Wine Industry Information

February 2012

Domestic natural wine sales increased by 2.1% for the period January to December 2011. The year-on-year export trend remains unchanged. Exports of natural wine in bulk increased and exports of packaged natural wine decreased with 17.6% and 19.8% respectively for the period February 2011 to January 2012.

Crop estimate
The 2012 wine grape crop should amount to 1 332 562 tons, according to the crop estimate by the industry (producer cellars and viticulturists) on 10 February 2012. This is about 2.4% more than the 2011 crop. It is expected that the 2012 wine harvest, including juice and concentrate for non-alcoholic purposes, wine for brandy and distilling wine, will amount to 1 028.7 million litres at an average recovery of 772 litres per ton of grapes (see 2012 Grape and Wine Crop and Harvest & Sales Estimate). The main reasons for the estimated crop decrease since November 2011 are the effect of the heat waves during January, as well as the dry conditions along the coastal regions.

EU News
Varied seasonal conditions have resulted in mixed harvest outcomes across Europe, but on the whole will deliver a 2011 EU crop largely similar to 2010 (15 820 million litres). The vineyard 'grubbing-up' scheme, part of the five-year EUR 5.3 billion wine market reform plan, ended in 2011. An estimated 162 000 hectares (4.3% of EU-27 vineyard area) was removed. To date EUR 708 million has been invested in marketing and promotion in addition to EUR 608 million invested to upgrade wine production assets to improve productivity and quality outcomes.

International Trade
Global wine exports continue along a general growth trend in volume and value. South Africa and Australia continue to be the major exceptions as the strength of their domestic currencies has dampened demand in key markets. Wine sales were down 3% in the UK and the rate of decline accelerated in Q4 2011 due to the increase in excise duty and VAT. The US is showing signs of steady growth in import volumes and average pricing. For many exporters most growth comes from secondary markets and emerging markets such as Russia and China. Wine varietals and/or style are increasingly in demand in popular premium wine markets with emphasis on price. Wine exports in bulk by major New World wine-producing countries have over the last 10 years increased from approximately 20% to nearly 50% of all wine volumes traded. *(Rabobank Wine Quarterly, January 2012)*

ON THE WEBSITE
- Domestic sales of natural wine for December 2011
- Price ranges of bulk wine sold locally according to region and vintage for the period January to December 2011
- Price ranges of bulk wine exported by producer and private cellars according to region for the period January to December 2011
- Export statistics for the period February 2011 to January 2012
- Information about certification
- Domestic packaged natural wine January to December 2011
- International News
- 2012 Wine of Origin Manual
- Online Trilingual SA Wine Industry Dictionary

Greetings until March 2012.
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