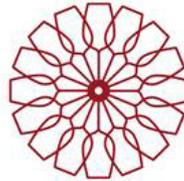


2014 Winegrowing Report

World Wine Trade Group

Tbilisi, Georgia

August 25-26, 2014



Tom LaFaille
Wine Institute
Prepared by
Trade Data & Analysis

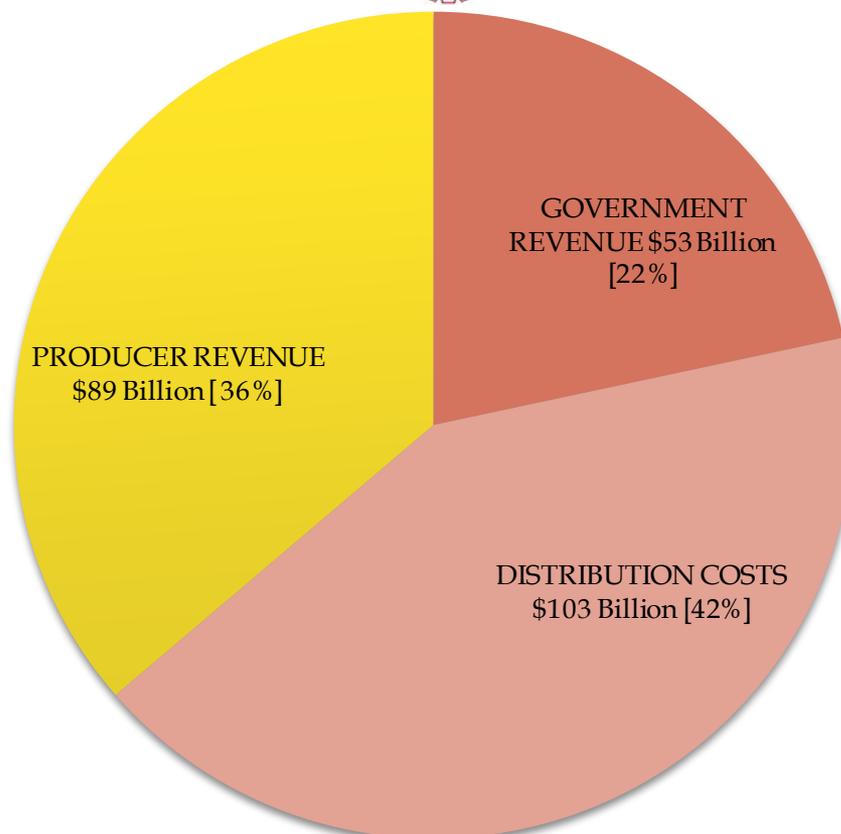
PRESENTATION OUTLINE



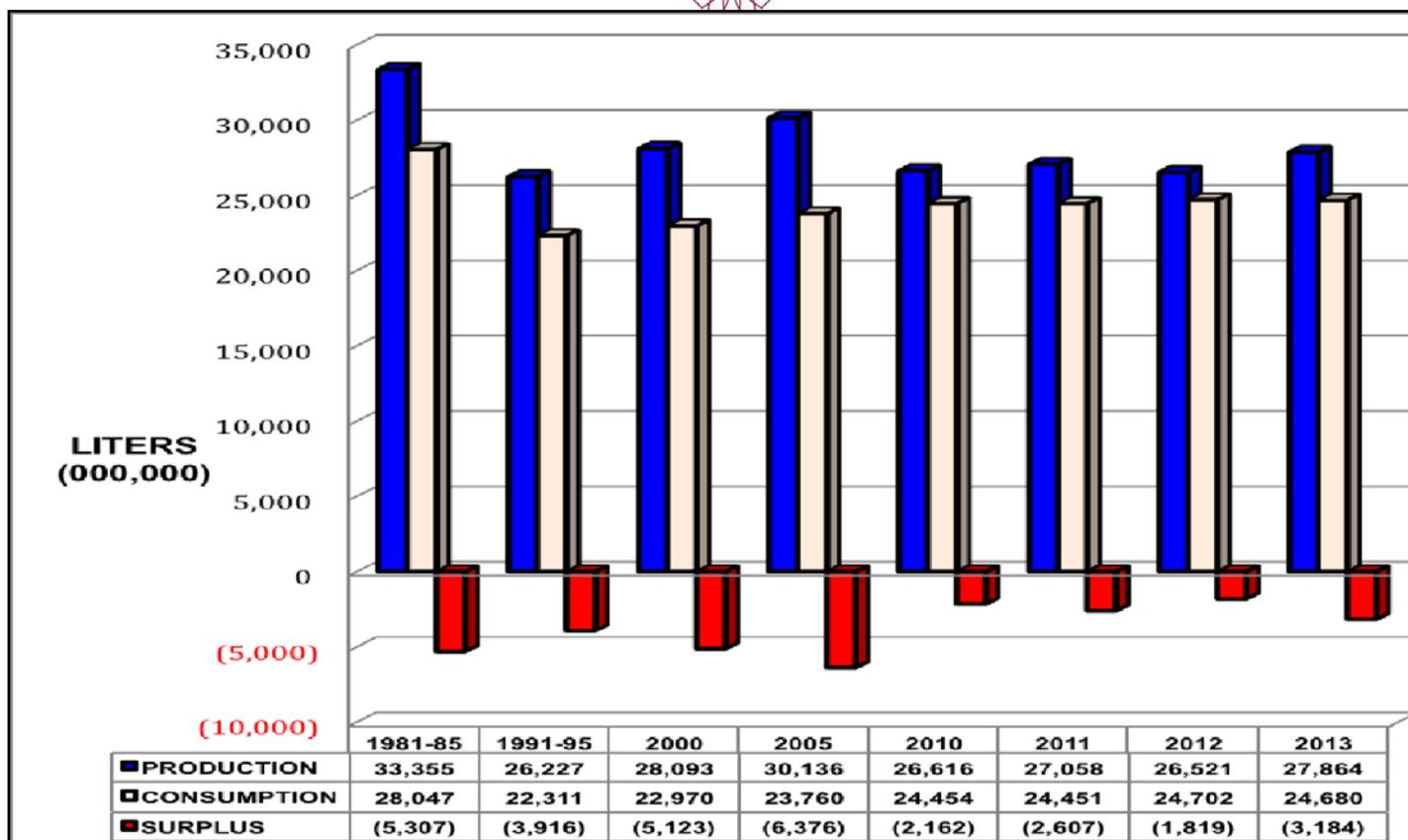
- Consumer Value Of Wine
- Vineyards
- Grape Production
- Wine Production
- Wine Consumption
- Wine Exports
- Production, Consumption and Surplus

WORLD CONSUMER VALUE OF WINE - 2013

US\$ 242.4 BILLION



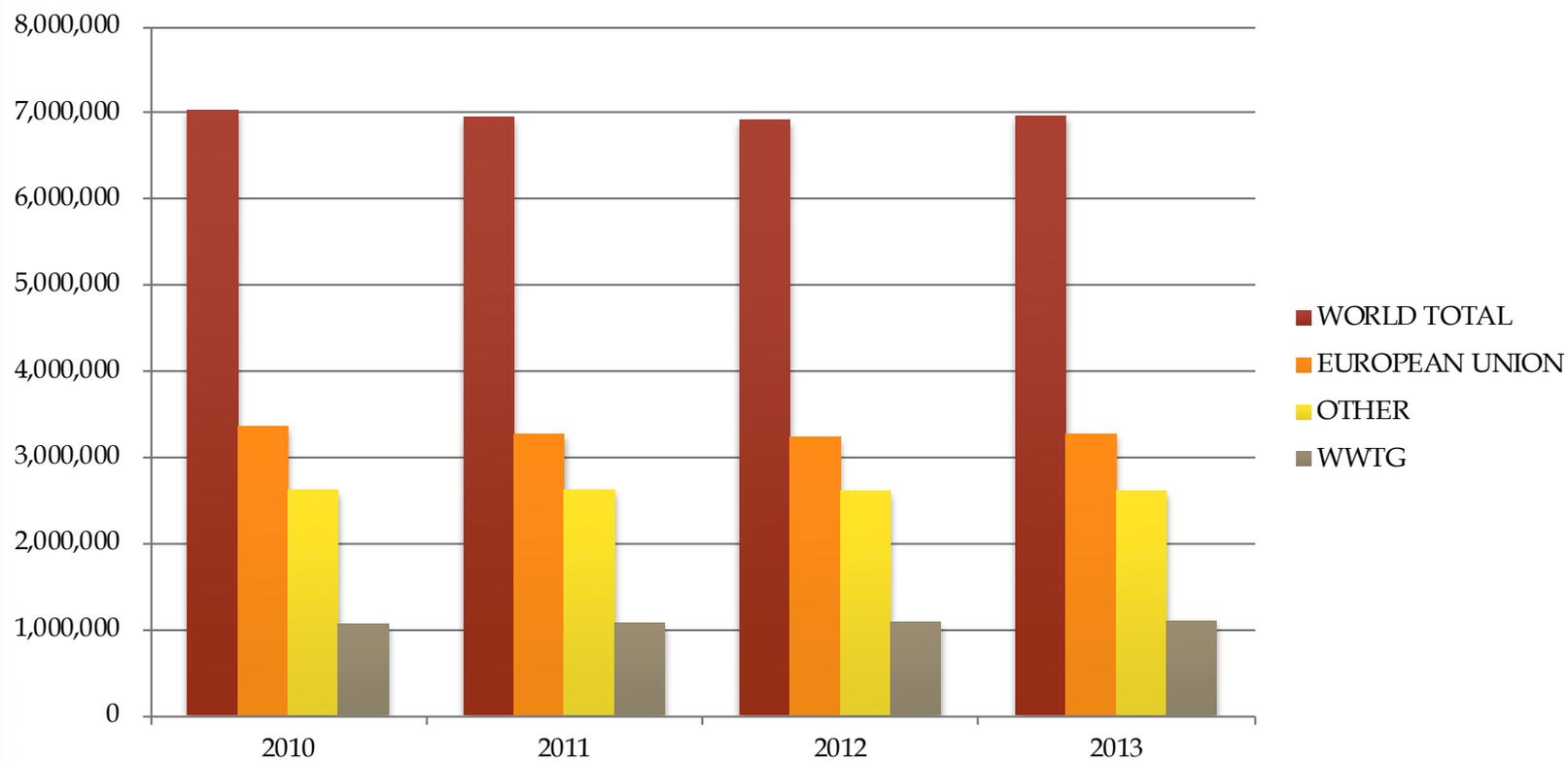
WORLD WINE PRODUCTION, CONSUMPTION AND SURPLUS 1981-2013 ¹



1. Source: "World Vineyard, Grape and Wine Report - 2013" Trade Data & Analysis, August 2014

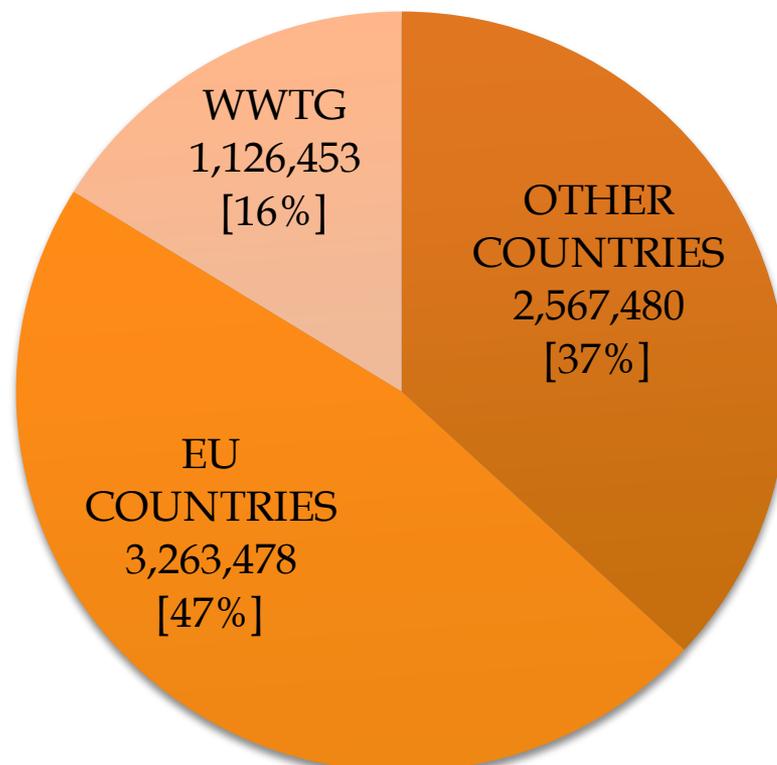
WORLD VINEYARDS 2010 - 2013

HECTARES



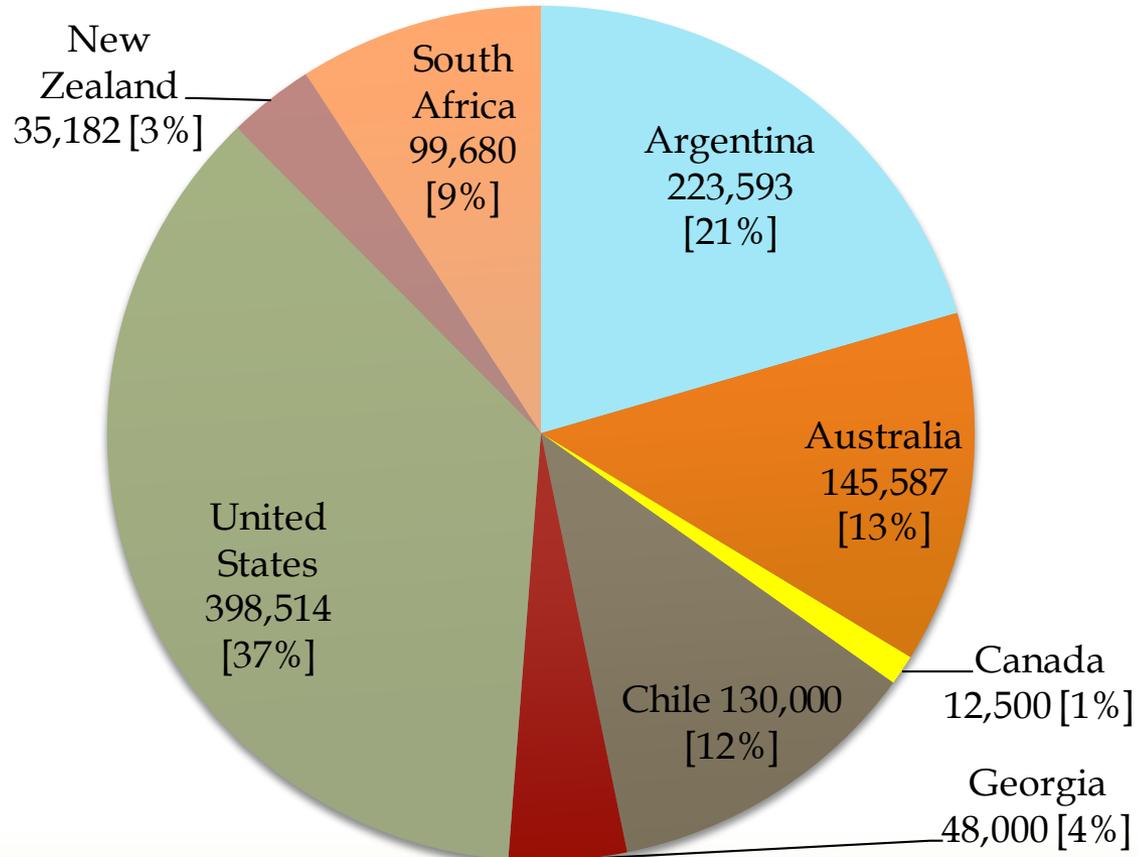
WORLD VINEYARDS – 2013

6,957,411 HECTARES



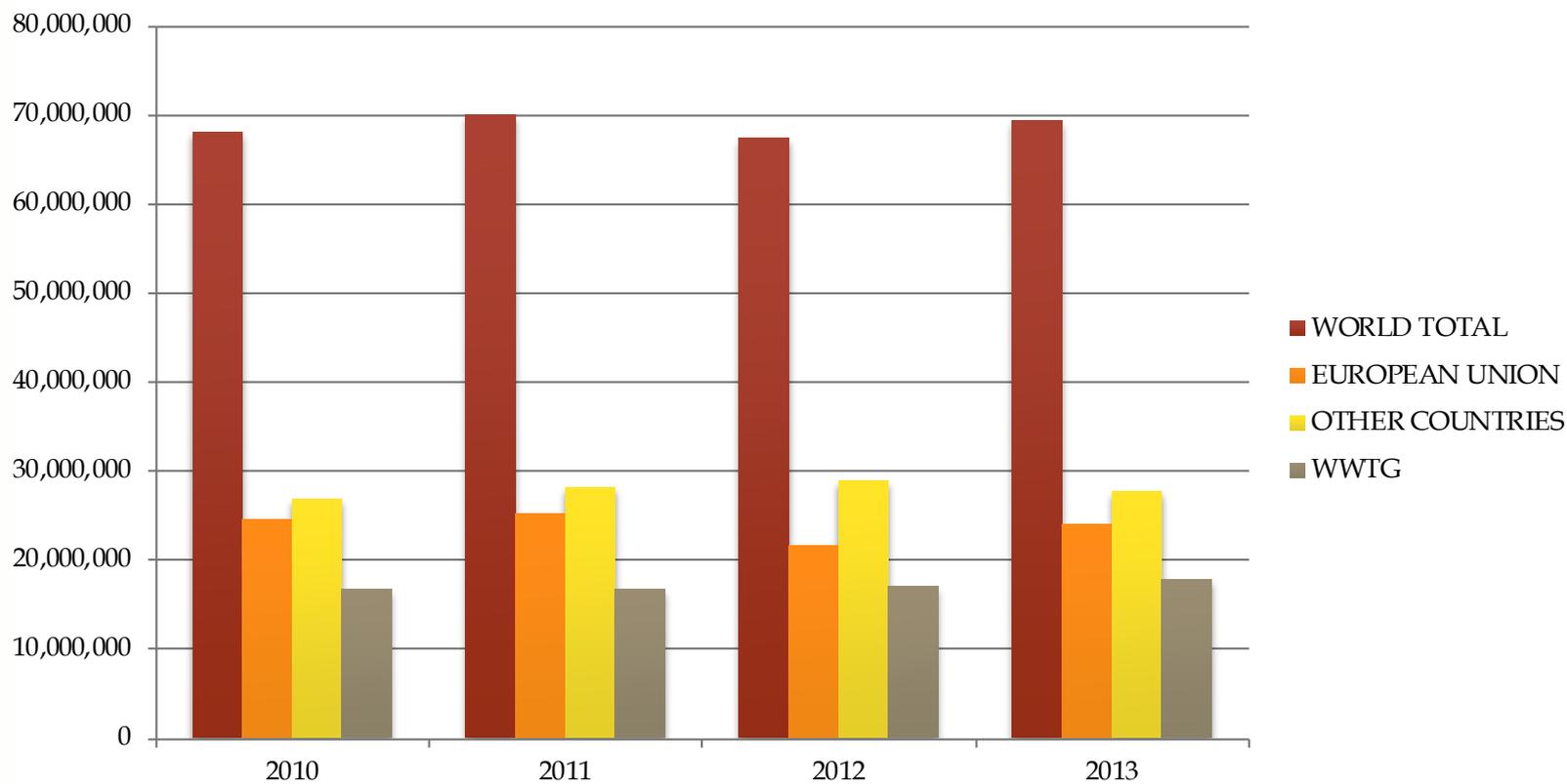
WWTG VINEYARDS 2013

1,093,056 HECTARES



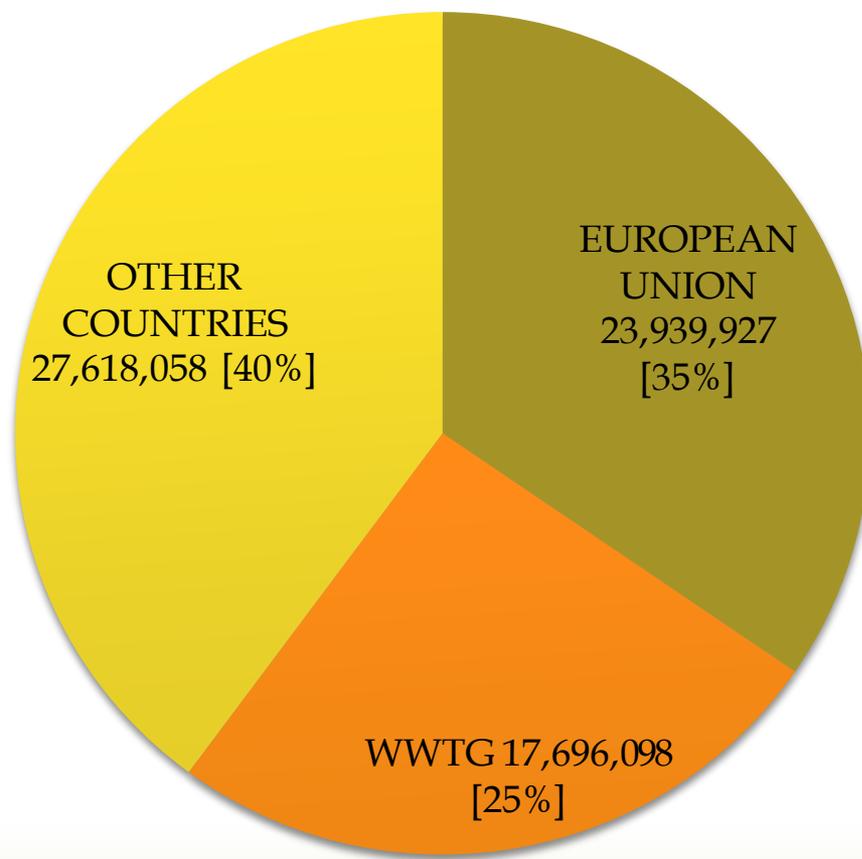
WORLD GRAPE PRODUCTION 2010-2013

METRIC TONS



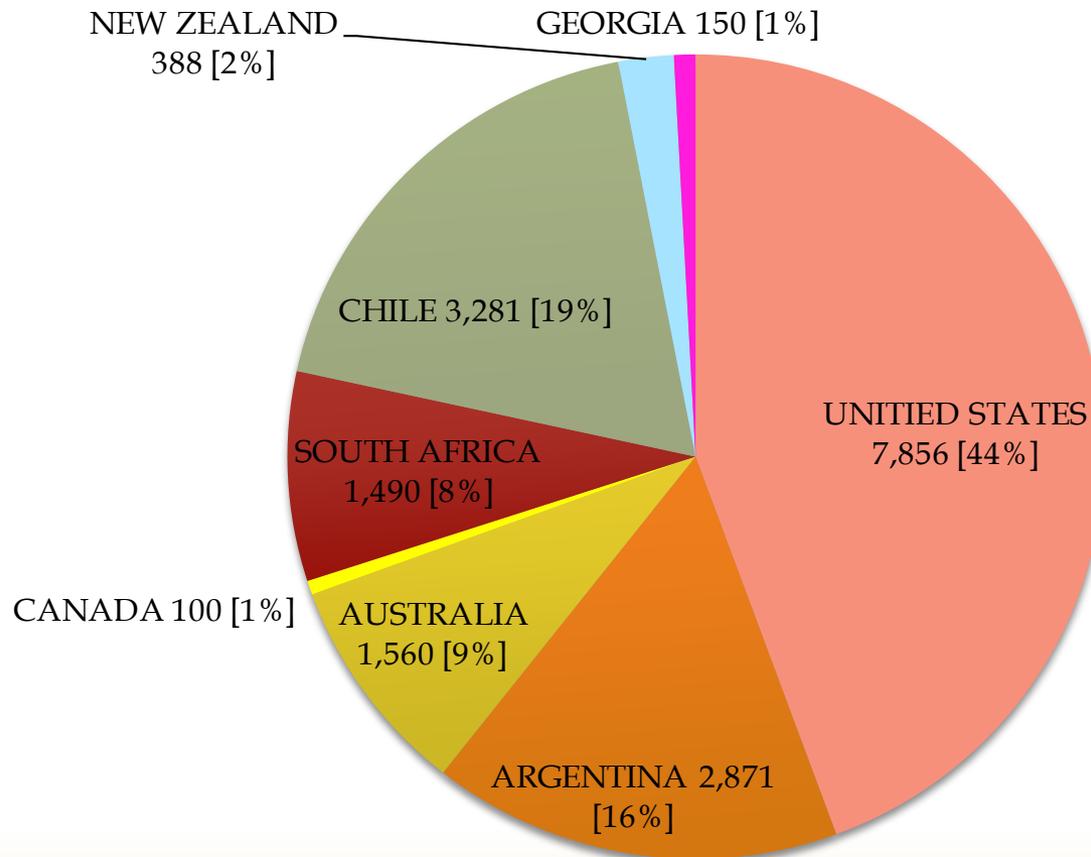
WORLD GRAPE PRODUCTION – 2013

69,254,083 METRIC TONS



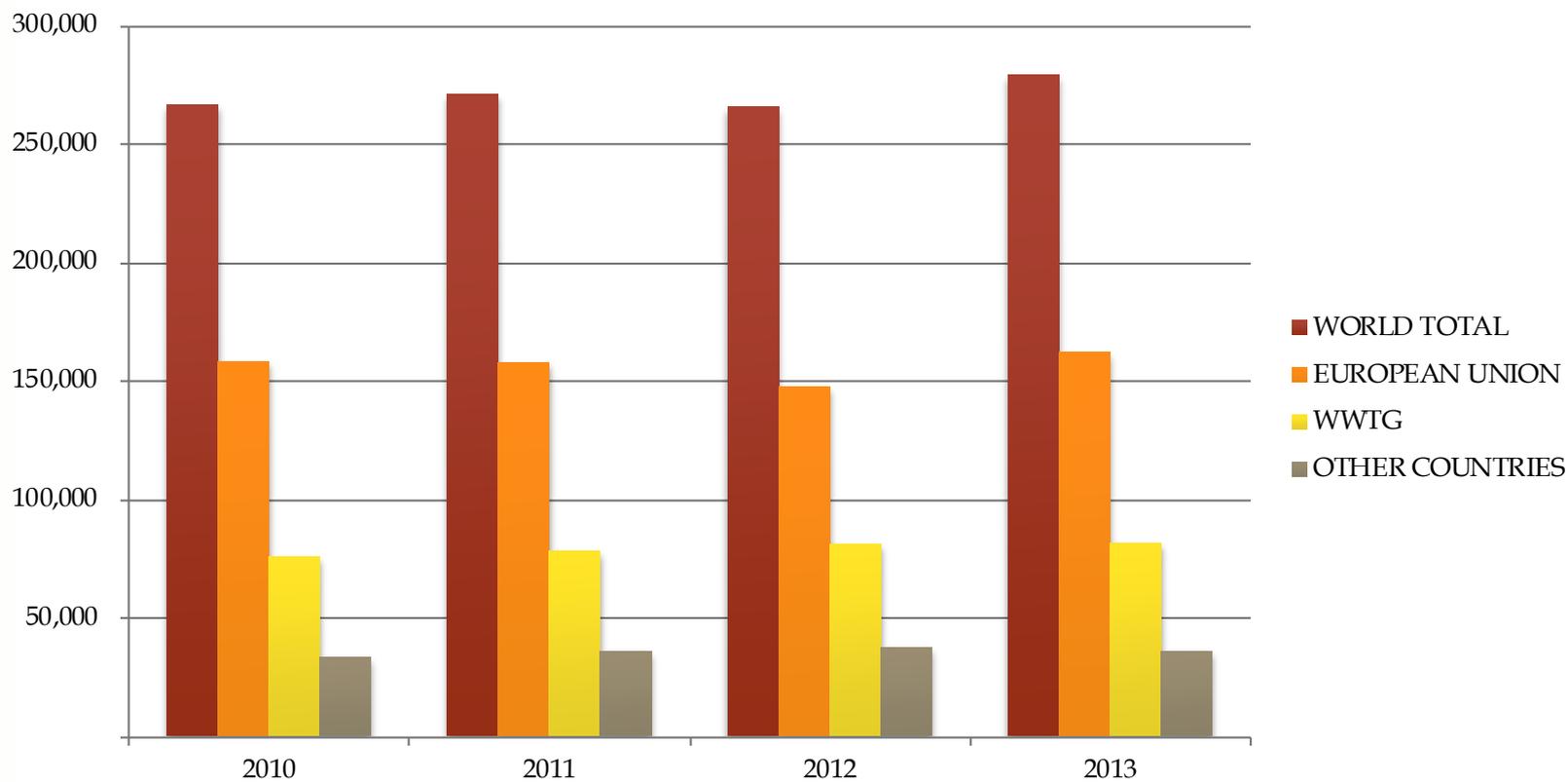
WWTG GRAPE PRODUCTION – 2013

17,696 METRIC TONS (000)



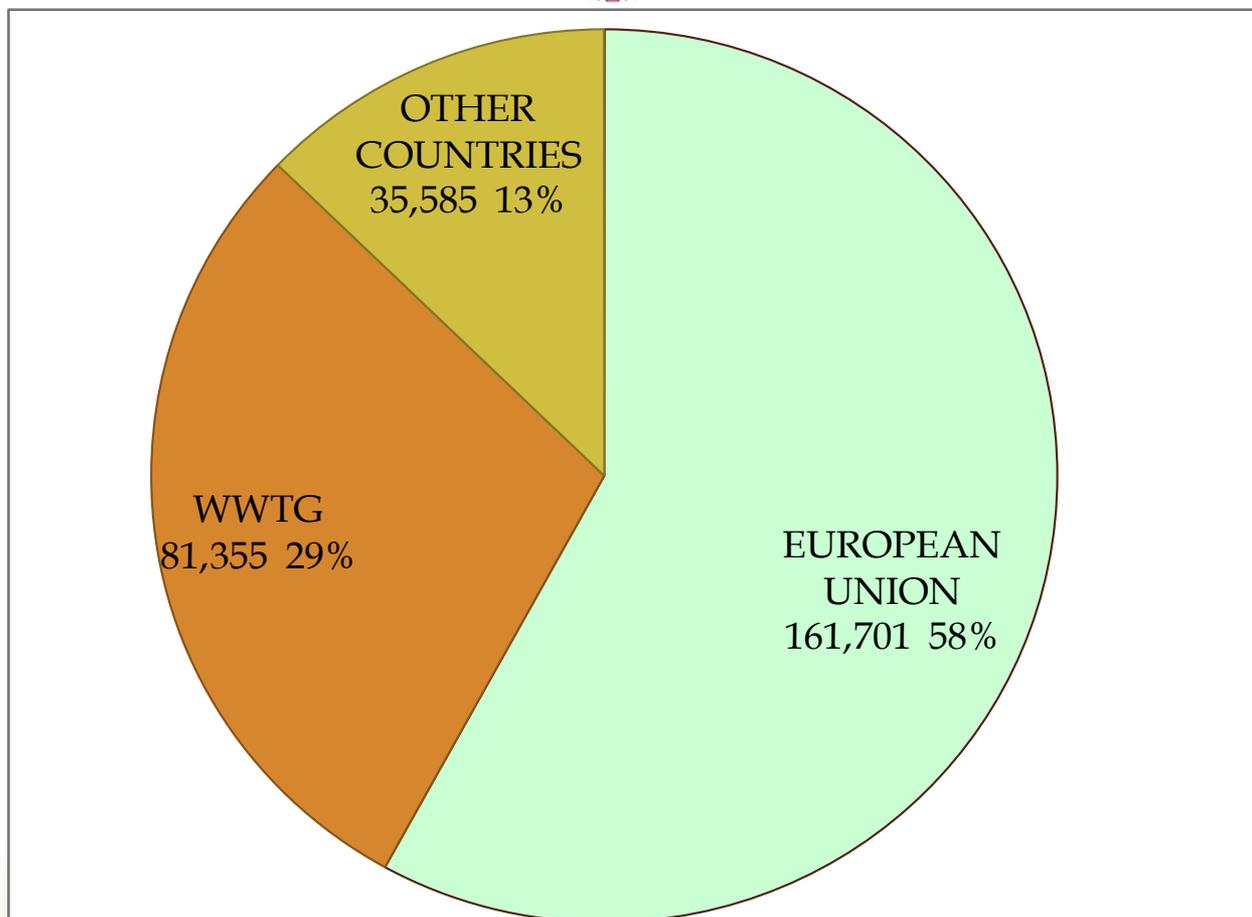
WORLD WINE PRODUCTION 2010 – 2013

HECTOLITERS (000)



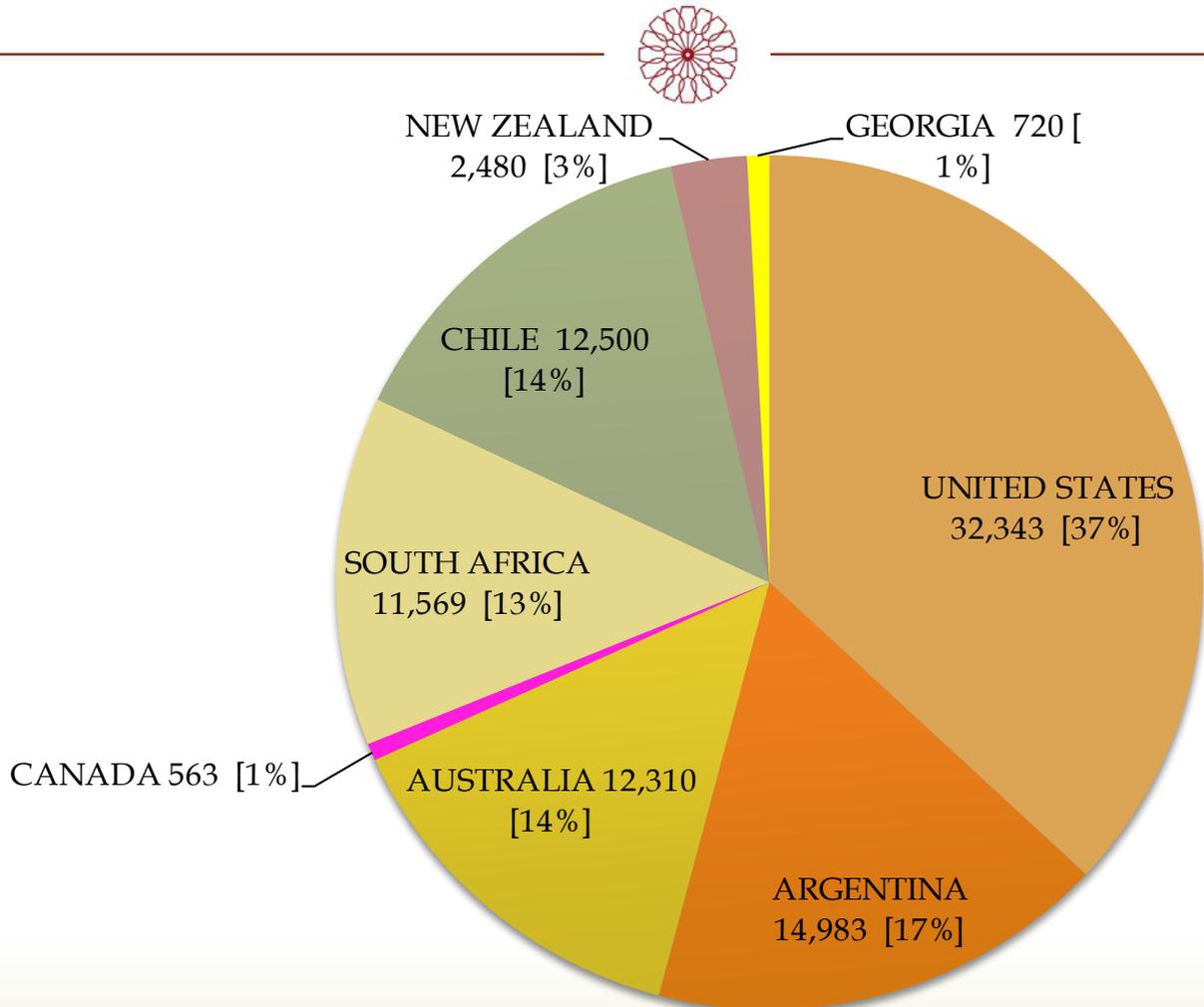
WORLD WINE PRODUCTION – 2013

278,641 HECTOLITERS (000)



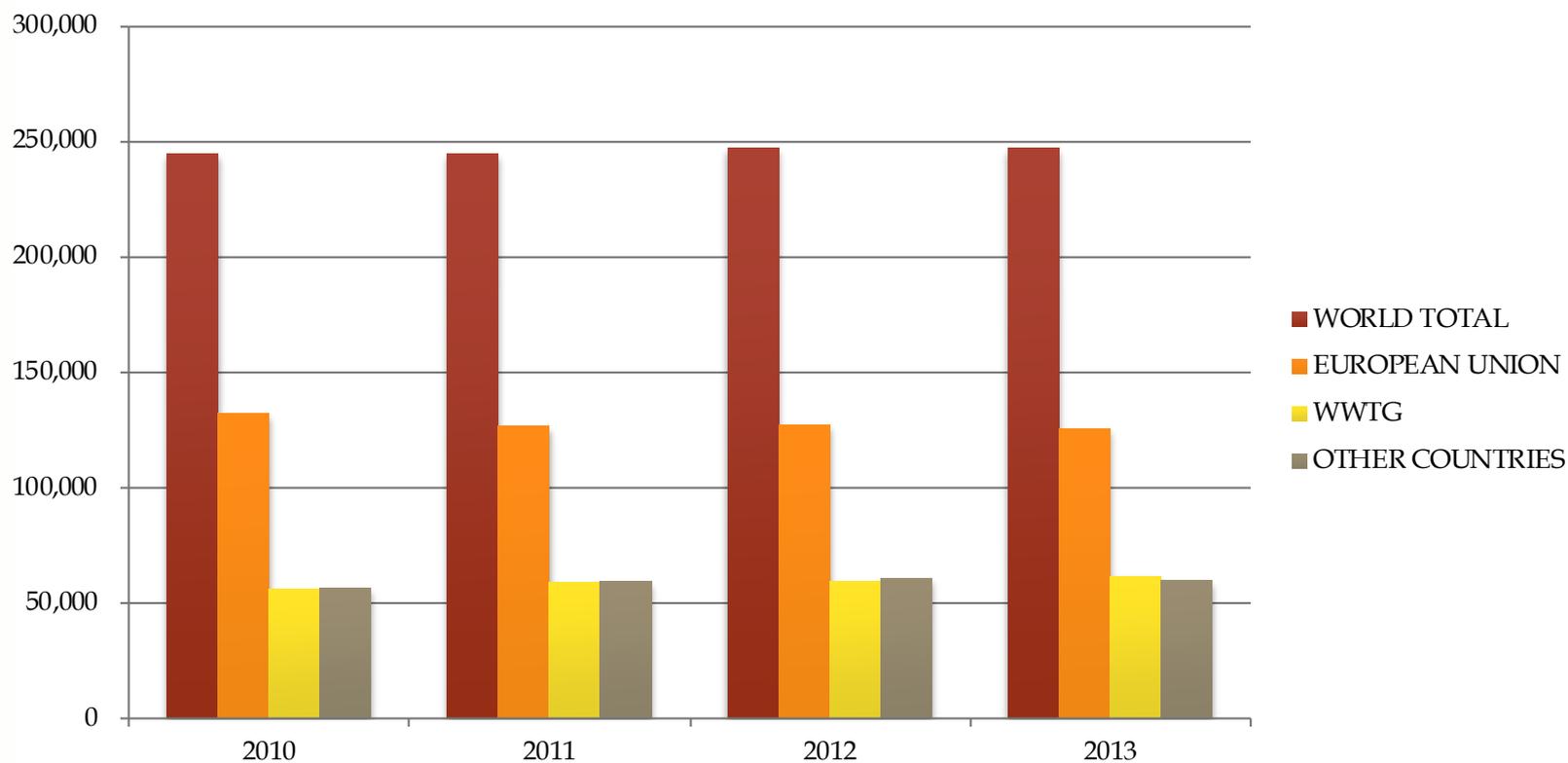
WWTG WINE PRODUCTION – 2013

87,468 HL (000)



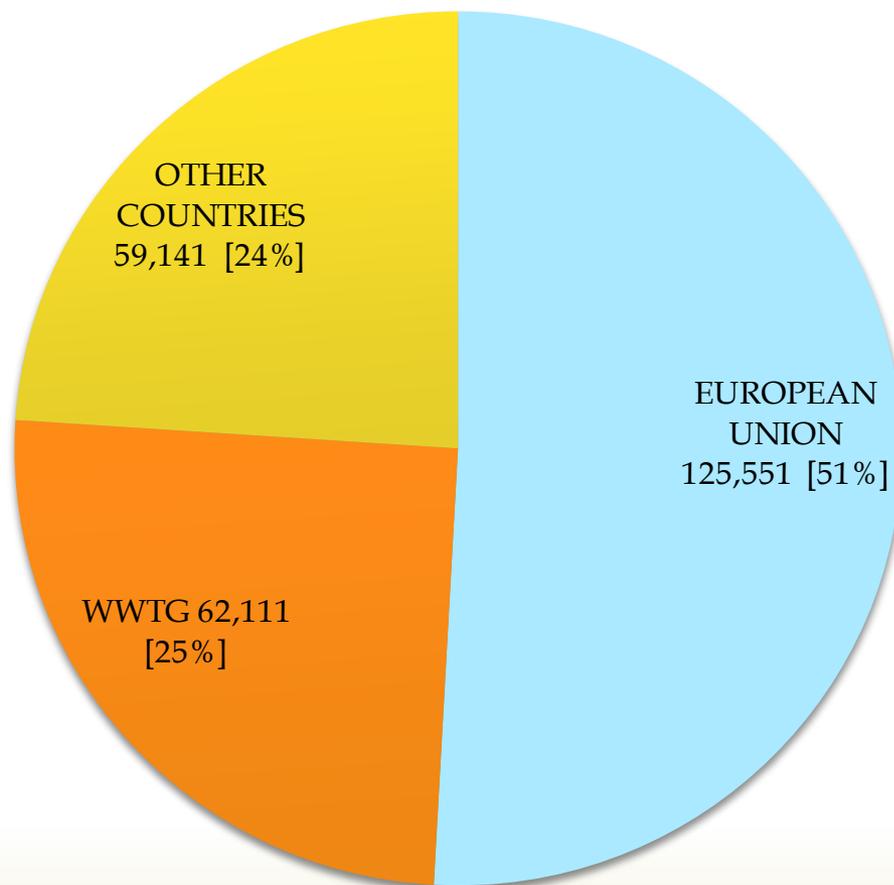
WORLD WINE CONSUMPTION 2010 – 2013

HECTOLITERS (000)



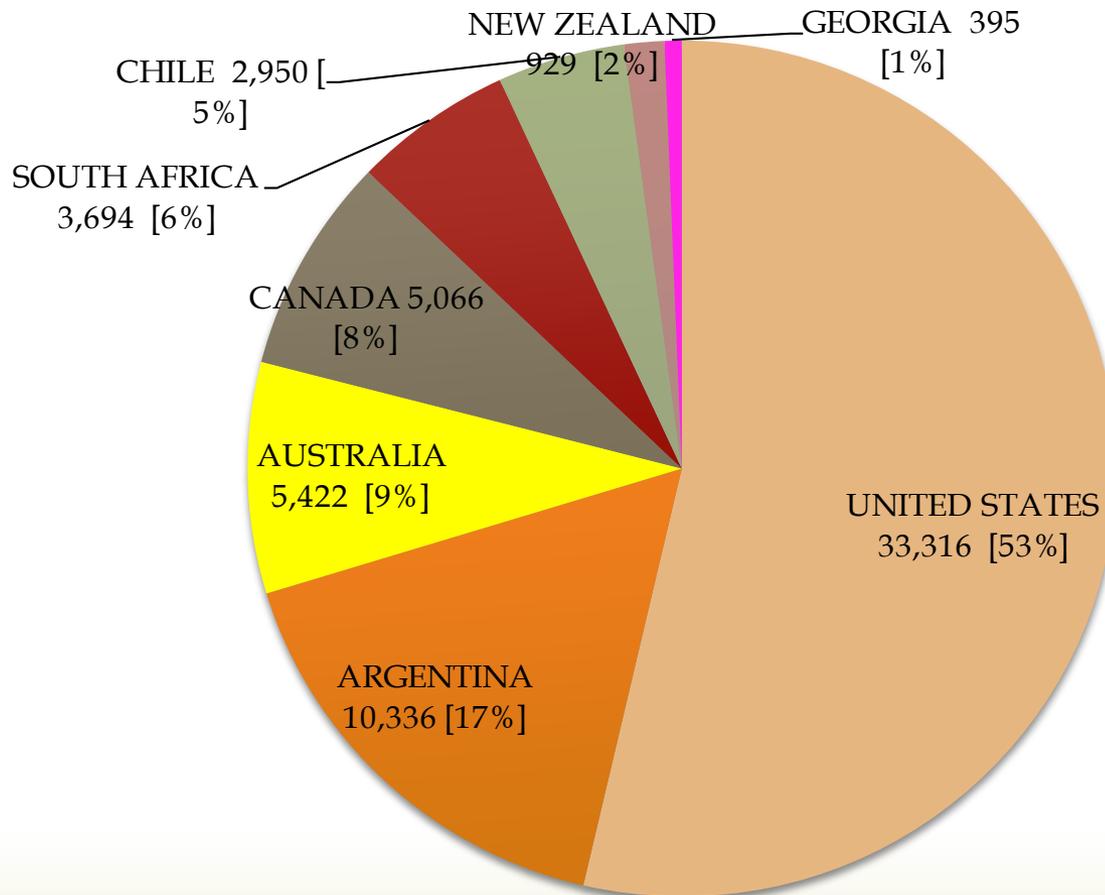
WORLD WINE CONSUMPTION – 2013

246,803 HECTOLITERS (000)



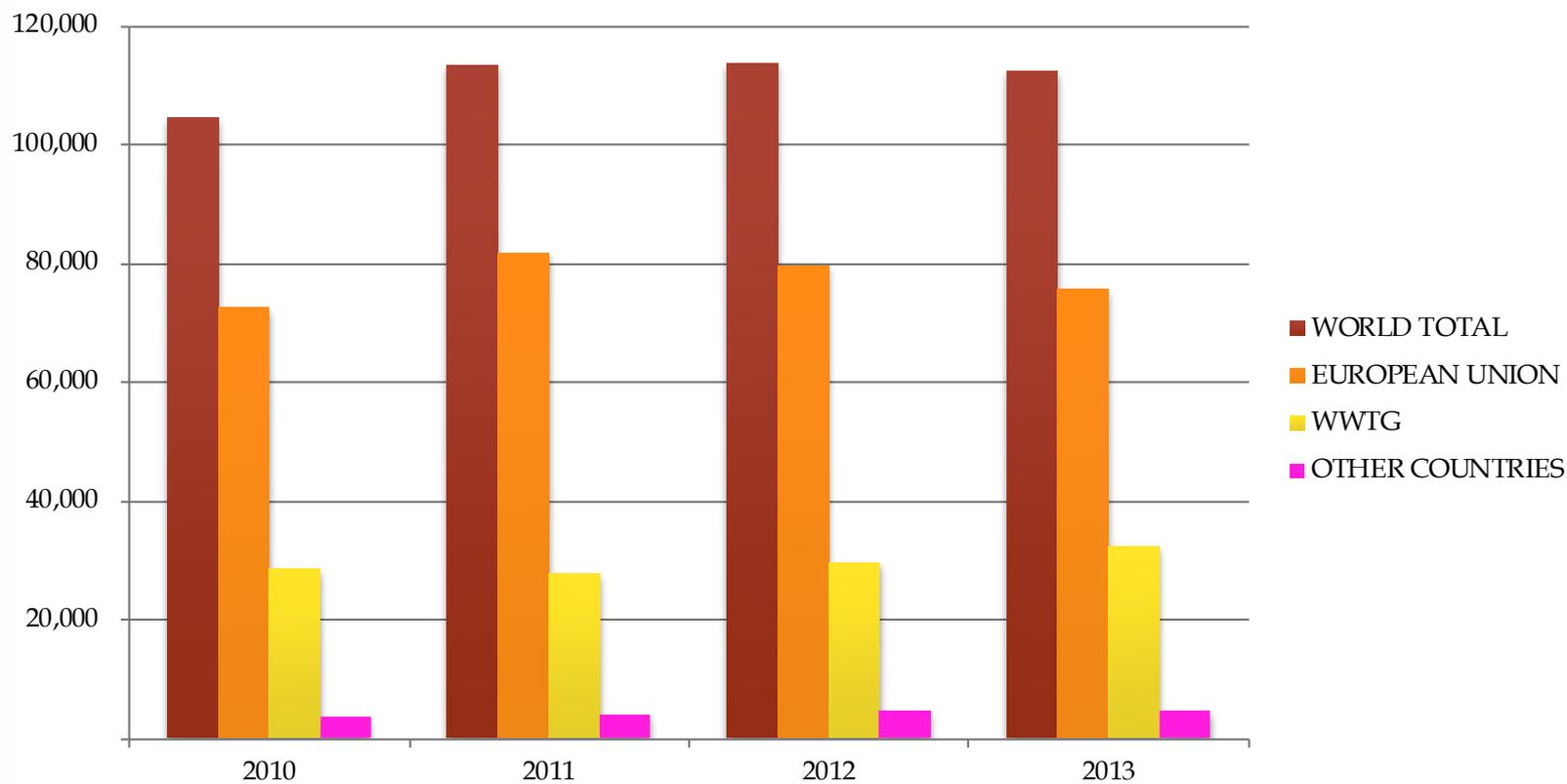
WWTG WINE CONSUMPTION – 2013

62,111 HECTOLITERS (000)



WORLD WINE EXPORTS 2010-2013

HECTOLLITERS (000)

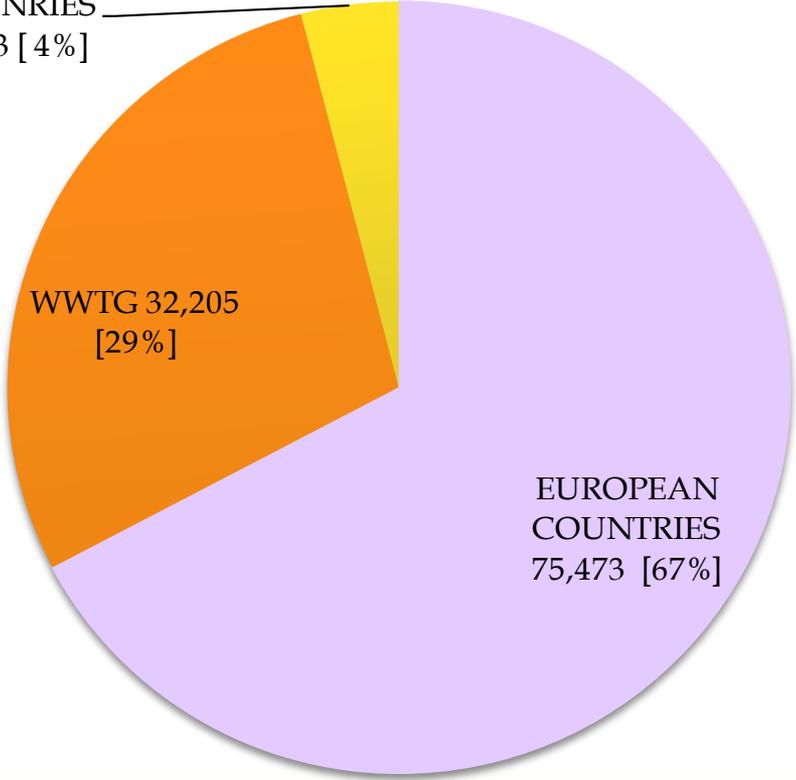


WORLD WINE EXPORTS – 2013

112,191 HECTOLITERS (000)



OTHER
COUNTRIES
4,513 [4%]

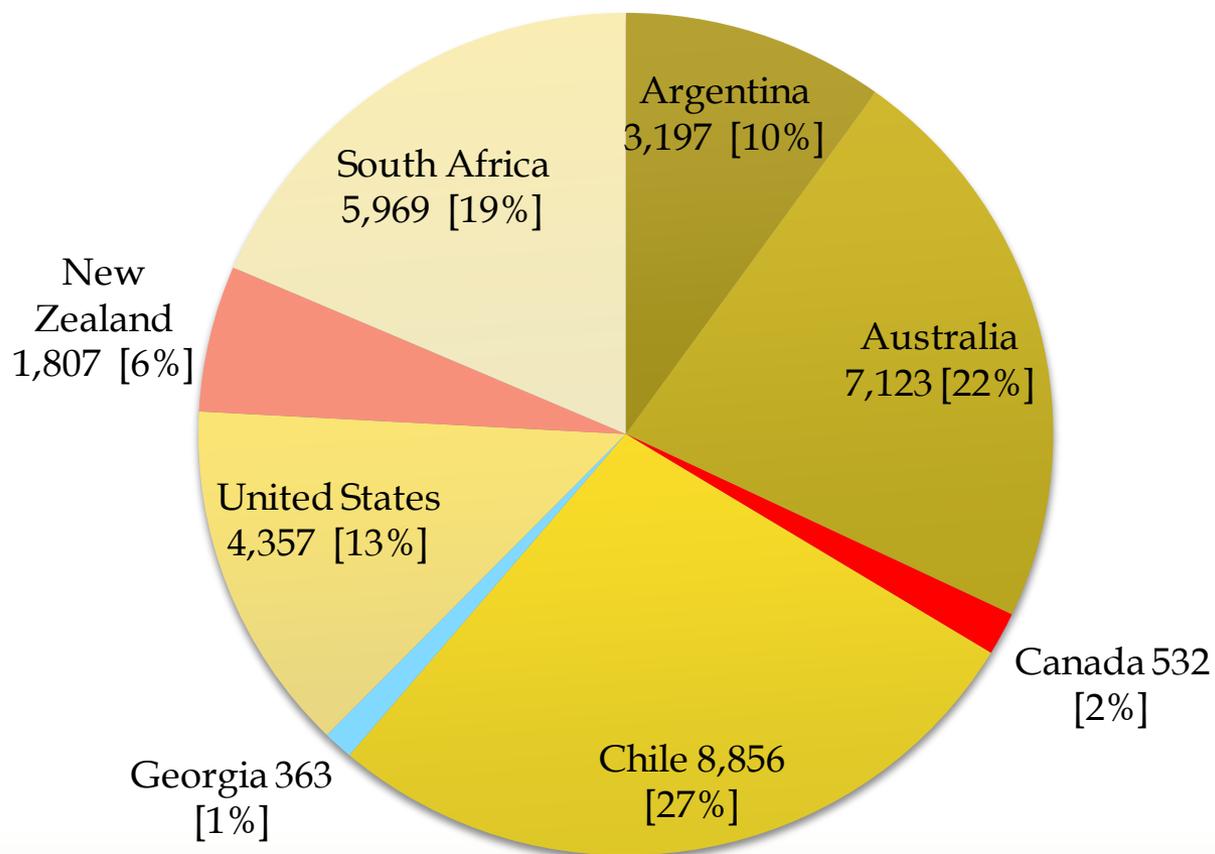


WWTG 32,205
[29%]

EUROPEAN
COUNTRIES
75,473 [67%]

WWTG WINE EXPORTS - 2013

32,204 HECTOLITERS (000)



WORLD WINE SURPLUS HAS PLAGUED WINE SECTOR FOR DECADES



- ◆ The world wine surplus reached its highest level of 6.4 billion liters (711 million cases) in 2005.
- ◆ By 2012, the surplus declined to 1.82 billion liters. (202 million cases).
- ◆ However, the wine surplus reversed direction and increased to 3.18 billion liters (353 million cases) in 2013.

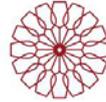
IMPACT OF EU VINEYARD GRUBBING PROGRAM ON EU GRAPE AND WINE PRODUCTION 2009 – 2013 (1)



<u>YEAR</u>	<u>EU VINEYARDS (HECTARES)</u>	<u>EU GRAPE PRODUCTION (MT)</u>	<u>EU WINE PRODUCTION (HL 000)</u>
2009	3,620,500	25,639,000	160,510
2013	3,264,800	23,941,000	161,880
CHANGE 2013/2009	(355,700)	(1,698,000)	1,370
% CHANGE 2013/2009	(9.8%)	(6.6%)	0.85%

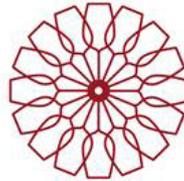
(1) During 2009 - 2013 the EU spent \$1.75 billion to reduce vineyards by 175,000 hectares with the intent of reducing EU annual wine production by 18,500,000 hectoliters. A total of 355,700 hectares of EU vineyards were actually “grubbed” or removed during 2009 – 2013 thereby reducing EU vineyards by 9.8%. During the same period EU grape production declined by 6.6%. However, EU wine production increased by 0.85% during 2009 -2013.

DISPERSION OF ANNUAL WINE SURPLUSES



- No global data available to determine the dispersion of the annual world wine surplus.
- In addition to their grubbing program, the EU has had a wine distillation program (discontinued in 2012).
- Undetermined amount distilled for grape brandy.
- Small amount of wine is converted to alcohol-free wine.
- Undetermined amount is converted to vinegar each year
- How is remainder of the world wine surplus dispersed?

Thank You



Tom LaFaille
Wine Institute