% of its export volume and 23.5% of value. In the list of top 10 global exporters, the share that bulk wine contributes to total export value varies between 2% and 31%, with New Zealand generating 31% of their total wine forex from bulk wine exports, and South Africa's 23.5% the second largest (OIV, 2025; SAWIS, 2025).

Germany, the UK and the US remains the biggest importers of wine. To compensate for domestic shortfalls, some major wine-producing countries increased imports. Italy, despite being a top producer, imported 290 million litres in 2024 – a 65.6% surge from 2023 – primarily bulk wine (86% of volume), likely to support blending and meet internal demand. Similarly, China reversed a six-year decline, importing 280 million litres (+13.7%), with

bottled wine making up 90% of value. These shifts suggest that even traditional producers are relying more on imports, particularly bulk, to stabilise supply chains amid production volatility. This dynamic presents an opportunity for South African producers to expand bulk wine exports, especially to markets facing structural or climate-induced deficits (OIV, 2025).

South Africa's wine exports decreased year-on-year by 0.26 million litres to remain at 306 million litres in 2024 (-0.1%), while value increased slightly to R10.27 billion. Within these totals, bulk wine comprised 183 million litres (60%) in volume and R2.41 billion in value (23.5%), compared to the 123 million litres (40%) in volume for packaged wine exports at a value of R7.86 billion (76.5%) (SAWIS, 2025).

Table 7 highlights the absolute shift in total bulk and packaged exports by volume and value to major importers from 2023 to 2024. The United Kingdom remained the top destination for bulk wine exports by value, increasing from R835.6 million in 2023 to R880.0 million in 2024, despite a slight decline in volume. Germany and France also saw moderate increases in both value and volume, with Germany maintaining a strong position. Notably, Sweden and Nigeria experienced significant growth in both value and volume, with Nigeria more than doubling its volume and value, suggesting a rapidly growing market for bulk (replacing packaged imports). Conversely, Denmark and Canada saw declines in both volume and value, although their unit values remained relatively high, indicating a shift toward higher-priced exports – year on year increase in bulk red wine imports from South Africa, and a reduction in bulk white wine imports. Overall, unit values increased across most markets, confirming that South Africa benefited from the global bulk price increase.

The UK again led in packaged wine exports by value, although both value and volume declined slightly, suggesting a contraction in demand from South Africa, with alternative suppliers increasing supply as total UK packaged wine imports declined by 0.8% but 10.5% from South Africa (ITC, 2025). The Netherlands showed strong growth at stable price levels year on year. Latvia and Russia recorded the most dramatic increases in both value and volume, with Latvia's volume surging more than sixfold, albeit from a low base. The UAE also showed notable growth, while the USA and Germany experienced slight declines in both value and volume. Unit values remained relatively stable across most

markets, with minor fluctuations, suggesting consistent pricing strategies.

Export volumes are projected to remain constrained, with an average annual decline of 1.5% from 2024 to 2034. Compared to the 3.9% average annual decline over the past 10 years, the projection hints that the tempo of decline is slowing down, but it is also from a lower base. Over the course of the projected period, trade with Europe – the UK, the EU and non-EU countries in Europe – is likely to decline in the wake of subdued production volumes and associated higher prices. Given this context, exports could reach 273.8 million litres by 2034. Selective marketing opportunities in North America, Asia and Africa could attract volume expansion in these regions, with the relative importance shifting away from other markets, although European markets would still remain the most important destination for South African wine. An enabling trade environment which is complicated in the short term by current political realities is critical to

unlocking these opportunities. With smaller volumes available for export, the focus will be on extracting higher returns per unit of sales. Opportunities to explore alternatives to reduce cost in the value chain could further contribute to higher net returns from exports.

DOMESTIC CONSUMPTION

Post-pandemic recovery saw a strong rebound in still wine consumption up to 2024, although early indications of sales in 2025 suggest that the market is slowing down. For instance, low and basic wine recovered from 237.7 million litres in 2020 to 361.4 million litres in 2022, before stabilising at 336 million litres in 2024. This reflects the reopening of hospitality and entertainment venues and a return to social drinking. Despite the decline from 2022 to 2024, the 2024 sales remain higher than any other year from 2015 to 2021. Premium and super premium wine recovered from 18.8 and 17.6 million litres in 2020 to 24.3 and 23.7 million litres, respectively, while ultra

Table 7: Bulk and packaged wine exports from South Africa to selected destinations in 2023-2024

Bulk wine							Packaged wine						
Top 10	Value (R m)		Volume (m litre)		Unit value (R/litre)		Top 10	Value (R m)		Volume (m litre)		Unit value (R/litre)	
	2023	2024	2023	2024	2023	2024		2023	2024	2023	2024	2023	2024
GBR	836	880	64,5	61,7	12,96	14,26	GBR	1 976	1 763	28,6	25,6	69,15	68,92
DEU	439	488	42,6	42,8	10,30	11,40	NLD	720	860	11,6	14,0	61,89	61,38
FRA	176	207	16,5	18,3	10,65	11,29	SWE	392	395	7,9	7,7	49,44	50,94
BEL	159	148	13,8	11,7	11,47	12,72	USA	655	600	7,5	7,1	87,16	84,80
DNK	266	220	13,3	11,5	19,98	19,07	DEU	510	483	6,8	6,4	74,98	75,18
CAN	109	95	11,2	8,7	9,70	10,93	CAN	400	431	5,5	6,0	73,15	71,82
SWE	49	90	4,8	7,3	10,16	12,34	UAE	234	322	4,3	5,6	54,41	57,06
USA	52	59	4,6	4,5	11,25	13,31	LVA	39	177	0,8	5,1	46,72	34,88
NGA	21	50	1,5	3,0	14,41	16,62	RUS	107	216	2,6	4,7	41,66	46,44
THA	25	22	1,9	1,8	13,25	12,54	BEL	315	313	4,3	4,2	73,91	74,38

Source: SAWIS, 2025

wine recovered from 16.7 million litres to 25.3 million litres in the same period. These increases suggest a shift toward quality consumption, supported by recovery in post-pandemic employment rates, and aspirational spending. Consumers, having endured austerity during the pandemic, began indulging in higher-tier products, reflecting broader economic optimism.

From a longer-term perspective, the market shows a trend of premiumisation, albeit from a low base and at a slow pace. Low and basic wine consumption, while dominant, is expected to stabilise around current levels, with projected sales of 336.1 million litres in 2034. In contrast, non-standard (premium, ultra-premium and super premium) wine sales are expected to grow, from 73.2 million litres in 2024 to just short of 93 million litres in 2034 – growth of 26.8% over 10 years. These trends are driven by urbanisation, rising middle-class incomes, and increased wine education. The steady rise in the super and ultra categories reflects a maturing market, both from a supply and demand perspective – better quality wine at higher prices are available to increasingly discerning consumers.

Among other wine products, sparkling wine saw a

dramatic rise from the pre-pandemic 10.1 million litres to 17.1 million litres in 2024. This surge aligns with lifestyle shifts favouring celebratory and lighter beverages, especially among younger and female consumers. While fortified wine recovered from 15.7 million litres in 2020 to 29.4 million litres in 2024, it is yet to reach pre-pandemic levels. Despite recovering from the ravages of the pandemic, brandy sales remain 2.6 million litres short of the pre-pandemic average of 30.3 million litres per annum, reflecting changing preferences and economic pressures such as rising excise duties and health-conscious consumption trends. These shifts highlight how economic recovery and evolving consumer values are reshaping the beverage landscape.

Looking ahead, sparkling wine is projected to grow at a slower pace, but still doubling up on pre-pandemic volumes – from the current 17.5 million to just short of 20 million litres in 2034. Global trends, increased availability, and marketing plays a major role. Fortified wine, despite its recent recovery, is expected to decline from 30.6 million litres in 2015 to 24.0 million litres in 2034, indicating a generational shift away from high-alcohol, high-sugar beverages. Brandy shows a sharper decline, from 28.5 million litres in 2015 to 20.4 million litres in

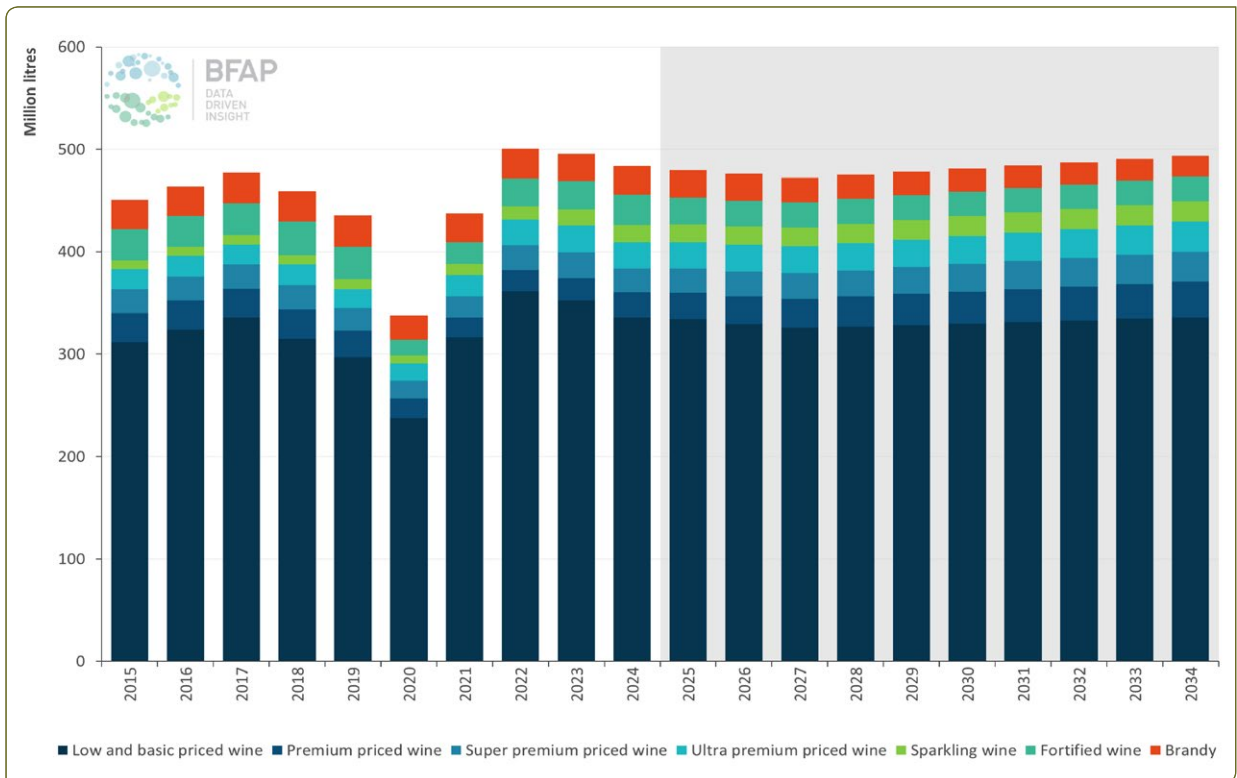


Figure 64: Wine and Brandy consumption in South Africa: 2015-2034

Source: SAWIS, 2025 & BFAP Projections

2034, likely due to competition from alternative spirits. These trends reflect broader economic and cultural changes: younger consumers favouring innovation and wellness, and producers adapting to climate and market pressures.

PRODUCTION AND PRICES

South Africa’s wine industry has been shaped by the aging of its vineyards, which has had a tangible impact on production volumes. Between 2015 and 2024, the area of vines older than 20 years increased significantly. For white cultivars, this category grew marginally, from 14 484 ha in 2015 to 14 709 ha, and for red cultivars dramatically, from 3 834 ha to 17 940 ha over the same period. The reduction in cultivated area, especially of white wine grapes, from 61 275 ha in 2015 to 50 658 ha in 2024 exacerbate the relative share of older vines. This aging trend has led to a decline in physical overall vineyard productivity, as older vines typically yield less fruit, but to an increase in the yield by value as measured by the higher prices received for higher quality wines. Despite this, 2025 saw a notable rebound in total grape production, reaching 1.24 million tonnes, up from 1.17 million tonnes in 2024, largely due to favourable

weather conditions that temporarily boosted yields across regions.

Regionally, production trends from 2015 to 2024 show variability especially in regions devoted to white wine grapes. Robertson, one of the largest producing regions, peaked at 251 000 tonnes in 2021, but declined to 185 000 tonnes by 2024, with area and productivity decline playing a role. Similarly, Olifants River dropped from 230 000 tonnes in 2015 to 155 000 tonnes in 2024, reflecting the broader challenges of climate and vine age. In contrast, BreedeKloof remained a relatively stable area – a decline of only 4% over the last 10 years, suggesting better resilience and/or investment in vineyard management. Cultivar-specific data reveals that Chenin Blanc, the most widely planted white grape, declined from 17 965 ha in 2015 to 15 912 ha in 2024, while Cabernet Sauvignon, a key red cultivar, fell from 11 170 ha to 8 749 ha in the same period.

Farmgate returns – calculated as tonnage multiplied by price – remain the cornerstone of economic viability for most producers. Only about 28% of producers operate across the value chain, allowing them to prioritise returns at the cellar door, where margins can be higher

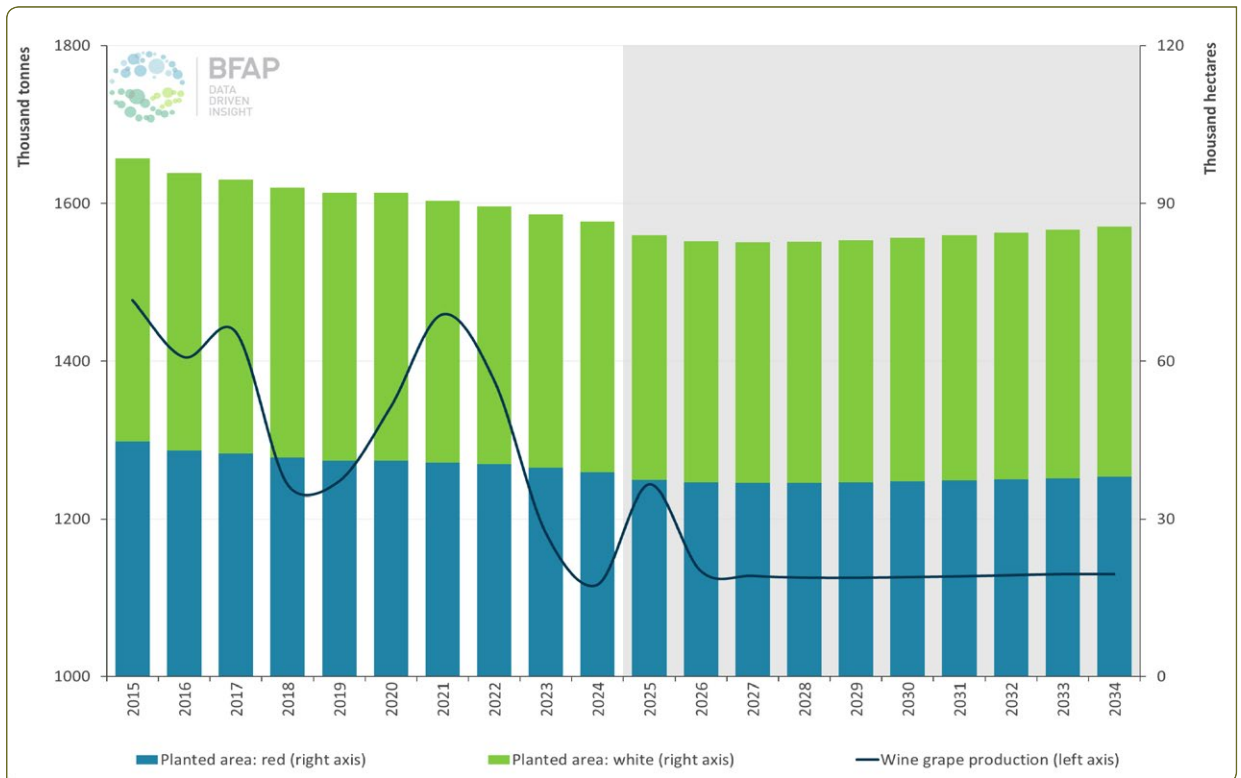


Figure 65: South African wine grape production: 2015-2034

Source: SAWIS, 2025 & BFAP Projections

and production practices that favour quality can realise sufficient premiums. For the rest, fluctuations in tonnage and price directly affect their financial sustainability. Looking ahead to 2034, projections point to continued growth in the area of vines older than 20 years, reaching 23 330 ha for white and 18 522 ha for red cultivars, which could further suppress yields. However, with grape prices expected to rise, there is potential for improved farmgate returns. This underscores the importance of strategic vineyard renewal, as the area decline is expected to bottom out by 2027, before recovering to levels close to 2024 by the end of the outlook period.

Amidst a challenging period of logistical crises and limited access to markets under Covid-19 protocols, the increase in stock levels had a distinct impact on price levels. In Figures 66 and 67, the nominal and real domestic bulk wine price (average cellar door price) and the year-on-year change in bulk wine prices (right axis) clearly show the decline after 2019 as well as the subsequent recovery. Consecutively small wine grape harvests, combined with a sharp decline in stock levels, drove wholesale wine prices up further in 2024, with a

slowdown to an inflation plus 2.2% increase projected for 2025, maintaining real price growth over the outlook period. While this will put prices on an upward longer-term trajectory, selective uprooting without replacement of unproductive vineyards – where producers depend on farm gate revenue – is expected to continue over the next 2-3 years. With these increases in real terms, white wine prices are expected to recover to the 2019-level by 2026, with red wine prices only recovering over the second half of the outlook period.

Figure 68 shows the production of wine together with domestic consumption and exports, with exports split into bulk and packaged. As stock levels and export volumes stabilised year-on-year, packaged exports as a share of total exports recovered somewhat in 2024. Going forward, and barring more crises, the projected stabilisation of wine production volume at a new norm below the historic average aligns with a decline in wine grape production on the back of continued uprooting (Figure 65). Higher prices (Figure 67) and some, albeit slow improvement in domestic purchasing power results in a smaller export share over time.

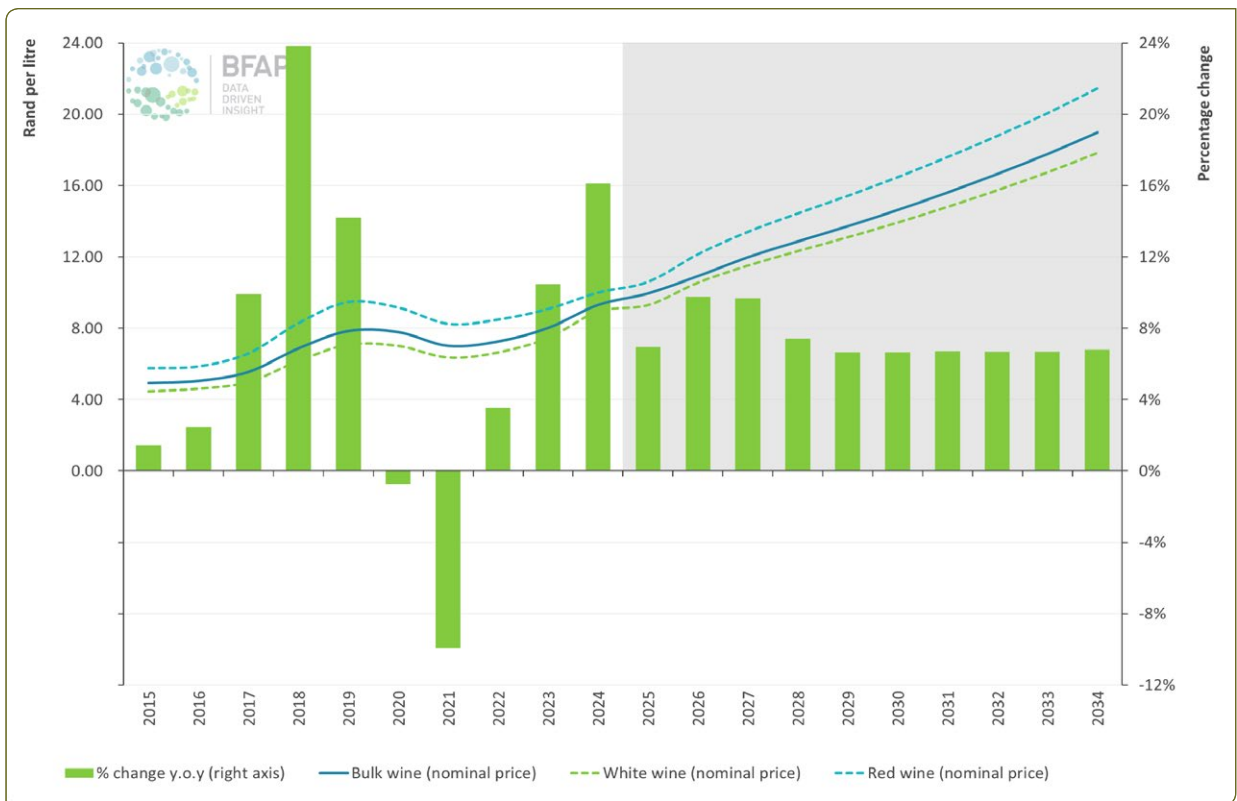


Figure 66: Historic and projected South African wine prices in nominal terms: 2015-2034

Source: SAWIS, 2025 & BFAP Projections

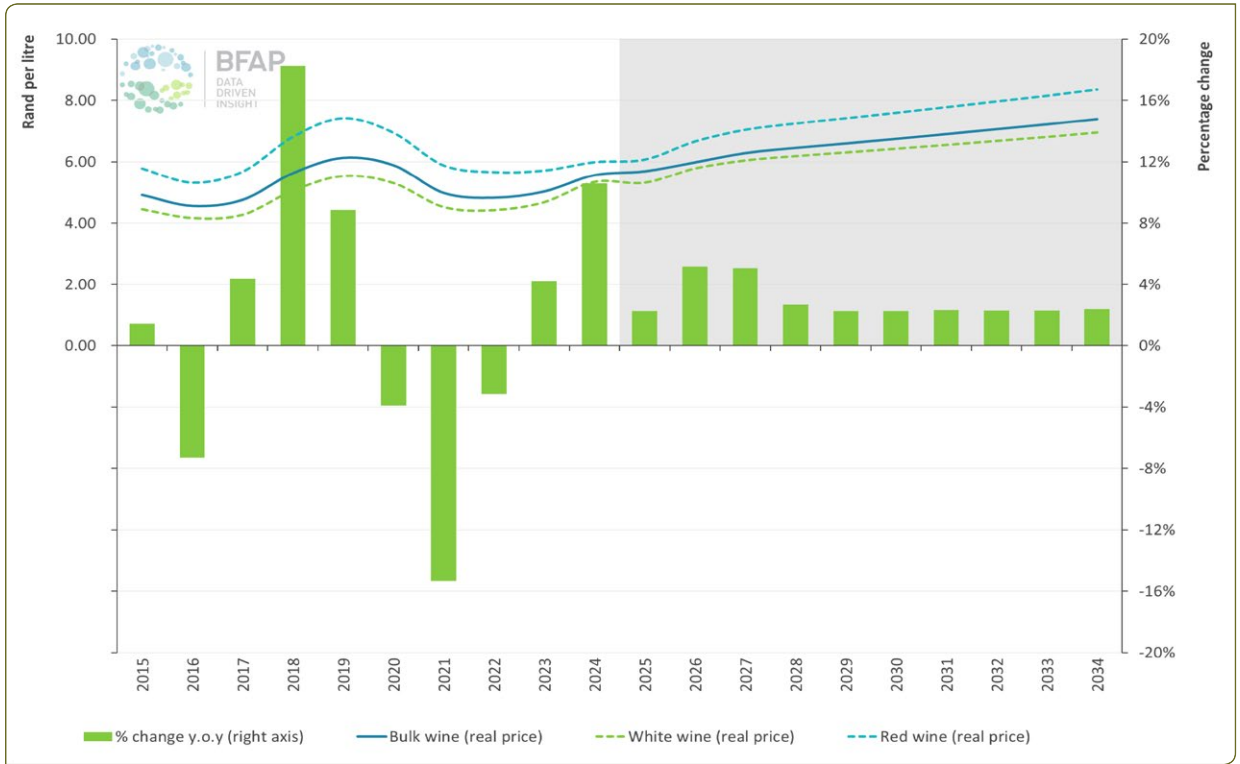


Figure 67: Historic and projected South African wine prices in real (inflation adjusted) terms: 2015-2034

Source: SAWIS, 2025 & BFAP Projections

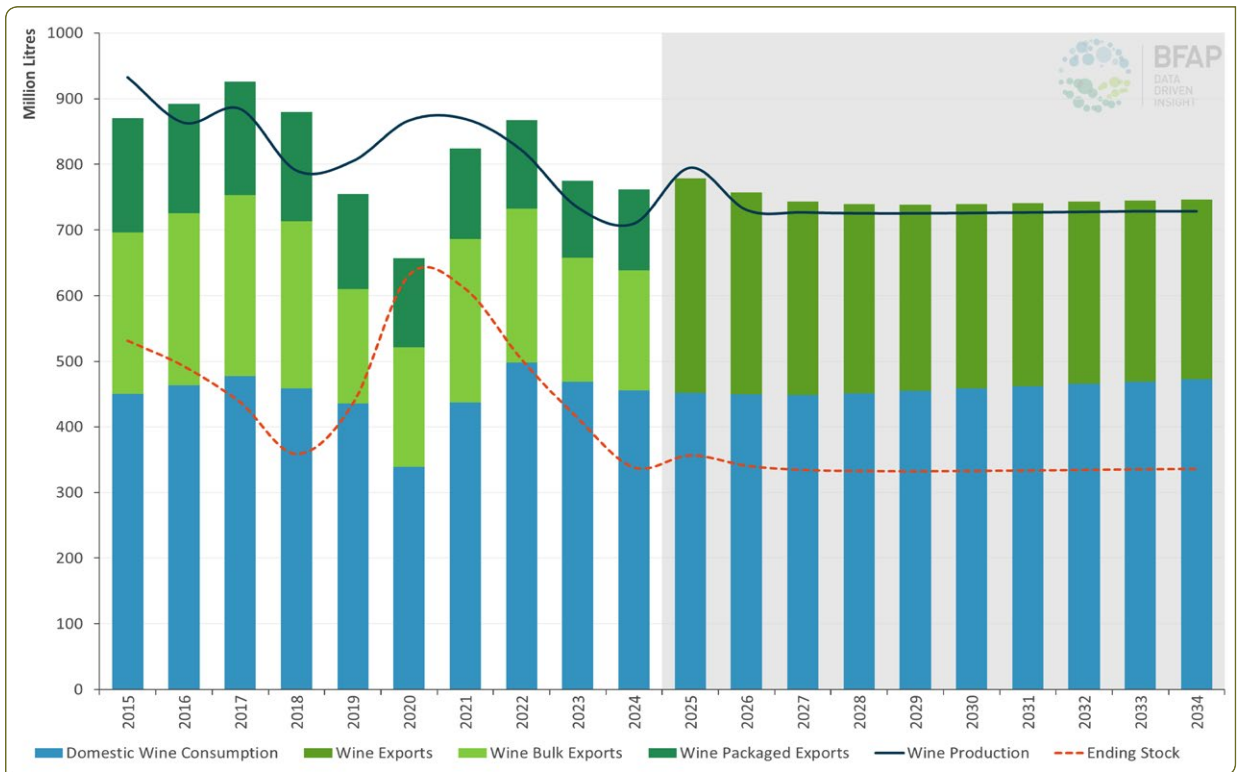


Figure 68: Production, consumption, trade and stock levels: 2015-2034

Source: SAWIS, 2025 & BFAP Projections

CONCLUDING REMARKS

The South African wine industry stands at a pivotal juncture, shaped by a confluence of global and domestic pressures, yet buoyed by emerging opportunities. Despite a long-term decline in vineyard area and production volumes, the sector has demonstrated resilience through technical efficiency gains and selective prioritisation of quality over quantity, but more work in that sphere is required to ensure sufficient price transmission across the value chain to elevate the industry as a whole. Globally, climate volatility and structural changes in consumption patterns are reshaping trade dynamics, with bulk wine emerging as a key growth segment, which is in contrast to the current views of the industry on premiumisation, although alternatives could be explored to reduce cost in the chain to improve net returns with higher quality bulk exports for packaging at destination. Domestically, the trend toward premiumisation and the

recovery of higher-tier wine categories signal a maturing consumer base and evolving preferences.

Looking ahead, the industry must navigate the challenges of climate-related risks, and constrained export volumes. However, rising grape prices, improved farmgate returns, and targeted market diversification – particularly in Africa, Asia and North America – offer pathways to growth, but this is subject to an enabling trade environment which is challenging in the US in the short to medium term. Strategic investment in vineyard renewal, value chain optimisation, and brand positioning will be critical to unlocking long-term value. As the global wine landscape continues to evolve, South Africa's ability to adapt, innovate, and differentiate will determine its success in securing a competitive and resilient future.

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