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## BI Daily

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### GLOBAL TRENDS

#### How premium can bulk wine go?

You might think of bulk wine as cheap and cheerful, or perhaps own-label, but all that's starting to change as the category goes upmarket.

Other factors are also pushing bulk more upmarket, including "the increased availability of organic expressions and offbeat varieties, which can command higher prices", Lameyse adds. The World Bulk Wine Exhibition is set to take place in Amsterdam, where this month more than 200 producers will exhibit their wines. Exhibitor take-up by French winemakers grew by 80% for the 2024 event compared to 2023, while the Italian presence has increased by 14%, suggesting that interest in bulk wine is growing, and not just from the traditional sources. More players are discovering that the secret to unlocking bulk's premium potential lies in savvy marketing.

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#### Italy tests first gene-edited vines for winemaking

Europe's first field trial of gene-edited vines began in northern Italy on 30 September 2024. Developed by EdiVite, a spinoff from the University of Verona, these Chardonnay vines have undergone gene inactivation to enable them to better defend themselves against downy mildew, a major fungal disease. The trial is being conducted on university land, with plans to expand to another site in the Veneto region. Researchers aim to gather initial data by 2025, with the potential for experimental winemaking in 2026.

Viticulture urgently needs innovation to become more sustainable, as vineyards account for just 2% of Europe's cultivated area but use 41% of its fungicides. Cross-breeding with resistant wild vines could help, but at the expense of the genetic identity of grape varieties, which is the cornerstone of their commercial value.

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## Spirits to outpace beer and wine

The global spirits sector is expected to achieve a faster volume and value rise than all other beverage categories over the next five years, according to GlobalData.

GlobalData has released a new study, Next-Gen Beverages: Bridging Affordability, Sensory, and Gen Z Preferences, which explores premiumisation in the spirits sector. From 2023 to 2028, GlobalData predicts a compound annual growth rate (CAGR) increase of 3.6% in volume for spirits and a value hike of 9.4%. In comparison, beer and cider, and wine are both expected to post a 1.5% CAGR volume rise (2023-2028).

Beer and cider is forecast to have a 5.5% value rise, and wine is tipped for a 6.1% increase. Soft drinks are estimated to grow its volume by 2.9% and its value by 5.8% over the same period. Looking at specific alcohol subcategories, flavoured alcohol beverages (FABs) are predicted to achieve the fastest volume CAGR at 6.7% from 2023 to 2028. Just behind it are non-alcoholic 'spirits' at a growth rate of 6.4%, followed by whisky (4.9%), Tequila and mezcal (4.5%), brandy (4.3%) and rum (3.7%). Scotch whisky is predicted to rise by 5.2%.

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## Wine's Trumps Cheese in Tariff War

The other, you might not have. [France](#) plans to raise its digital services tax – which is applied almost exclusively to the big US tech companies that now support Trump – from 3 to 5 percent. The Trump administration was already likely to go to war over 3 percent. Raising the tax was, as the French say, a "salve d'ouverture".

Lighthizer has stayed on good terms with Trump and could return to the office of US Trade Representative next month. That might be bad news for China, as Trump is proposing a 60 percent tariff on all Chinese goods. But it might not be bad news for wine.

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## MAJOR WINE PRODUCING COUNTRIES

### Commentary: The U.S. should stop subsidizing bulk wine imports

It's a difficult time for many California winegrape growers. During the past couple years, prices have plummeted, and wineries have allowed contracts with growers to expire. This year, many of the state's uncontracted grapes were left to rot on the vines.

A downturn in wine consumption is partly to blame. But weak demand is not the only problem. During the past two decades, imported bulk wine has flooded the U.S. market and driven down demand for California-grown wines and grapes. The adoption of duty drawback led to an explosion of bulk imports from virtually zero in 2003 to nearly 400,000 tons in 2022. To put that in perspective, in 2022, California growers harvested 3.35 million tons of winegrapes, meaning the imports totaled close to 12% of the state's production.

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Our mailing address is:  
South Africa Wine  
Picardi Farm, 100 Cecilia Street  
Suider-Paarl, 7646

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