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Australian Government invests a$3m in elevating low/no alcohol wine quality

A strategic grant to fuel innovation and quality in the low alcohol and alcohol-free wine sector

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The Australian federal government, marking its continued commitment to the burgeoning non-alcoholic beverage industry, has sanctioned a substantial grant of nearly A$3m (1.83 million US dollars, at the exchange rate in effect as of the date of

this article.). The grant is specifically designed to stimulate quality enhancement and innovation in the low-alcohol and alcohol-free wine market.

This grant is part of the Australian government's Cooperative Research Centres Projects funding scheme. It aims to propel further innovation and elevate standards within the no/low category, signaling a bright future for the non-alcoholic beverage industry in the country. The initiative is aptly named the 'Advancement of Australian Lifestyle Wines.'

Australian Vintage Pioneers the Research Project

Leading the project will be Australian Vintage, known for its robust portfolio that includes renowned brands such as McGuigan and Tempus Two. Jamie Saint, Chief Winemaker, communicated his excitement over the project, indicating how it allows them to conduct research centered around the objective of enhancing the flavour and mouthfeel of no and low-alcohol products. Another pivotal part of their study involves obtaining insights into consumer preferences and market dynamics within this category.

A Collaborative Endeavor with Industry Partners

To accomplish this ambitious goal, Australian Vintage will collaborate with ten industry partners. This coalition includes major names such as Treasury Wine Estates, renowned for its brands like Penfolds and Wolf Blass, along with esteemed educational and research institutions like the University of Adelaide and the Australian Wine Research Institute. The roster also includes Flavourtech, DrinkWise, Tarac Technologies, S. Smith and Son, Danstar Ferment, Mauri Yeast and CHR Hansen.

Saint underscored the unique opportunity to work with leading industry partners to elevate the growing no/low category, aiming to improve the competitiveness, productivity, and sustainability of the Australian wine industry. He expressed his aspiration to position the Australian wine sector as the global leader in producing no/low wines.

The No/Low Alcohol Market Continues to Soar

Market data from 2022 revealed that the value of the no/low-alcohol drinks market surpassed $11bn among ten key markets worldwide, according to IWSR analyst data. The same source projects that consumption will skyrocket by 33% to reach $14.67bn by 2026. This growth is primarily driven by health-conscious adults in countries like Germany, Spain, the USA, Japan, and the UK.

Beer Dominates the No/Low Alcohol Market

Despite the optimism for the wine industry, current data from the IWSR shows that beer currently dominates the global no/low-alcohol market, accounting for approximately 75% of the market. High-quality alcohol-free beers such as Heineken 0.0, Free Damm, Lucky Saint, Peroni 0.0, Beck's Blue, BrewDog Punk AF and San Miguel 0.0 have successfully replicated the taste and mouthfeel of regular beers. Due to this, beer is expected to account for 70% of the total no/low category's growth by 2026.

Challenges in No/Low Alcohol Wine Production

However, wine producers face a tougher challenge in providing a similar drinking experience after removing alcohol from their products. Alcohol removal significantly alters the weight and mouthfeel of wines, making them less appealing to many consumers. Some producers have tried to compensate by adding sugar, but this solution falls flat with health-conscious drinkers.

Australian Vintage's Commitment to Innovation

Determined to tackle these challenges head-on, Australian Vintage has made significant strides in technology and innovation. Prior to releasing its popular McGuigan Zero range a few years ago, the company invested in a revolutionary spinning cone technology. This technology, which delicately extracts alcohol at low temperatures, helps preserve the wine's distinct varietal characteristics before it is bottled.

Their efforts have yielded success with the McGuigan Zero now reigning as the bestselling alcohol-free still wine brand in both the UK and Australia. To keep up with growing demand, the company recently invested in a second spinning cone column to boost production capacity. Australian Vintage's additional releases include Tempus Two Zero, the 6.8% abv Lighten Up range, the 9.8% abv McGuigan Black Label Mid, and a new brand, Not Guilty, with three wine variants: Pinot Grigio, a red blend, and a rosé.

With this significant investment and the combined efforts of various industry leaders, the future of the no/low alcohol wine category in Australia looks set for remarkable growth and innovation. The Australian government's grant is not merely a financial investment but a show of faith in a category poised for global success.