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Global wine industry faces shrinking vineyards and volatile production as consumption declines

World Congress of Vine and Wine highlights climate change, shifting markets, and premiumization trends amid ongoing sector challenges

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The 46th World Congress of Vine and Wine began yesterday, June 16, in Chișinău, Republic of Moldova. The event, which will run through June 20, has brought together leading figures from the global wine industry for a week of research presentations, international dialogue, and discussions on innovation. The opening ceremony was attended by Maia Sandu, President of the Republic of Moldova; Ludmila Catlabuga, Moldovan Minister of Agriculture and Food Industry; Ștefan Iamandi, Director of the National Office of Vine and Wine (ONVV); Yvette van der Merwe, President of the International Organisation of Vine and Wine (OIV); and John Barker, OIV Director General.

At the opening session, John Barker delivered a detailed analysis of the current state of the global vine and wine sector. Drawing on more than a century of OIV data and expertise, Barker outlined key trends affecting vineyards, production, consumption, trade, and the broader challenges facing the industry.

According to OIV data presented at the congress, the world's vineyard surface area continues to shrink. As of 2024, global vineyards cover 7.1 million hectares—a 0.6% decrease from last year and a 9% drop since 2000. The decline has not been steady; after a sharp reduction between 2003 and 2011, there was some stabilization until 2015 before the downward trend resumed. Despite this contraction, grapes remain the second-largest fruit crop worldwide by area. Nearly half (47%) of all vineyard land is used for wine grape production. The European Union holds almost half (46%) of global vineyard area, while countries in the Southern Hemisphere account for about 12%.

Wine production has become increasingly volatile in recent years. In 2024, preliminary figures show global wine output at just 226 million hectoliters—a 4.8% drop from 2023 and the lowest level since 1961. This volatility is largely attributed to climate change and extreme weather events that have disrupted harvests around the world. Historically, technological advances helped reduce fluctuations in production throughout much of the twentieth century. However, since around 2009, volatility has increased again as climate-related challenges have intensified. The European Union remains dominant in production with a 61% share globally; Southern Hemisphere countries contribute about 20%.

On the demand side, global wine consumption is also declining. Consumption peaked in 2007 at roughly 250 million hectoliters but has fallen steadily since then—especially after 2018. For 2024, OIV estimates consumption at 214 million hectoliters, down by 3.3% from last year. The organization attributes this trend to inflationary pressures reducing consumer purchasing power and changing preferences among drinkers worldwide.

A closer look at historical consumption patterns shows a shift away from traditional “Classic Markets” such as Italy, France, Spain, Portugal, and Argentina—where consumption has dropped sharply since its peak in the late 1960s—toward “Other Markets” like the United States, Australia, Canada, the United Kingdom, and South Africa. These newer markets have seen steady growth over decades and now play a significant role in global demand.

The imbalance between falling production and declining consumption has affected supply dynamics. In 2024 there was an estimated surplus of 11.6 million hectoliters available for industrial uses or market rebalancing—a figure that is down by a quarter compared to last year due to lower production outpacing reduced demand.

International trade in wine has become more important than ever before. The OIV’s Market Internationalisation Index shows that nearly half (47%) of all wine consumed globally is imported—a dramatic increase from levels seen before 1990 when only about one-tenth was traded internationally. In terms of volume for 2024, international trade reached nearly 100 million hectoliters (down just slightly from last year), while total value stood at €35.9 billion (about $38 billion), making it one of the highest years on record despite a small dip from last year’s peak.

This divergence between stable trade volumes and high values reflects a long-term trend toward premiumization: consumers are buying less wine overall but spending more per bottle on higher-quality products. The average export price reached €3.60 per liter in 2024.

Beyond wine itself, other grape products show different trends. Table grape production continues to grow strongly—up by over four percent this year to reach more than 33 million tonnes—with Asia responsible for most of this expansion. In contrast, dried

grape (raisin) production remains stable but volatile year-to-year; output rebounded by nearly eight percent in 2024 after a dip last year.

Looking ahead, OIV leaders identified four main challenges for the sector: adapting to climate change and promoting sustainability; understanding new consumer preferences; addressing health-related concerns with science-based information; and supporting stable international trade through multilateral cooperation.

The congress will continue through June 20 with further presentations on scientific research and policy discussions aimed at helping producers adapt to these evolving conditions in one of agriculture’s most globalized industries.