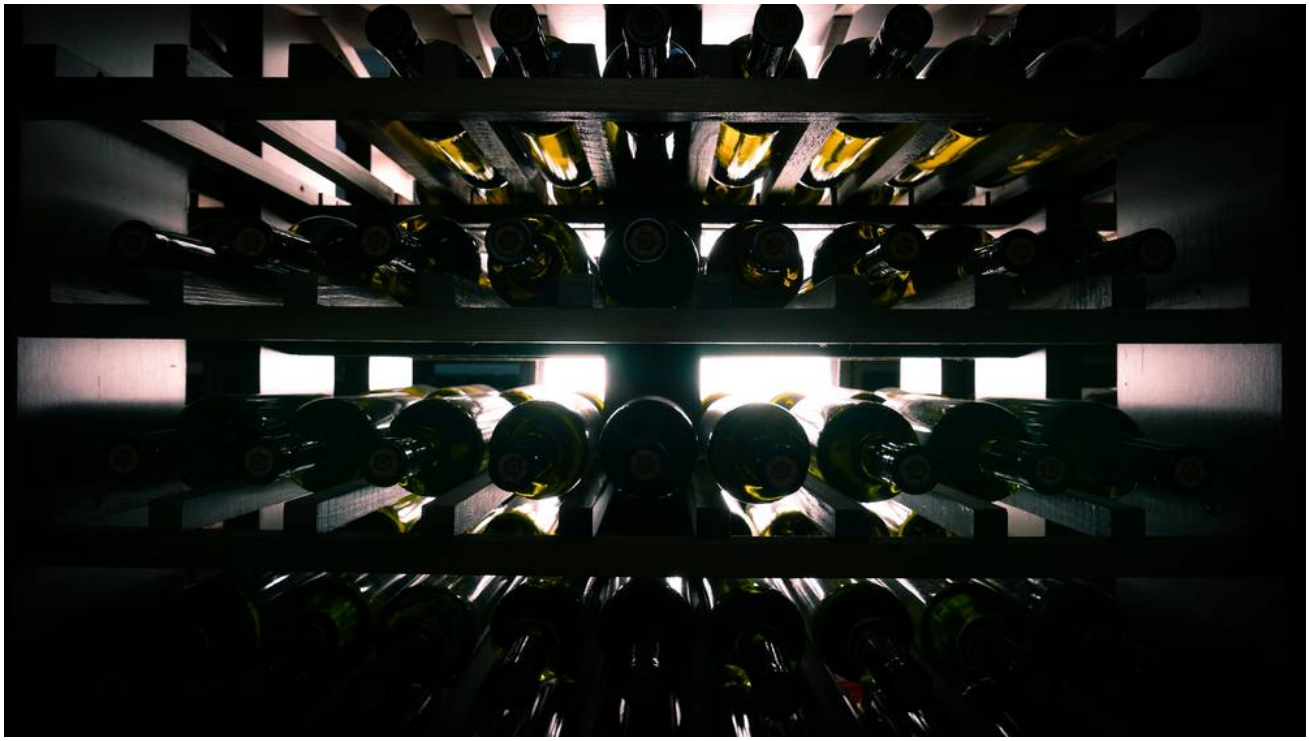
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The 8 Giants of World Wine

Leading wine powers dominate global market

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The international wine market is undergoing a transformation driven by industry consolidation, shifting consumer preferences, and the growing impact of climate change. As traditional consumption patterns decline, major wine groups are adopting new strategies to protect their market positions and respond to evolving demand. This transition is defined by a focus on higher-value products, structural adjustments, and geographic expansion, particularly in Asia.

According to a report published by Vinetur on May 14, titled "Global Wine Companies: Analysis of Scale and Strategy", eight major wine groups currently dominate the global scene: E&J Gallo, The Wine Group, Treasury Wine Estates, Constellation Brands, Vinarchy, Castel Frères, Jackson Family Wines, and Concha y Toro. These companies

operate on a global scale but follow different strategic paths to address economic pressures, climate challenges, and changing consumer behaviors.

The most widespread strategy among them is premiumization, which involves concentrating portfolios on higher-value brands. E&J Gallo, the world's largest wine producer by volume, continues to lead in the mass-market segment while strengthening its luxury offerings through brands like Orin Swift and Rombauer. The Wine Group recently expanded its premium segment by acquiring part of Constellation Brands' wine business, including labels like Meiomi and SIMI, along with 6,600 acres of vineyards. This acquisition reinforces TWG's position as the second-largest global producer.

Treasury Wine Estates has increased its focus on luxury wines through its acquisition of DAOU Vineyards in California and the continued global growth of its Penfolds brand, particularly in Asia, where Chinese tariffs on Australian wines were lifted. Chile-based Concha y Toro reported a 15% revenue increase in 2024, driven by the performance of Don Melchor and Casillero del Diablo. In contrast, Constellation Brands has exited the mass wine segment, selling several brands to TWG and now focusing on labels priced above $15, such as The Prisoner and Robert Mondavi Winery.

Vinarchy is the newest major player, formed from the merger of Accolade Wines with wine assets from Pernod Ricard in Australia, New Zealand, and Spain. Managed by the Australian Wine Holdco Limited fund, it owns brands including Hardys, Campo Viejo, and Jacob's Creek, and plans to expand aggressively in Asia, targeting China, India, Japan, and South Korea.

Climate change remains one of the most pressing structural challenges in the industry. Jackson Family Wines, based in California, has introduced a sustainability plan aimed at halving its carbon emissions by 2030 and becoming climate-positive by 2050. The company practices regenerative agriculture and maintains a geographically diverse portfolio across the U.S., France, Italy, Australia, Chile, and South Africa to hedge against regional climate events. Treasury Wine Estates is also adjusting to environmental shifts by producing some of its Penfolds wines in France and California, diversifying from its Australian roots.

Oversupply in entry-level segments and falling consumption in mature markets have affected profitability. Gallo acknowledged that distributors and retailers were left with excess inventory in 2023, prompting a reassessment of production and distribution strategies. In France, Castel Frères has introduced low-alcohol wines under the 'Belle vigne' label and acquired bulk wine company Œnotrade to adapt to more fragmented, price-sensitive markets. The company is also promoting rosé and white wines and Bag-in-Box formats, aligning with current consumer preferences.

Low and no-alcohol wines are growing quickly, particularly among younger consumers. Although still a small market share, this category is expanding fast. Companies like Vinarchy and Castel are developing products tailored to this demand. At the same time, there is increasing consumer interest in wine experiences tied to origin and brand, which has led to more investment in wine tourism.

Concha y Toro has turned its Pirque winery in Chile into an established tourist destination. Jackson Family Wines offers curated tastings and culinary experiences at estates such as Kendall-Jackson and La Crema in Sonoma. Treasury Wine Estates has expanded this business line through the acquisition of DAOU, which includes a visitor center in Paso Robles. These initiatives provide additional revenue and build customer loyalty through direct sales.

Financially, Gallo leads with estimated 2024 revenue of $5 billion and nearly 94 million cases sold in the U.S. The Wine Group is expected to exceed 52 million cases after the Constellation acquisition. Castel Frères produces over 53 million cases annually. Concha y Toro sold more than 33 million cases in 2024, with a 59% increase in EBITDA. Treasury Wine Estates reported 13% growth in revenue and a 12% rise in operating profit. Jackson Family Wines, a private company, produces about 6 million cases per year. Vinarchy, with more than 32 million cases, becomes a major global player both in volume and brand projection.

In contrast, Constellation Brands has reduced its wine volume to around 5 million cases after offloading much of its portfolio to TWG. The company now focuses on premium wines and its more profitable beer business. This move reflects a shift toward profitability per unit rather than scale.

Geographically, Asia has become the priority for all these companies. The reopening of the Chinese market to Australian imports has boosted brands like Penfolds. Vinarchy views Asia as a key growth opportunity. Concha y Toro and Castel also have strong commercial operations in the region. Competition is expected to intensify in the coming years as companies vie for position in these markets.

Top 8 global wine producers

1. E&J Gallo Winery
2. The Wine Group (TWG)
3. Treasury Wine Estates (TWE)
4. Constellation Brands
5. Vinarchy
6. Castel Frères (Groupe Castel)
7. Jackson Family Wines (JFW)
8. Concha y Toro