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World wine production falls by 7% in 2023, below average

Downward trend for red wines and a boom for whites and rosés

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The world of wine, much like a fine vintage, is undergoing a complex transformation, marked by fluctuating production levels and evolving consumer preferences. As we pour over the preliminary figures for 2023, it's evident that the wine industry is navigating one of its most challenging terrains in six decades. The International Organization of Vine and Wine (OIV), based in Dijon, has signaled a significant drop in global wine production, attributing this downturn to a mix of climatic adversities and

shifting tastes.

Giorgio Delgrosso, head of the Department of Statistics and Digital Transformation at the OIV, highlighted the stark decrease in harvest volumes across the southern hemisphere and several key European Union countries. This dip is not just a matter of numbers; it reflects a broader narrative of change within the viticultural world.

The Climatic Challenge

The figures are stark: a projected global wine production of between 241.7 and 246.6 million hectoliters (MHL) for 2023, marking a 7% decline from the previous year. Countries traditionally renowned for their wine production, such as Italy and Spain within the European Union, have seen significant reductions due to unfavorable weather conditions, including mildew outbreaks and droughts. Meanwhile, France is poised to emerge as the year's top producer, albeit just slightly above its five-year average.

The southern hemisphere hasn't fared much better, with countries like Australia, Argentina, Chile, South Africa, and Brazil all reporting lower yields. New Zealand stands out as a lone beacon of growth, surpassing its average production levels. The United States, on the other hand, bucks the trend with an output that not only surpasses 2022's figures but also the country's historical average.

The narrative behind these numbers is one of climate's increasing impact on viticulture. Early frosts, torrential rains, and prolonged droughts have severely affected vineyard yields worldwide. However, in a twist, this reduced production may offer a silver lining by helping balance a market that's been grappling with declining consumption and high stock levels in many regions.

Changing Tastes: A Shift to Whites and Rosés

The global decline in wine consumption is a multi-faceted phenomenon, impacting almost all wine categories, especially reds. Since 2004, red wine production has plummeted by 25%, with consumption also taking a 15% hit over the past 15 years. By 2021, red wines accounted for only 43% of total consumption, down from 48% at the

turn of the century.

Conversely, white and rosé wines have been enjoying a renaissance. The production of white wines surged by 13% in 2021 compared to its lowest point in 2002, and for the first time in 2013, white wine production eclipsed that of reds, claiming 49% of total consumption. This shift is largely attributed to the growing popularity of sparkling wines.

Rosé wines, too, have carved out a larger slice of the market, now representing 8% of total consumption compared to 6-7% two decades ago. This uptick reflects a broader diversification in wine consumption and a shift towards healthier lifestyle choices, influenced by globalization and savvy marketing strategies.

The Way Forward

As the wine industry stands at this crossroads, the path forward is marked by adaptation and innovation. The declining consumption of red wines signals a clear call for producers to realign with changing consumer preferences. Meanwhile, the burgeoning market for white, sparkling, and rosé wines presents a fertile ground for growth.

In essence, the wine world is experiencing a profound shift, shaped by the forces of nature and the evolving palate of the global consumer. As we raise our glasses to the future, it's clear that the industry's ability to adapt and innovate will determine its resilience and success in the years to come.