World wine production exceeded wine consumption in 2020, putting downward pressure on wine prices. Global wine production was 260 million hectoliters or 6.9 billion gallons in 2020, while wine consumption was 235 million hectoliters or 6.2 billion gallons (one hectoliter is 26.4 gallons).

Three fourths of the world’s 7.8 billion people are 15 or older. The 5.8 billion adults consumed an average of just over a gallon or five bottles of wine in 2020.

Sales of many types of wine, especially premium wine and champagne, fell in 2020 as restaurants closed and weddings and other events were postponed. Wine consumption fell by a sixth in China in 2020, which reflected reduced consumption and better data.

World wine production peaked at almost 300 million hectoliters in 2004 and was 290 million hectoliters in 2013 and 280 million hectoliters in 2018. Excess wine production, especially in EU countries, led the EU to place quotas on new plantings and to provide subsidies to distill excess wine into industrial alcohol.

The EU produced 63 percent of the world’s wine in 2020, including 49 million hectoliters in Italy, 47 million in France, and 41 million in Spain; these three countries produced 53 percent of the world’s wine. The US produced 23 million hectoliters, about nine percent of the world’s wine.

Per capita wine consumption varies across countries. Persons 15 and older in Southern European countries such as France and Italy consume an average 50 liters or 13 gallons of wine a year. A gallon is five 750 ml bottles, so 13 gallons is 65 bottles or about five bottles a month. Americans who are 15+ drink an average 12 liters a year, which is 3.2 gallons or 16 bottles a year, slightly more than a bottle a month or half of the average wine consumption of British adults.

The US consumed the most wine, 33 million hectoliters (872 million gallons) in 2020, accounting for 14 percent of global wine consumption. France and Italy were next, consuming 25 million hectoliters or 660 million gallons each, Germans consumed 20 million hectoliters, the UK 13 million, China, 12 million, and Russia, Spain, and Argentina, about 10 million hectoliters each.

Per capita wine consumption varies across countries. Persons 15 and older in Southern European countries such as France and Italy consume an average 50 liters or 13 gallons of wine a year. A gallon is five 750 ml bottles, so 13 gallons is 65 bottles or about five bottles a month. Americans who are 15+ drink an average 12 liters a year, which is 3.2 gallons or 16 bottles a year, slightly more than a bottle a month or half of the average wine consumption of British adults.

The EU produced 63 percent of the world’s wine in 2020, including 49 million hectoliters in Italy, 47 million in France, and 41 million in Spain; these three countries produced 53 percent of the world’s wine. The US produced 23 million hectoliters, about nine percent of the world’s wine.
The U.S., France, Italy and Germany, Consumed 44% of the World’s Wine in 2020

Trade

Some 105 million hectoliters of wine, 45 percent of global production, was exported from the country where it was produced in 2020.

The leading wine exporters by volume were Italy, 21 million hectoliters exported, Spain, 20 million, France, 14 million, Chile and Australia, eight million each, and Argentina and the US, four million each. France was the leading wine exporter by value, exporting wine worth €8.7 billion in 2020 and followed by Italy, €6.2 billion, and Spain, €2.6 billion. The three largest wine importers by volume were the UK, Germany, and the US. These three countries accounted for about 40 percent of wine imports by volume and value.

Climate change is leading to warmer winters and earlier plant bud growth in Europe. Late frosts, as occurred in April 2021, are expected to reduce wine production in France and Italy in 2021, the two countries that normally account for over a third of global wine production. Vineyard owners tried to prevent frost damage by spraying water over the vines and lighting straw bales and other items to raise temperatures, drawing complaints of air pollution.

The Wine Intelligence Global Wine Brand Power Index in April 2021 reported that Australia’s Yellow Tail and Chile’s Casillero del Diablo were the two most recognized global wine brands in 2021, followed by Australia’s Jacob’s Creek and US Gallo.

Mike Veseth’s Wine Wars argued that globalization and commodification increased the power of global brands that offer consistent wines such as Yellow Tail, much as fast food chains assure consumers that hamburgers taste the same at each outlet.

Globalization and commodification are also encouraging the expansion of private label wines such as
those offered by Costco, Target, and Walmart. Retailers have higher margins on private-label wines, and many consumers believe that private-label wines offer greater value. Charles Shaw or Two Buck Chuck sold by Trader Joe’s is an example of a private-label wine that became a major success. Many young drinkers prefer hard seltzer to wine.
France, Italy, and Spain Produced 53% of the World’s Wine in 2020

40% of the Wine Produced in 2020 Was Exported

France, Italy and Spain Accounted for Over Half of Wine Exports in 2020

The UK, Germany, and the U.S. Accounted for 40% of Wine Imports in 2020
Leading Global Wine Brands in 2021

Source:

References


To subscribe to RMN blogs, send email to ruralmigrationnews-subscribe@primal.ucdavis.edu

More at: https://migration.ucdavis.edu/rmn/