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U.S. wine exports hit a 20-year low amidst a noteworthy upsurge in prices

Exports plunge, prices skyrocket

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In a historic twist, data from the U.S. Customs and Border Protection Agency reveals a significant decrease in the volume of American wine exported in 2022. Dropping by 14.7% to 278.5 million liters, this is the smallest quantity exported in the past two decades.

Despite this decrease in volume, the sales value experienced a mere 1.2% dip, totaling $1,453.7 million. This offset is due in large part to the substantial 15.9% hike in the average price per liter, reaching an unprecedented $5.22. This price inflation extends from an already elevated base in 2021, signifying a remarkable and continuous growth compared to the $3.65 per liter rate in 2020.

Unveiling the comparative impact: a closer look at historical and recent trends

Drawing a parallel with the year 2000, U.S. exports were at a similar volume (277 million liters) to that of 2022. However, the value has nearly tripled from $531 million to $1,454 million, indicating that the average price per liter has also significantly increased in these 22 years, from $1.92 to $5.22.

While all categories of wine saw a reduction in volume in 2022, bottled and bag-in-box wines recorded increased revenues. With a mild volume decline of 2.1%, bottled wine reclaimed its position as the primary exported wine, surpassing bulk wine by exporting 145.6 million liters. This was further compounded by a severe drop in the volume of bulk wine by 26.9% to 120.4 million liters. Despite the volume contraction, the bottled category strengthened its dominance in revenue, accruing $1,226.8 million, constituting 84.4% of the total, vastly exceeding the $163.6 million made from bulk wine.

A downward trend in bulk wine and sparkling wine exports

In the past two years, the U.S. has slashed almost 50% of its bulk wine export volume. Yet, bottled wine has shown signs of recovery, rising slightly from its historic lows in 2020. Notably, over the years, bulk wine has gained significant importance in U.S. wine exports, especially to the UK where major American companies have bottling plants.

Alongside bottled and bulk wines, the U.S. witnessed a 13.2% and 20.2% reduction in sparkling wine exports by volume and value respectively in 2022, reaching their lowest in decades. The average price also saw an 8% decline to $9.78 per liter. Bag-in-box wines, however, managed to grow 7.2% in value, despite a 3.4% drop in volume,

courtesy of an 11% increase in the average price to $3.39 per liter.

Export market: winners and losers

The U.S. exported wine to a total of 131 global markets in 2022, with prices rising in the top 15 markets, with most registering double-digit growth. Among these, only three markets (the Netherlands, the Philippines, and Sweden) saw a decrease.

The UK retained its position as the top volume destination, with 88.5 million liters, accounting for 31.8% of total exports from the U.S. Yet, it only accounted for 11.8% of the value, with $171 million, far behind Canada, largely due to its lower average price and a high proportion of bulk wine exports.