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Trends in wine production and trade

János Lazányi

University of Debrecen Faculty of Agricultural Economics and Rural Development

Summary: Historically, wine production and consumption have been at home in Europe. The most important countries mentionable are France, Italy, Germany, Spain, Greece, Portugal, Moldova, Romania, Bulgaria and Hungary. The European Union (EU 27) occupies a leading position on the world wine market. Globally, it accounts for 49.9% of growing areas and 39.1% of grape production, according to FAO data for the year 2006. The European Union (EU 27) produces 60.0% of wine and accounts for 55.4% of wine imports and 72.8% of exports. Wine production and consumption is increasing in Argentina, Australia, Chile, New Zealand, South Africa, Uruguay and in the United States, and decreasing in many traditionally wine growing countries. As a result of growing globalization, the EU wine market has to face changing circumstances and increasingly sharp competition. In the last 10 years, European imports from non-EU countries have doubled, and countries such as the United States, Chile, Argentina, South Africa and Australia have developed aggressive marketing policies, while promoting products at highly competitive prices.

Wine production in 2006 represented 5 percent of the value of EU agricultural output. EU wine consumption is falling steadily, although sales of quality wines are increasing. Over the last ten years, imports have grown by 10 percent per annum, while exports are increasing slowly. According to current trends, excess wine production will exceed 10-15% of annual production by 2010, although the EU spends around half a billion euros every year to solve the problem of its wine surplus. The European Union and the United States signed a bilateral accord in 2005, which helps EU winemakers to build on their current success. The annual EU wine exports to the USA are worth more than 2 billion US\$, which is around 40% of EU wine exports in term of value. The new provisions on the common organisation of the wine market are also discussed in this paper. The intention is to develop leadership in this specific, lifestyle-associated market segment. The objectives of new reform are to maintain EU dominance over the world wine export markets, to simplify the legislation in this field and to assist rural development objectives within the Common Agricultural Policy. EU regulations favour the wine industry and European wine will meet the demand of consumers for individualised, customised products, which are natural, environmentally-friendly and healthy.

Keywords: Grapes growing, wine trade, regulation of wine market

Trends in wine production and trade

Quality wines are produced on six continents, and many countries are active in international wine trade. Worldwide vineyards accounted for a total area of 9,336,513 ha under plantation in 1961, and decreased to 7,399,546 ha by 2006. The highest amount of reduction was observed in Europe, where the harvested area for wine was reduced from 6,435,356 ha in 1961 to 4,081,412 ha by 2006 (Figure 1). Asia is ranked second in harvested wine area, producing wine on about 2 million hectares. America produces wine on about 1 million hectares, and shows a growing tendency. In Africa, wine production was 550,244 hectares in 1961, and this figure had reduced to 339,655 hectares by 2006. Oceania accounted for a total harvested area of 179,169 ha, an increase of about 360% compared to 1961. European vineyards and those of the European Union (27) respectively accounted for 68.9% and 65.9% of the total global harvested vineyard area, compared to 55.1% and 49.9% in 2006.

Yield of grapes was highest in Oceania, at 12.7 t/ha, with a very strong fluctuation (Figure 2). Yield of grapes was also

high in America, with an increasing tendency. In the first period, average yield was close to 10 t/ha, and in the past 15 years, close to 14 t/ha. Yield increase was very strong in Africa and Asia, while mean yield in Europe was close to 6.4 t/ha for the period of 1961–2006.

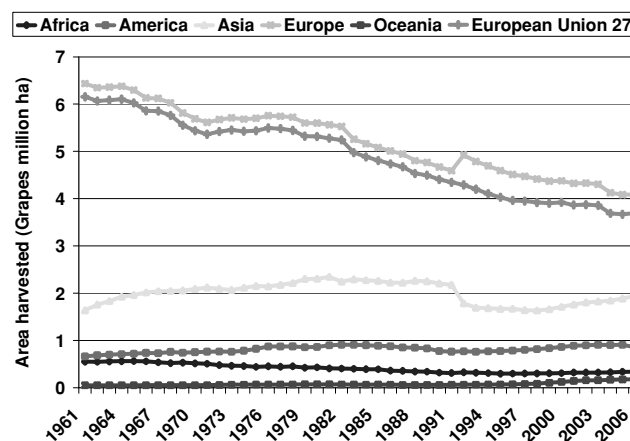


Figure 1: Grapes: harvested area in selected regions