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Wine industry faces historic decline as global demand weakens

Wine consumption drops worldwide despite stable trade value

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In 2024, global wine consumption dropped to its lowest level since 1961, reaching 214 million hectoliters, according to the report "Global Wine Consumption in 2024: Adaptation and Evolution in a Transforming Market", published on June 10, by Vinetur. The 3.3% decline from 2023 reflects sustained pressure from global economic instability, shifting health-conscious consumer behavior, and the effects of low

production volumes driven by extreme weather and climate volatility.

Despite the drop in consumption volume, the international wine trade maintained a strong performance in value terms. Global wine exports were valued at around €36 billion, nearly unchanged from 2023, supported by a historically high average export price of €3.60 per liter. This price stability masks the complexities beneath the surface, where tightening supply, inflation, and premium product concentration are pushing prices higher and creating affordability barriers in several major markets. That, in turn, may be accelerating the consumption downturn.

The United States remained the largest consumer by volume with 33.3 million hectoliters, despite a 5.8% year-over-year drop. Per capita consumption fell to 11.8 liters, reflecting growing moderation among U.S. consumers and rising competition from other beverage categories. Retail value estimates for the U.S. market ranged between $75 billion and $106 billion depending on the methodology, but most indicators suggested a stagnation or erosion in real value due to inflation.

France and Italy followed, with France consuming 23 million hectoliters, a 3.6% decrease, while Italy saw a marginal increase of 0.1% to 22.3 million hectoliters. Both countries continued to lead global per capita consumption along with Portugal, which topped the chart at 61.1 liters per person. European markets remained more stable in volume terms, although long-term trends show continued gradual decline in consumption.

China's consumption collapsed by 19.3% to 5.5 million hectoliters. This marked another sharp fall for a market that once drove growth expectations. The decline continued even after Beijing lifted punitive tariffs on Australian wine, indicating a deeper shift in Chinese consumer preferences and economic sentiment. The fall in China's demand, coupled with a 17% drop in domestic wine production, has forced exporters worldwide to reconsider their strategies in Asia.

Production was down globally for the second consecutive year. In 2024, output reached only 226 million hectoliters, the lowest level in more than six decades, according to the International Organisation of Vine and Wine (OIV). Droughts, hail, and abnormal seasonal temperatures affected key producing regions, including Argentina, France,

and the U.S., exacerbating pressure on supply and pricing.

While volume shrinks, consumers are increasingly choosing either higher-quality wines with specific attributes or trading down for value. The global market is polarizing between premium wines with sustainable or health-related credentials and affordable wines that meet stricter price expectations. The middle tier, once dominant, is showing signs of erosion as buyers become more selective.

The no- and low-alcohol (NoLo) wine segment expanded rapidly, especially in the United States, where spending on no-alcohol wine increased 27% in 2024. Organic and sustainable wines also saw strong growth, with the global organic wine market reaching $11.87 billion and projected to grow at a compound annual rate of 10.4% through 2030. This reflects a growing demand for products that align with health, environmental, and ethical values, particularly among Millennials and Generation Z.

Rosé wines continued to perform strongly, transitioning from seasonal beverages to year-round staples, with significant growth in premium categories and experimental winemaking techniques. Countries such as France, Australia, and the U.S. are driving the development of more complex and higher-quality rosé profiles, appealing to younger demographics seeking freshness and lower alcohol content.

The premiumization trend softened across the alcoholic beverage sector, including wine. While some consumers still choose to "drink less but better," a larger segment is prioritizing affordability. Wines that offer a compelling value proposition or have unique selling points—whether sustainability, origin, or lower alcohol—are outperforming mid-tier labels that lack clear identity or differentiation.

Strategically, the wine industry is facing a critical juncture. The shift in consumer behavior, economic stress, and climate change effects are accelerating the need for a comprehensive transformation. Emerging markets such as India, Brazil, and Mexico offer some future growth potential, but none currently provide the scale to replace losses in China or offset stagnation in the West.

E-commerce and digital engagement are increasingly important, especially in reaching younger consumers. Wine brands that adapt to this new environment—embracing sustainability, transparency, and product innovation—will be better positioned. Those failing to respond may struggle with declining relevance in a rapidly fragmenting market.

The report from Vinetur and global data compiled by the OIV and research firms make clear that wine is no longer insulated from global macroeconomic, cultural, and environmental shifts. The industry's resilience will depend on its ability to redefine value, address affordability, and connect with evolving consumer expectations worldwide.