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Shifting trends in the U.S. wine market

Insights from the first half of 2023

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In the first half of 2023, the United States experienced a notable shift in its wine import patterns, as revealed by the latest data from U.S. Customs. The country saw a decrease of 8.9% in volume and 2.6% in value in wine imports, totaling 630.7 million liters and $3.4045 billion, respectively. This decline contrasts with the record-breaking first half of 2022. June 2023 was particularly weak, with imports plummeting by nearly 35%, affecting all product categories.

Despite the downturn, the U.S. remains the world's largest spender on imported wine, although Germany has surpassed it in terms of volume. The reduction in U.S. wine imports was uniform across all categories, with notable dynamics in each segment.

Packaged wines, although decreasing in volume by 4.3% to 338.8 million liters, increased in value by 2% to $2.4293 billion. The average price per liter rose by 6.6% to $7.17. Sparkling wines, second in value, saw a decrease of 8.6% to just under $806 million, while bulk wines suffered a 27.7% drop in value to $158 million. Bulk wine imports, however, exceeded sparkling wines in volume, with 205.8 million liters, despite a 14.8% decline. The significant price disparity between sparkling ($9.83/liter, up 2.3%) and bulk wines (77 cents/liter, down 15%) was a key factor in these trends.

Bag-in-box wine imports also declined, both in volume (9.7%) and value (14.4%), totaling 4.1 million liters and $11.2 million, with an average price drop of 5.2% to $2.76 per liter.

The U.S. imported wine from 64 global suppliers, with notable shifts in supplier rankings. Italy, while remaining the top supplier in volume, saw a 9.4% decrease to 168.4 million liters. Canada, primarily supplying low-cost bulk wine, emerged as the second-largest exporter, with 114.4 million liters, a 14.7% increase. France, Australia, New Zealand, Chile, Spain, and Argentina also saw significant changes in their export volumes and values to the U.S.

In terms of value, France led with nearly $1.26 billion, followed by Italy with $1.056 billion. New Zealand stood out with a 32.6% increase in value, reaching nearly $343 million. Spain, while experiencing a global decline, improved its standing as the fourth-largest seller at $187.5 million. The dynamics of other major suppliers like Australia, Argentina, and Chile also shifted significantly.

Among sparkling wines, Italy, France, and Spain dominated U.S. imports. France led in value despite a volume decrease, while Italy maintained its volume leadership. Spain was the only one among these to grow in volume but saw a decline in value.

In the packaged wine category, France surpassed Italy in value, registering a significant price per liter. New Zealand consolidated its position as the third-largest seller, with Australia and Spain following.

The U.S. saw Canada as its primary source of bulk wine, primarily acting as a distributor for New World wines, especially from Australia. Australia and New Zealand were the next largest suppliers in volume and value.

This analysis of the U.S. wine import market in the first half of 2023 reflects a complex interplay of global wine trade dynamics, influenced by price variations, supplier shifts, and category-specific trends.