TRENDS IN SALES OF WINE – A RETAIL PERSPECTIVE

Wine Market Observatory

November 2022

EuroCommerce for retail & wholesale

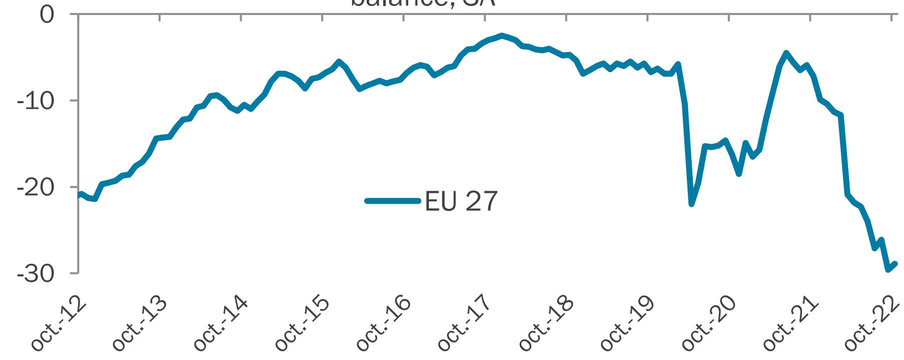
Europe

Economic context

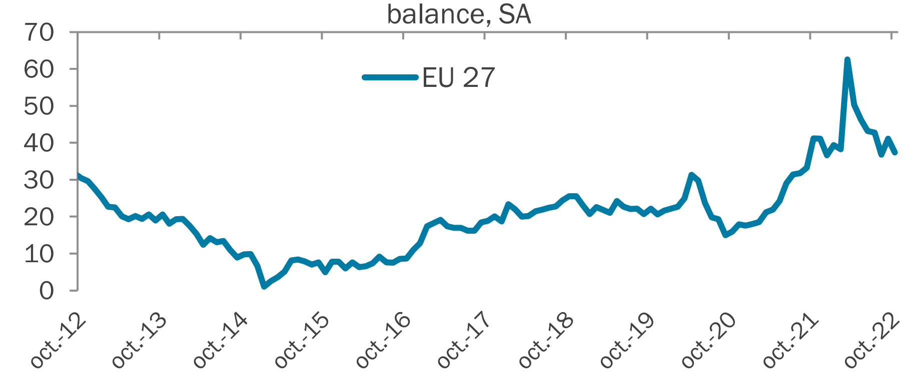
① Household confidence in Europe has been shrinking in recent months. Households continue to anticipate price increases in the coming months.

② In terms of retail channels, the sales of non-specialised food retailers continued to grow. At the same time, foodservice sales have returned to growth in 2021. In 2022, the sector has finally recovered its 2019 level of activity.

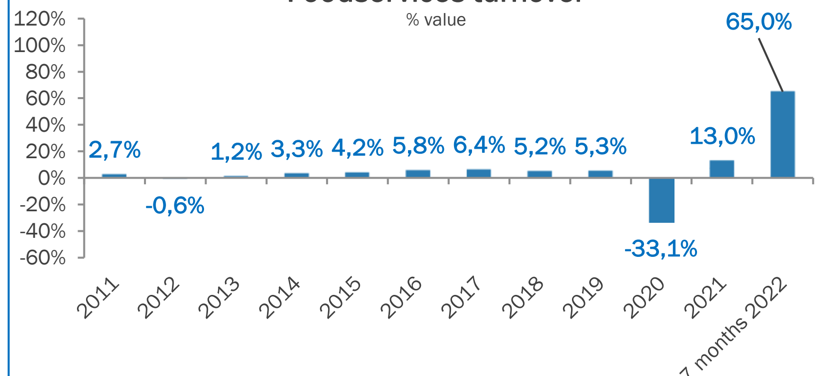
Consumer confidence indicator
balance, SA



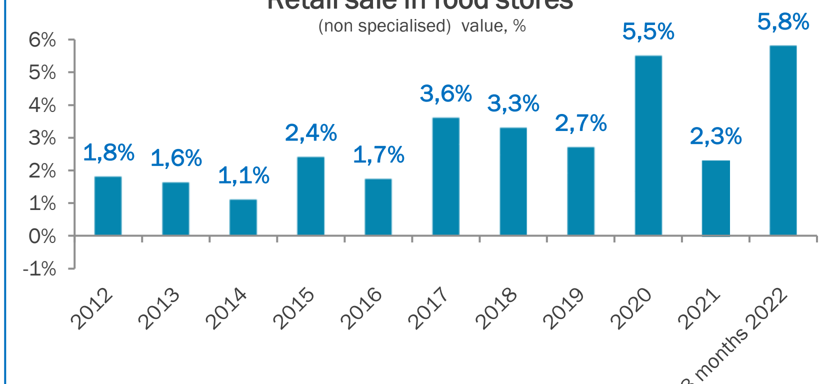
Price trends over the next 12 months
balance, SA



Foodservices turnover
% value



Retail sale in food stores
(non specialised) value, %



Source : Eurostat

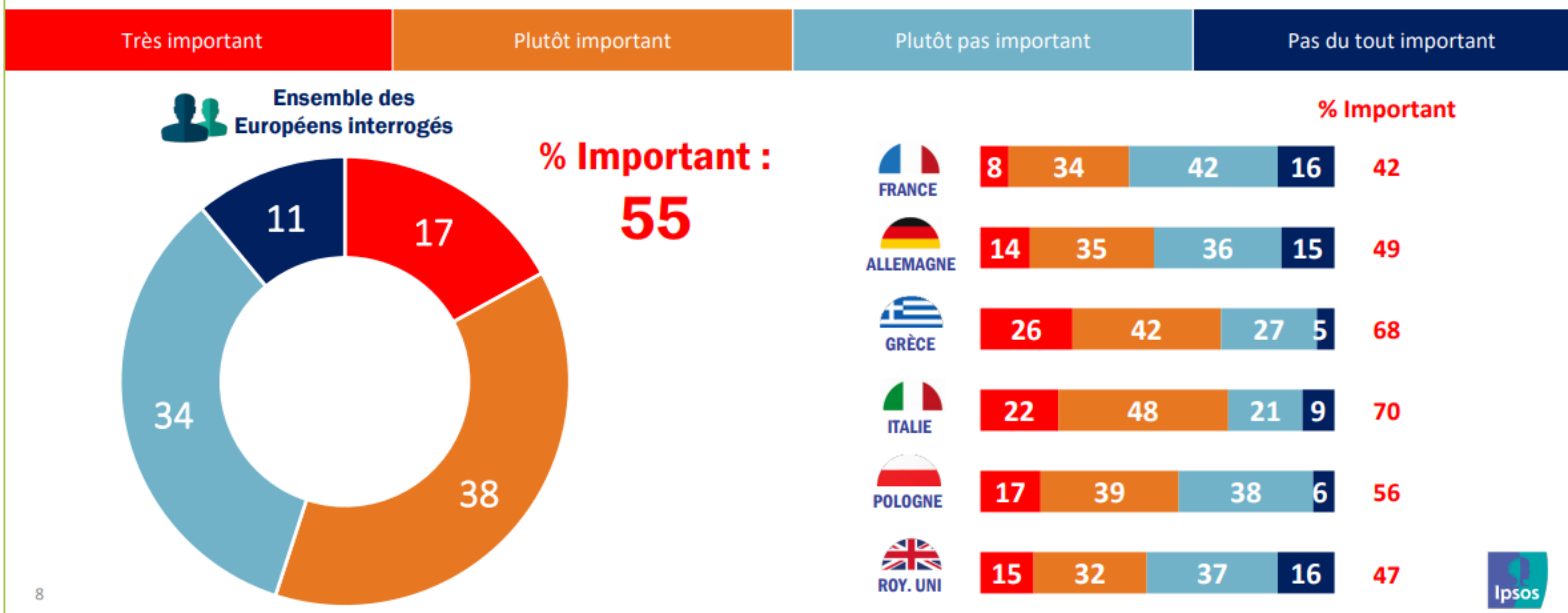
EuroCommerce

Europe

Economic context

55% of Europeans (*) feel that there is a significant risk of finding themselves in a precarious situation in the coming months. Nearly 1 in 17 Europeans consider this risk to be very high. Italians are particularly worried (70%), as are Greeks (68%) and a majority of Poles (56%). In other countries, it also affects a significant proportion of the population, notably in Germany (49%), in the UK (47%) and in France (42%). In all European countries, many people have already had to restrict themselves because of their financial situation (travel, energy consumption, etc.). 29% said they had to skip a meal (41% in Greece, 30% in France).

Question : do you think that there is a very important, rather important, rather not important or not at all important risk that in the next few months you will find yourself in a precarious situation?

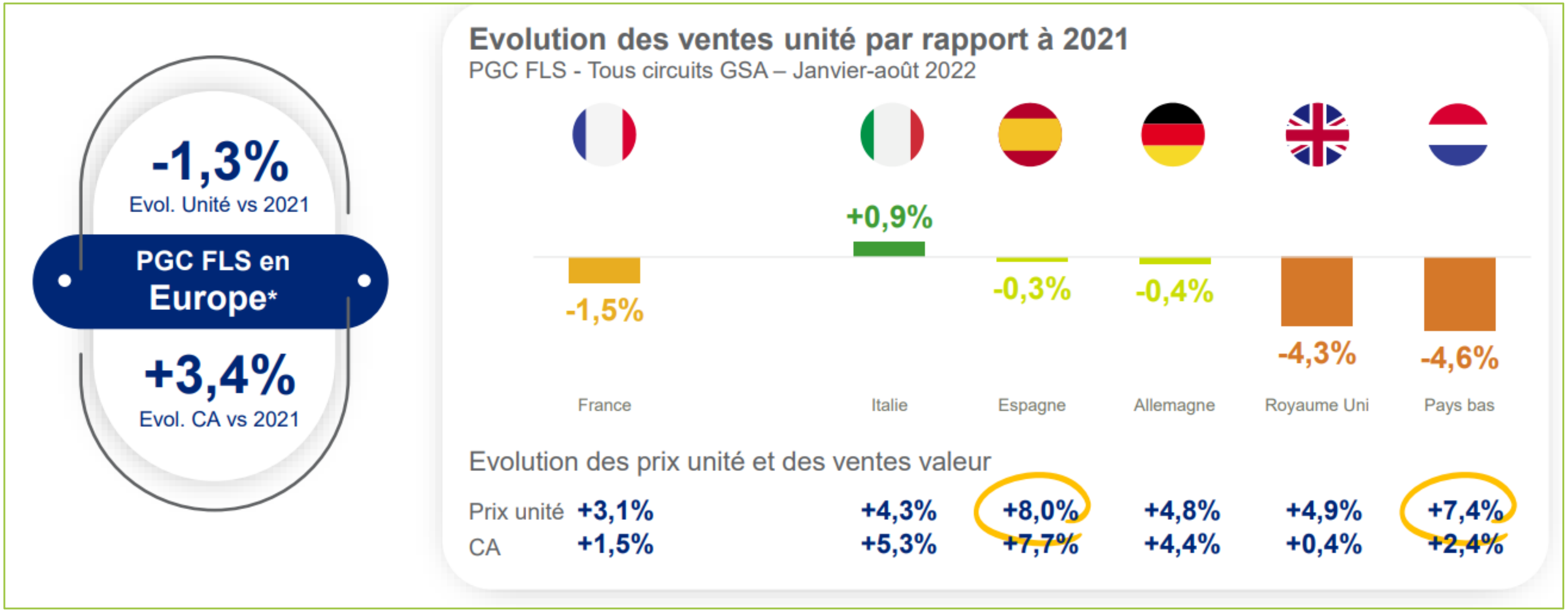


(*) France, Allemagne, Grèce, Italie, Pologne, Royaume-Uni
Source : Ipsos – Secours Populaire – Novembre 2022

Europe

Economic context

According to data collected by IRI, FMCG-FLS sales in Europe contracted by 1.3% in volume during the first 8 months of the year, and increased by 3.4% in value in an inflationary context. The situation varies greatly from country to country. Spain stands out for its strong price increase (+8% over 8 months), which has not led to a collapse in volumes (they have fallen by only 0.3%). On the other hand, the contraction in volumes was very marked in the United Kingdom and the Netherlands (-4.3% and -4.6% respectively).

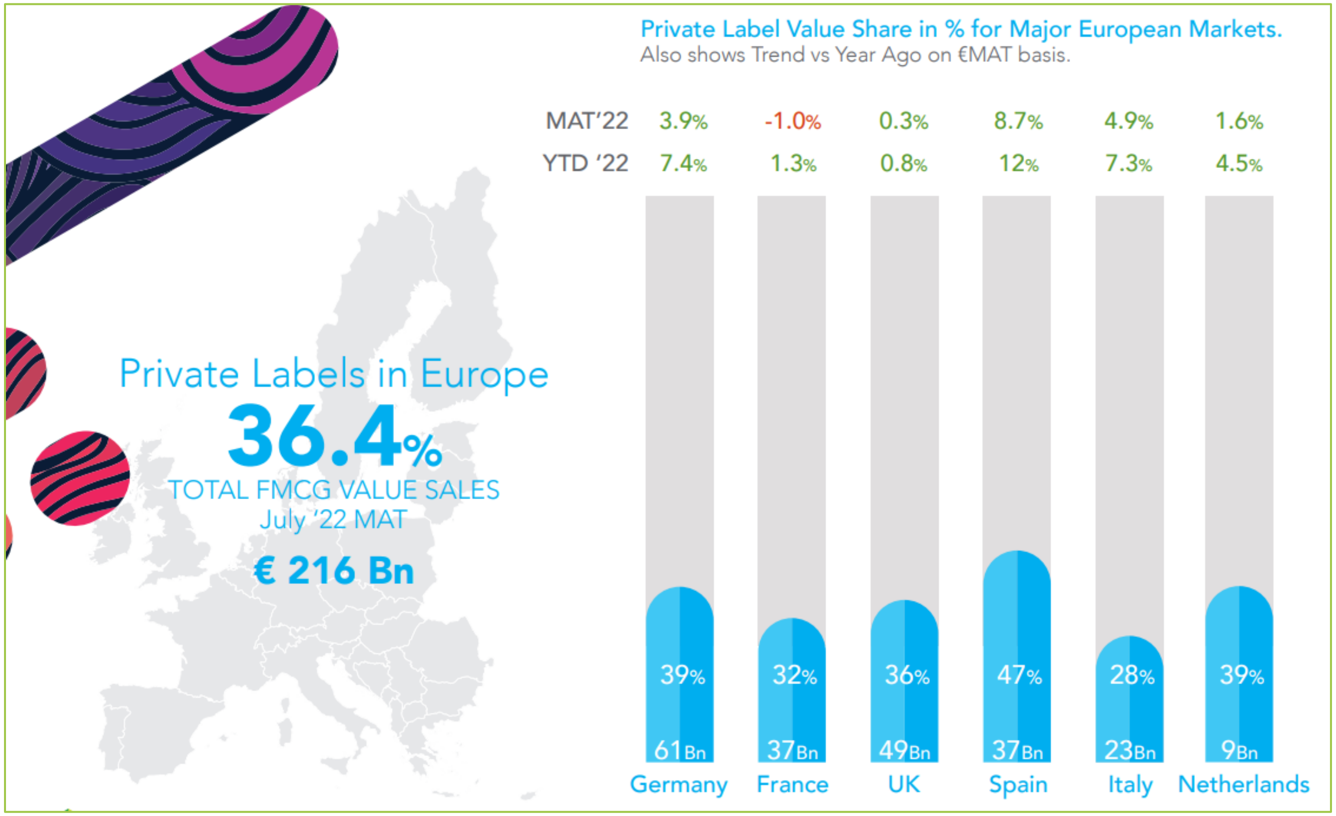


Source : IRI

Europe

Economic context

Private labels are back to pre-pandemic levels with a 5.4% growth in value sales since the beginning of 2022 (+3% in CAM). 216 billion, or 36.4% of FMCG sales by value in 2022. According to IRI data, 60% of consumers believe that private labels are equivalent in quality to national brands. A quarter of consumers think they are of better quality than national brands. In terms of private label sales growth, Germany and Spain stand out over the first 7 months of the year (+7.4% and +12% respectively).



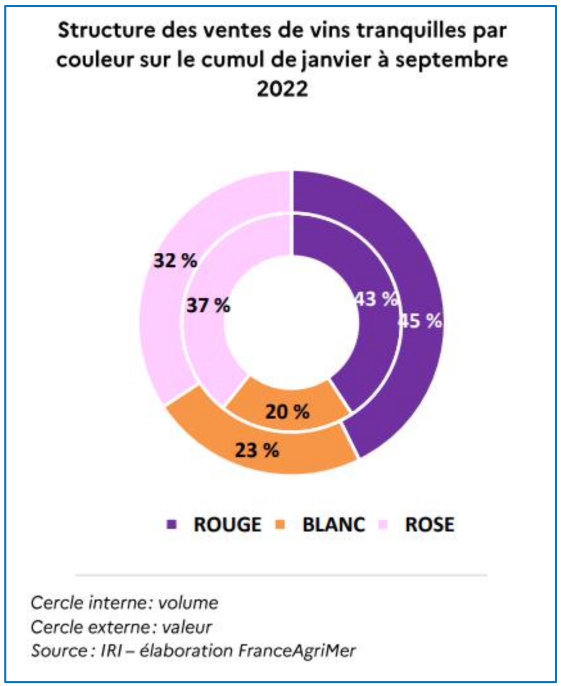
Source : IRI

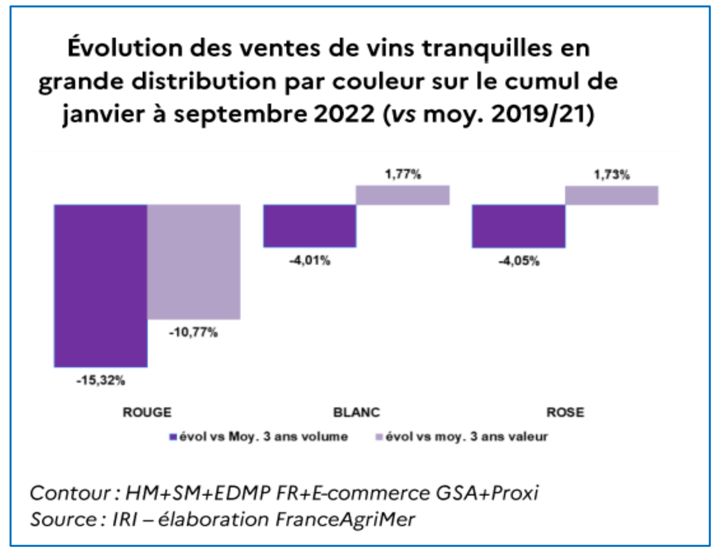
EuroCommerce

France

Still Wine : consumption (home consumption) –Q1-Q3 2022

According to Kantar, during the first 9 months of 2022 (to mid-September 2022), sales of **still wines** in supermarkets fell by -6% in volume compared to 2021 (-9% compared to the 2019/21 average) and by -4% in value compared to 2021 (also -4% compared to the 2019/21 average). The average price was €4.85/l, up compared to 2021 (+2% and +5% compared to the 2019/21 average). All categories are down in volume, with white and rosé wines doing slightly better in terms of value. Despite a decline in volume, sales in volume are up by 1.7% compared to 2021.



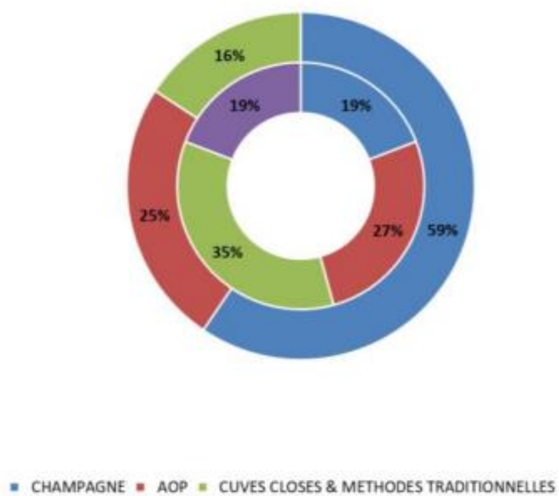


France

Sparkling Wine : consumption (home consumption) –Q1-Q3 2022

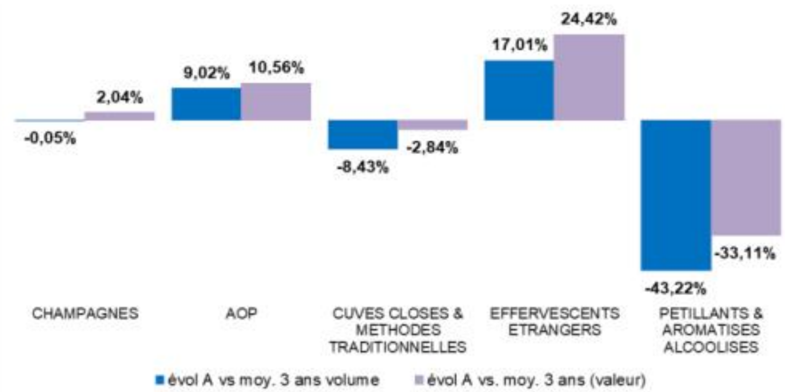
Sparkling wine sales were down 2% in volume and down 3% in value compared to 2021 and down 1% in volume and up 4% in value compared to the 2019/2021 average. Also noteworthy is the lower valuation with an average price paid at 7.62 €/bottle, down 2% compared to 2021.

Structure des ventes de vins effervescents en grande distribution par catégorie sur le cumul de janvier à septembre 2022



Cercle interne : volume
Cercle externe : valeur
Source : IRI – élaboration FranceAgriMer

Evolution des ventes de vins effervescents en grande distribution par catégorie sur le cumul de janvier à septembre 2022 (*vs* moy. 2019/21)



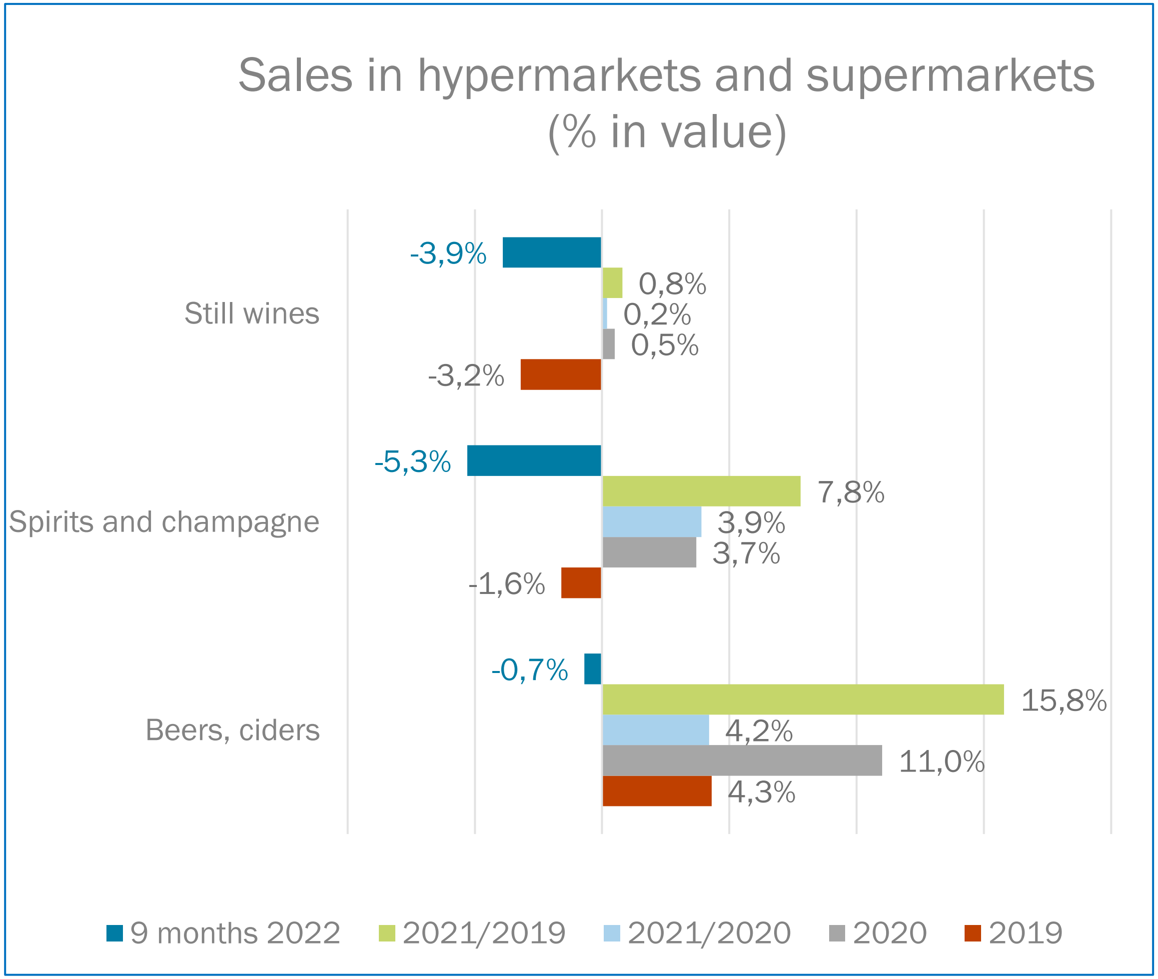
Source : IRI – élaboration FranceAgriMer

France

Wine & alcohol: sales in HMSM

According to IRI, the sales of still wines increased very slightly in **2021** (+0,8%). Growth has been much more robust for spirits and champagne (+7,8%) and beers & ciders (+15,8%).

In the first **9 months of 2022**, the trend was downward for all 3 segments in value (-3,9% for still wines).

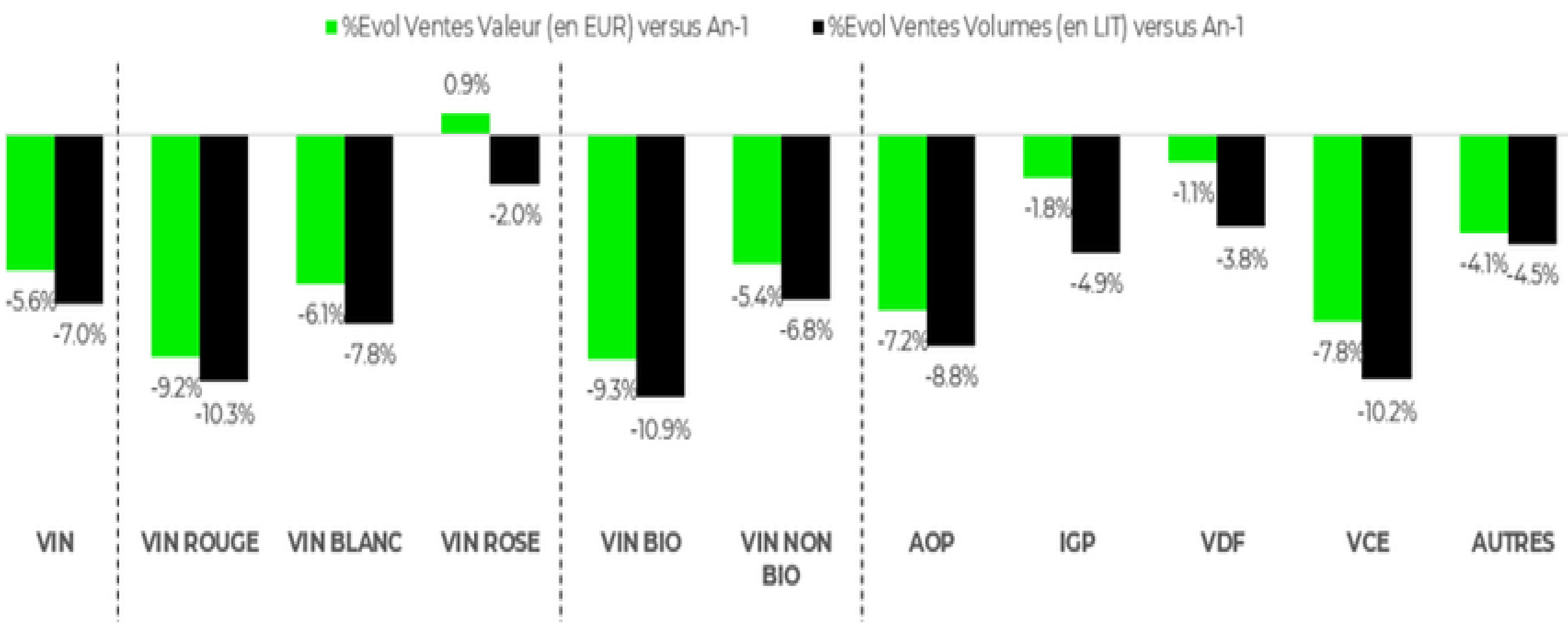


Source : IRI (HM+SM+Discount+Ecommerce)

France

Wine & alcohol: sales in HMSM

From January to June this year, the figures are not good at all in supermarkets. Sales of still wines have fallen by 7% in volume and 5.6% in value compared to the first half of 2021. The downturn particularly affects red wines (respectively -10.3% in volume and -9.2% in value), but also white wines (-7.8 and -6.1%) and rosé wines (-2% and +0.9%).

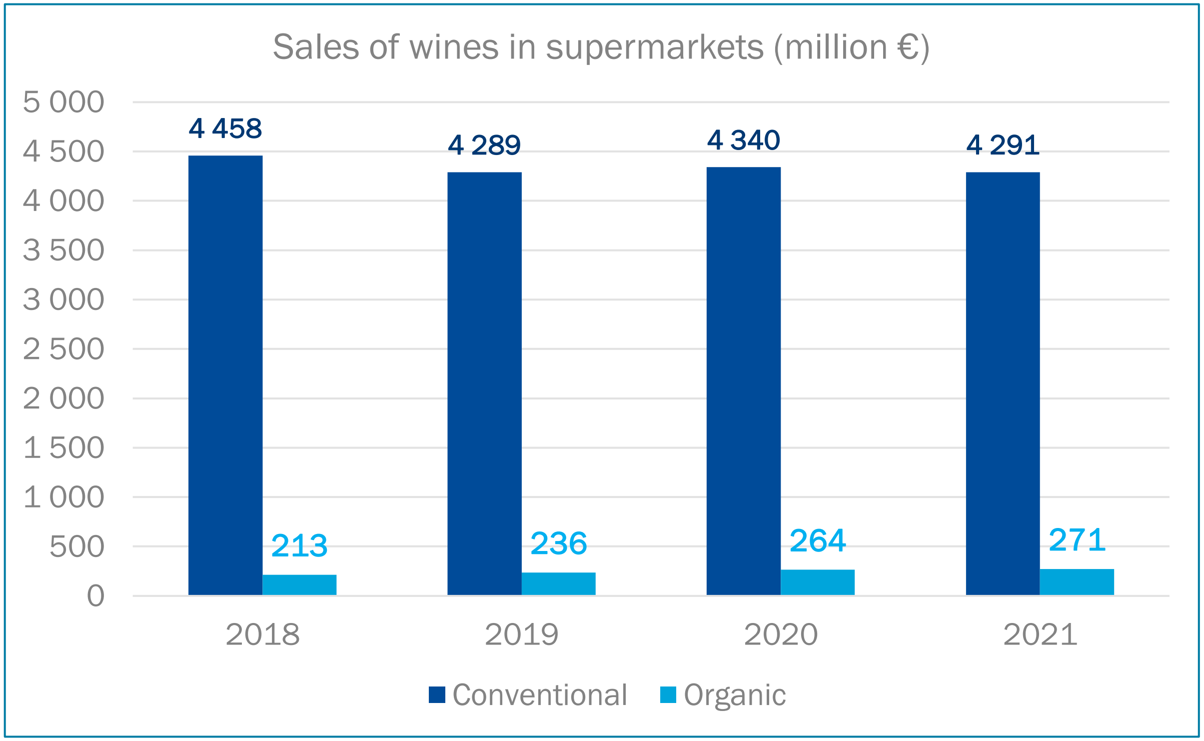


Source : NIelsenIQ (HM+SM+Discount+Ecommerce)

France

Wine : organic market

In 2021, **organic wine sales in supermarkets** amounted to 36.2 million liters, for a turnover **of 271.2 million euros** according to IRI (**-0,4 % in volume and +2,8 % in value compared to 2020**). Noting that the organic wine category remains better oriented than conventional. In terms of valuation, the dynamic is also slowing down, but remains strong. Representing a little less than 4% of GD wine sales, organic wine accounts for almost 6% of sales in 2021.



Sales of organic wines fell during the first half of the year according to data from the Agence Bio: -18.5% in volume and -14.3% in value

Source : IRI via Vitisphere

France

Wine shops : rebound

According to INSEE data, the turnover of wine merchants jumped by 20% in value in 2021 compared to 2020. This rebound comes after an average annual decline of 2.5% in 2020, due to the closure of many stores in 2020.

During the first 8 months of 2022, sales rose by a further 7%.

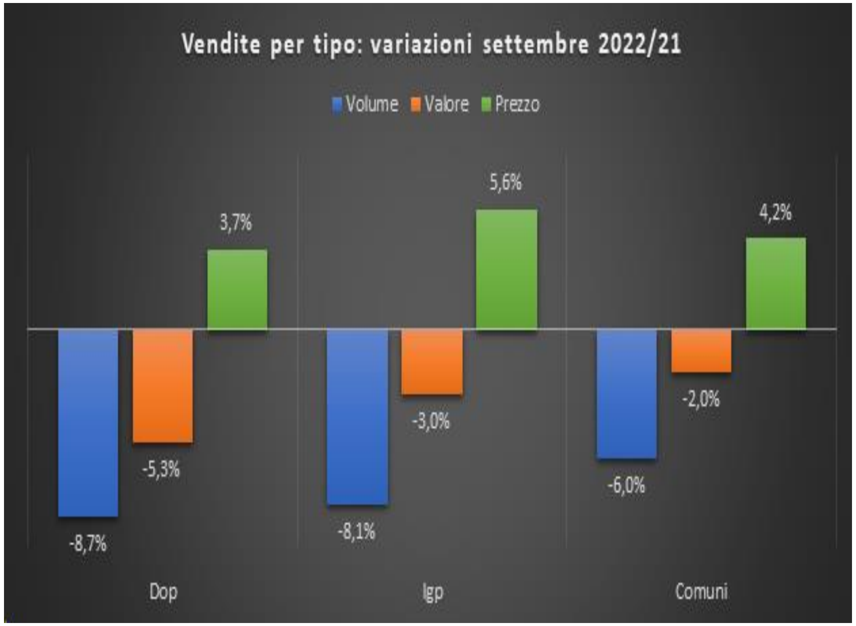
	Fruits & vegetables	Butchers	Wine shops	Fish shops
2015	11,0%	1,3%	8,7%	3,8%
2016	11,1%	3,1%	10,6%	3,0%
2017	11,2%	2,4%	7,7%	3,5%
2018	9,7%	4,4%	7,7%	2,0%
2019	9,0%	4,1%	5,8%	4,2%
2020	15,4%	12,1%	-2,5%	7,4%
2021	**5,6%**	**5,6%**	**19,5%**	**14,6%**
8 months 2022	**-1,8%**	**-0,5%**	**7,0%**	**-6,7%**

Source: INSEE

Italy

Still Wine : consumption (home consumption)

As of the end of September, volumes were down 7%, to 5.6 million hectolitres, for values down 3.5%. Cumulative average prices since the beginning of the year were +4% (3.61 euro/litre for total wine and sparkling wine). The largest decline in sales is PDO wines (-9% in volume), sales of PGI have also declined sharply.



Source : Osservatorio del vino Uiv-Ismea su dati Ismea-Nielsen

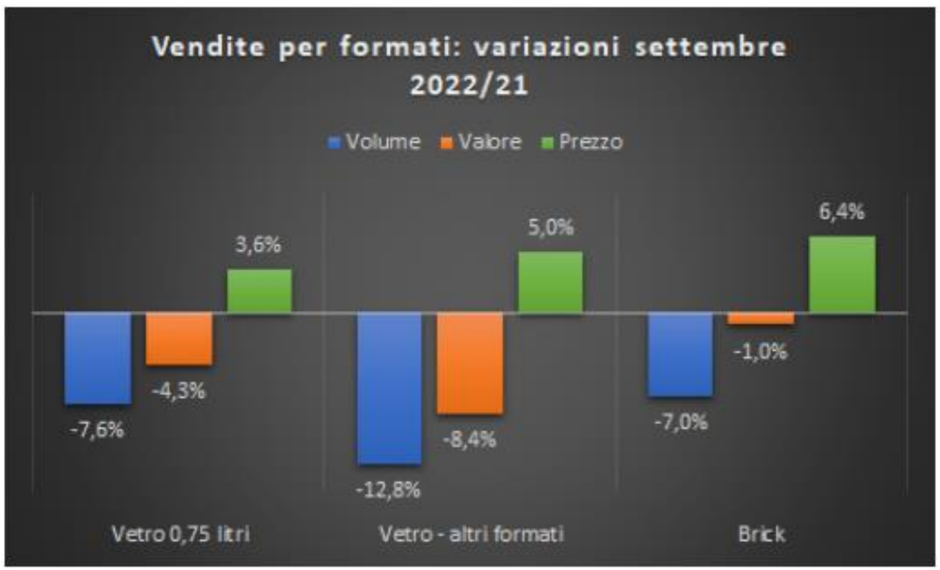
EuroCommerce

Italy

Still Wine : consumption (home consumption)

The three large formats are down: -7.6% in volume for 0.75 glass bottles, -13% for other glass formats and -7% for bricks.

The niche of organic wines (1% of the total volume) declined, not only in terms of bottles consumed (-2%, of which -10% for whites), but above all in terms of value generated (-6%)

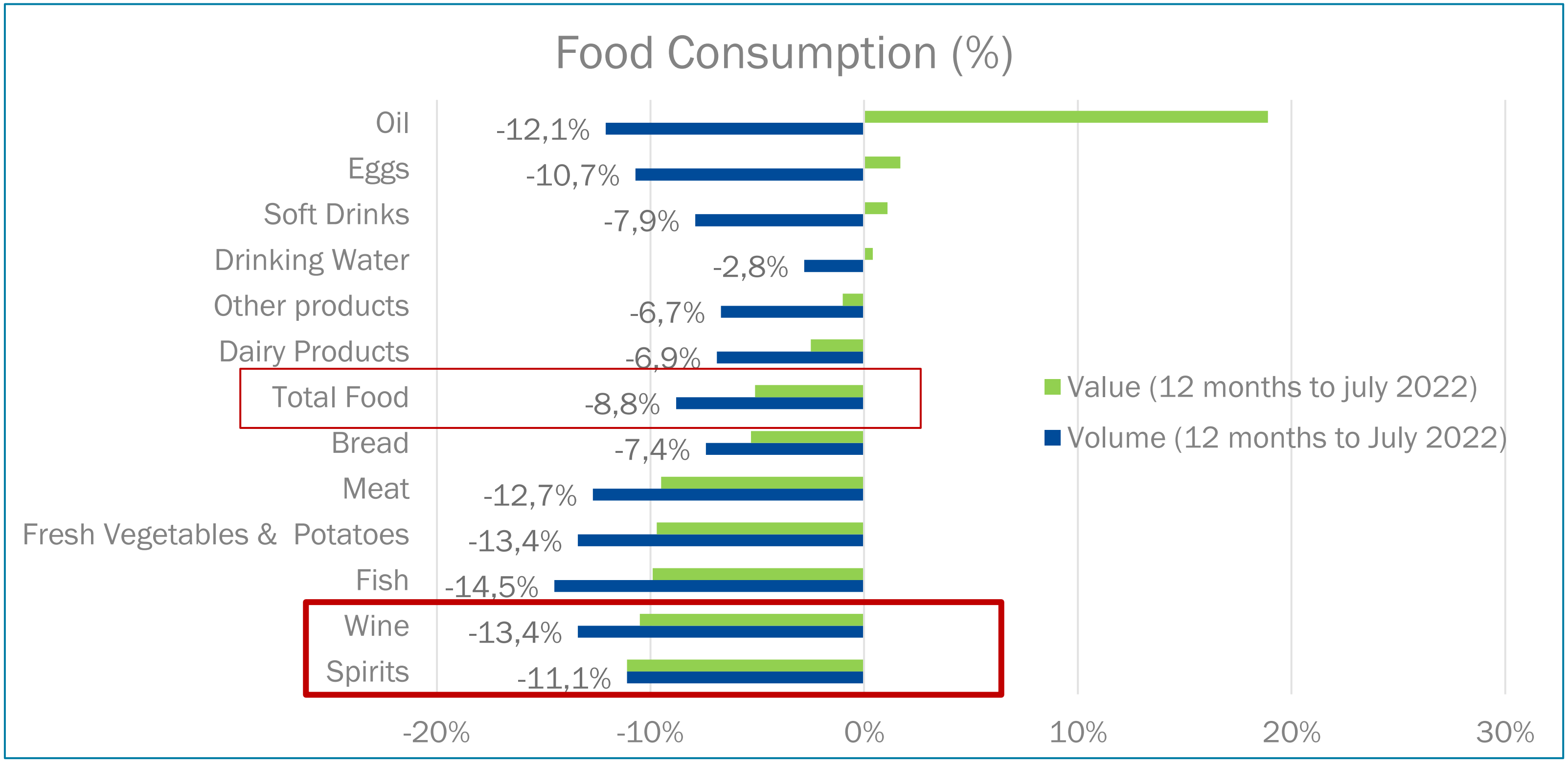


Source : Osservatorio del vino Uiv-Ismea su dati Ismea-Nielsen

Spain

Food Consumption in 2022

Spanish households have reduced their spending on food consumption in the first months of the year. The decrease is significant for wines and spirits.



Source: Ministerio de Agricultura Pesca Alimentacion

Spain

Food Consumption in 2022

All wine categories are down, except for wines with PGI, whose consumption is up in volume (+1.7%)

	MILES de kg/l			MILES de €		
	TAM JULIO 21	TAM JULIO 22	% EVOL.	TAM JULIO 21	TAM JULIO 22	% EVOL.
TOTAL VINOS	**412.671,6**	**355.264,1**	**-13,9 %**	**1.247.437,4**	**1.106.993,7**	**-11,3 %**
T.VINOS CON DOP+IGP	239.762,7	208.941,8	-12,9 %	1.019.012,2	896.747,5	-12,0 %
VINOS CON DOP	214.036,5	182.781,5	-14,6 %	949.854,2	832.410,0	-12,4 %
VINOS TRANQUILOS	170.375,8	142.960,8	-16,1 %	746.688,9	641.485,9	-14,1 %
ESPUM(INC CAVA)+GAS	27.699,9	26.268,6	-5,2 %	145.755,3	140.143,5	-3,9 %
VINOS DE AGUJA	2.089,2	1.495,8	-28,4 %	6.995,6	4.831,8	-30,9 %
VINOS LICOROSOS	13.865,8	12.027,5	-13,3 %	50.390,4	45.818,4	-9,1 %
OTROS VINOS CON DOP	-	-		-	-	
VINOS CON I.G.P.	25.726,1	26.160,4	1,7 %	69.158,0	64.337,6	-7,0 %
T.VINOS SIN DOP/IGP	172.908,9	146.322,2	-15,4 %	228.425,2	210.246,2	-8,0 %
VINO SIN DOP/IGP	170.687,9	144.494,6	-15,3 %	218.193,9	201.950,3	**-7,4 %**
OT.VINOS SIN DOP/IG	2.221,0	1.827,6	-17,7 %	10.231,3	8.295,9	**-18,9 %**

Source: Ministerio de Agricultura Pesca Alimentacion

EuroCommerce