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Record-breaking wine prices despite export volume dip: a deep dive into U.S. wine export performance in 2022

U.S. wine exports experience significant reduction in 2022

Saturday, June 24, 2023



In 2022, the United States experienced a marked decline in the volume of wine exported, falling 14.7% to 278.5 million liters, according to data from the US Customs and Border Protection Agency (CBP). This represents the lowest level of wine exports in the past two decades.

However, the sales value only dropped slightly, by 1.2%, reaching a total of $1.453 billion. This surprising stability in the face of declining volumes can be attributed to the notable increase in the average price, which grew by 15.9% to a historic high of $5.22 per liter.

The latest price now stands starkly higher than that recorded in 2020, when the average price was just $3.65 per liter. This striking increase has been driven by the recent – though not historical – strong performance of bottled wines compared to bulk wines.

Comparisons to 2000 and the dramatic change in export volume and value

Reflecting on the evolution of the U.S. wine industry, it's illuminating to look back to the year 2000. In that year, the U.S. exported 277 million liters of wine – a figure almost identical to that of 2022. However, the value of exports has nearly tripled, rising from $531 million to $1.454 billion.

This substantial increase in value can be attributed to the remarkable rise in the average price over these 22 years, from $1.92 to $5.22 per liter.

Dissecting wine categories: all witness volume reductions but some see increased revenues

In 2022, the volume of exports fell across all wine categories. However, there were gains in revenue for bottled and bag-in-box wines.

Bottled wine was the least affected category in terms of volume, witnessing a decline of only 2.1%. It overtook bulk wine to become the leading wine export, with 145.6 million liters shipped overseas. Bulk wine, on the other hand, experienced a significant drop of 26.9%, reaching a volume of 120.4 million liters.

The dichotomy of value and volume in bulk wine exports

In terms of value, bottled wine solidified its leadership position, accumulating $1.226 billion, or 84.4% of the total wine export value. This stood in stark contrast to the $163.6 million generated by bulk wine, which represented a drop of 23%.

The average price of bottled wine increased for the third consecutive year, rising 5.3% to an all-time high of $8.43 per liter. Bulk wine also saw a price increase, with a 5.1% rise to $1.36 per liter.

The rising influence of bulk wine in US exports

In the past two years, the U.S. has reduced the volume of bulk wine exports by nearly 50% (from over 225 million liters in 2020 to just 120.4 million liters in 2022). Despite this reduction, when looking further back, the significance of bulk wine in U.S. wine exports becomes clear. This is particularly apparent in the United Kingdom, where major American companies have bottling plants.

Changes in export volume and value for sparkling wine and bag-in-box

Sparkling wine exports fell both in volume, by 13.2%, and in value, by 20.2% in 2022, ending the year with 3.3 million liters (the lowest figure this century) and $32.. For further discussion, a significant transformation was witnessed in all categories of wine exported in 2022, where the volume fell yet they fetched higher prices in packaged and bag-in-box categories. All types of wines except sparkling wine witnessed a surge in prices. Packaged wine experienced a lesser reduction in volume (-2.1%) and outpaced bulk wine as the prime exported wine, five years after, accounting for 145.6 million liters due to a substantial drop of 26.9% in bulk wine down to 120.4 million liters. Regarding monetary value, packaged wine reinforced its leadership with $1.226.8 billion (+3.1%), accounting for 84.4% of the total, far surpassing the $163.6 million of bulk wine (-23%). The cost of packaged wine rose for the third consecutive year (+5.3%), marking the highest in history, reaching $8.43 per liter. Bulk wine also saw a price hike (+5.1%), hitting $1.36. Over the last two years, the United States has

curtailed nearly 50% of the volume of bulk wine exported, dropping from over 225 million liters in 2020 to 120.4 million liters in 2022.

A shift in wine categories & shifting dynamics in global markets

Away from packaged and bulk wines, the United States slashed its exports of sparkling wine by 13.2% in volume and 20.2% in value in 2022, down to 3.3 million liters and $32.2 million, marking the worst data of this century and the lowest turnover since 2010. Its average price dipped by 8%, down to $9.78 per liter. Meanwhile, bag-in-box wine witnessed a drop of 3.4% in volume down to 9.2 million liters, but saw a surge of 7.2% in value up to $31.1 million due to an 11% rise in its average price to $3.39 per liter. Compared to the year 2000, the sharp price hike in sparkling and packaged wines is noteworthy, moving from $1.40 to $9.78 per liter and $2.07 to $8.43 per liter, respectively.

The United States exported wine to a total of 131 global markets in 2022. The top 15 in value witnessed price hikes, nearly all in double digits. Thus, more markets grew in value than those that fell. However, among the top 15 in volume, only three (the Netherlands, the Philippines, and Sweden, all outside the top ten) recorded losses. The United Kingdom led the global downturn, reporting its worst data since 2005. It remained the leading volume destination with 88.5 million liters (-24.8%), representing 31.8% of the total exported by the United States. However, it only accounted for 11.8% of the value, with $171 million (-19.8%), far behind Canada, due to a lower average price of $1.93 per liter, as bulk wine represented 87% of the total volume sold to the British country.

Big players - canada, hong kong, japan, and south korea

Canada, with an average price of $8.07 per liter, far above average despite being the least increasing (+1.8%) among those analyzed, repeated as the first market in value, with $491 million (34% of the total), showing a slight fall compared to a record 2021. In volume, it fell by 4.7% to 60.9 million liters (22% of the total), the worst data of the last three years.

On the other hand, Hong Kong, Japan, and South Korea, the next three markets in value, recorded double-digit growth, despite a decrease in volume in the first two. Hong Kong (the first of them in volume) grew by 10% in value up to $89.1 million (despite -4.2% in volume to 6.2 million liters), the best data of the last decade, led by an 11% increase in price up to $14.26 per liter, the highest among the major markets. Japan registered its third consecutive growth in value (+14.4%) to $85.7 million (despite -1.9% in volume to 15.4 million liters) after four years of decline, with a price increase of 16.7% up to $5.56 per liter. Finally, South Korea reported record exports in both volume and value, with 10.4 million liters (+2.9%) and $80.4 million (+19.2%) due to a significant price increase (+15.8%) to $7.71 per liter.

While global markets have changed significantly, and in some cases dramatically, over the past 20 years, the American wine industry has shown a remarkable ability to adapt, grow, and thrive. As 2023 begins, it remains to be seen how it will continue to evolve and adjust to a changing global marketplace.