

European wine: how will the market evolve in 2022?

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The tough global health condition has had and will have tremendous economic implications over the next decade, particularly in the agri-food sectors.

As a consequence, **the European Commission published “EU Agricultural Outlook for Markets, Income, and the Environment 2021-2031”**, a forecasting study that takes into account at all agricultural products. Because of the relevance of wine in the European economy and culture, a section of this research is devoted to it.

The report considers three parameters: production volumes, export, and consumption trends.

Production volumes

The vineyard area is predicted to stay relatively steady over the next 10 years, owing in part to the planting authorization

system, which prohibits the planting of a substantial number of new vines. However, with the same surface area, the number of vineyards cultivated according to a qualitative criterion (**DOP, IGP, or organic**) will increase, as it did in the decade 2010-2020.

The most strict rules, together with climate change, will produce conditions for a continuously decreasing product output at the community level (-0.2 percent every year until 2031). However, this issue may be **partially mitigated by the adoption of cultivars that are resistant to the harshest weather circumstances.**

Export

Concerning European wine exports, it should be noted that they have recorded **varying trends in recent years, showing to be on average stable before to the entrance of the pandemic, followed by a rapid and dramatic fall,** which ended with a record increase at the turn of the 2020 and 2021.

Until 2031, a growth rate of +0.5 percent per year is expected for the next decade. Wine with a European geographical classification has a considerable popularity in non-EU countries. Even **sparkling wines**, which are gaining favor among the general public, contribute significantly to the increase in volume.

Furthermore, because demand for low-cost wine is growing on a global scale, European producers may be able to use goods that fit into market niches where quality isn't as important to boost exports.

In terms of imports, the situation appears to be the polar opposite, with a possible slowdown.

Consumption trends

Despite significant disparities between EU countries, **the overall trend in domestic consumption is declining and will continue to do so until 2031,** when an average of 22 liters per

capita will be used, down from 29 liters in 2010.

The decrease in consumption will be largely compensated by an **increase in the production of wine derivatives** as a result of distillations or other industrial processes, resulting in practically constant internal consumption over the following decade.

Consumers drink less as a result of the epidemic's hastening of profound changes in modern lifestyle. **Online purchases** are becoming more common (and are expected to continue) and products are **being consumed at home rather than at social events**.

Sustainability is also a key lever, influencing consumer behavior to favor organic and natural products.

It's also worth noting that **there's a growing trend among various sectors of the population**, separated by age groups, to consume different products. Young people are increasingly demanding low-alcohol drinks as they become more aware of the need to regulate their intake, as well as sparkling wines for their diversity of use.