

# Wine Industry Information

## July 2013

Domestic natural wine sales increased by 1.0% for the period June 2012 to May 2013. Exports of natural wine in bulk increased with 60.2% and exports of packaged natural wine decreased with 1.6% for the period July 2012 to June 2013; overall an increase of 31.5%.

The annual [SA Wine Industry Statistics Booklet 2013](#) is now available on the website.

### INTERNATIONAL WINE GRAPE CROPS

The 2013 wine grape crops in the Southern Hemisphere were healthy and good across the board.

The Australian crop is estimated to increase by 10% on the previous year to 1.83 million tons (to about 1 220.9 million liters). Wine grape prices in cooler climate regions increased on average by 13.1%, while prices in the hotter inland regions by 3.5%. New Zealand posted a new record crop of 345 000 tons, an increase of 28.5% on the 2012 crop and 5% higher than the prior 2011 record crop.

Chile expects a good 2013 crop of about 1 255.4 million litres, matching last year's bumper crop. Preliminary indications point to a normal crop of 2.85 million tons (about 1 507.5 million litres) in Argentina. In comparison the South African 2013 crop is estimated at 1.49 million tons and 1 152.4 million litres.

Indications are that wine grape crops in the Northern Hemisphere could return to normal levels. A recent hail storm inflicted severe damage on vineyards in the Burgundy region, France. Up to 90% of the grape crop was lost. Burgundy represents 3.1% of the French wine grape area.

### INTERNATIONAL WINE TRADE

International trade in bulk wines increased to 47% of total wine exports in 2012. South Africa was higher at 60% as result of the preceding two large crops creating marketing pressure, the smaller crops in Europe in 2012 and the more favourable exchange rate.

Italian wine exports during the first quarter of 2013 declined by 1.9% in volume, but increased by 9.8% in value compared to the previous corresponding period. Bulk wine prices increased by more than 30%. The value of Spanish bulk wine exports increased by 8.6% although volumes declined with 28.5%. The largest value increases came from the UK, USA, Germany and China. Spain successfully positioned itself in the Chinese market as a high quality, lower priced alternative to French wines.

Australian wine exports declined by 5.8% in volume and 1.7% in value. Shipments to the UK and Europe continued to decline, while markets in Northern America and New Zealand recorded gains. Trade with China/Hong Kong is a focus market. New Zealand wine export volumes declined by 8% and value by 1.1%. Asia and North America are focus markets.

Argentine wine export volumes fell by 24%. The decrease in value was to a great extent offset by rising bulk wine prices (+10%) and packaged prices (+5%). The peso also depreciated against the USD providing some relief to exporters.

Chile's total wine exports, mainly bulk wine to the USA and Spain, increased more than 30% in volume compared to the previous corresponding period. The main destinations for bulk wine was the USA and Spain. The main markets for packaged wine remain the USA, the UK and Japan, with strong volume and value growth in China and South Korea.

USA export volumes declined by 3% in Q1 2013 (20% decline in bulk wine and a 14% increase in packaged wine). Canada remains the largest market for packaged wine by value, with growing exports to the UK, China, Japan, South Korea, Mexico, Panama and Malaysia.

South Africa's natural wine exports increased by 40.5% for the period January to June 2013; bulk by 66.2% and packaged by 8.3%. Packaged exports to the USA, Canada, Denmark and China all experienced growth with hardly any movement in major markets such as the UK, Sweden and the Netherlands, as well as many of the African countries. Growth in bulk wine exports to Russia and Europe (France, Italy and Spain collectively) were significant. Bulk exports were mainly white wine.

#### **INTERNATIONAL BULK WINE PRICING**

Bulk wine pricing is beginning to ease across most regions and varieties. In spite thereof price points in Europe remain higher than in the recent past. It is expected that the large wine grape crops in the Southern Hemisphere will create downward pressure on pricing. [Sources: Rabobank, OIV, various other publications]

#### **ON THE WEBSITE**

- [Domestic sales of natural wine for May 2013](#)
- [Export statistics for June 2013](#)
- [Domestic packaged natural wine for May 2013](#)
- Certification - [News and information](#) / [Volume of wine certified](#)
- [International News](#)
- [SA Wine Industry Statistics Booklet 2013](#)

#### **SAWIS TRAINING**

Wine of Origin Scheme and Information One Day Course.

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Greetings until August 2013.

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