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Wine Crisis: Production Hits 60-Year Low

Climate Change and Market Shifts Threaten Wine Industry

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Global wine production in 2024 is approaching one of its lowest levels in nearly six decades, according to estimates from the International Organization of Vine and Wine (OIV). The organization presented its preliminary projections during its 45th congress in Dijon, France, indicating that this year's production could fall below 250 million

hectoliters. These forecasts are based on data from the main wine-producing countries, which represent around 75% of global production. This group includes Italy, Spain, France, the United States, and various countries in the Southern Hemisphere.

John Barker, the director general of the OIV, highlighted that adverse weather conditions have again played a crucial role in the reduced production. In 2023, global wine output reached 237 million hectoliters, marking the lowest level since 1961. The decline was driven by droughts, heat waves, early frosts, and flooding, challenges that have persisted into 2024, particularly affecting some of the world's key wine regions. While the OIV plans to release more detailed statistics in late November, coinciding with its centennial celebrations, the trend of low production levels seems to be solidifying.

Regionally, a few countries that faced significant difficulties in 2023 have shown slight improvements in 2024, though they remain below their historical averages. Spain, Italy, Australia, and Argentina have recorded slightly higher production compared to the previous year but have yet to reach their usual harvest volumes. Meanwhile, other countries have encountered more severe issues. France, for instance, has been heavily impacted by excessive rainfall, and Chile, which already saw a small decline in 2023, has experienced further worsening conditions this year.

Climate change remains a central topic at the congress, emphasizing the increasing vulnerability of the wine sector to extreme weather events. Variability in wine production is common due to its dependence on natural factors, as Barker noted while presenting a graph of global production trends over the past century, which showed consistent fluctuations. However, in the last three decades, production generally ranged between 250 and 300 million hectoliters, with different regions often compensating for each other's losses.

The fact that global production fell below this lower threshold in 2023 marks a turning point. The reduction in output is largely attributed to the effects of global warming, which disrupts weather patterns in unpredictable ways, posing significant challenges for wine producers. In this context, the OIV and industry experts have also pointed out that changes in consumption patterns play a significant role. Consumer preferences

have shifted, with growing interest in new markets and products, potentially impacting future wine demand.

The combination of climate uncertainty and market changes creates a challenging outlook for the coming years. While some producing countries have managed to partially adapt to these new conditions, the ongoing decline in global wine production underscores the increasing pressure on the industry's ability to maintain stability. The OIV's final figures later this year will provide a more detailed understanding of the situation, but current perspectives highlight the need to adapt to the impacts of climate change and evolving consumer trends.