European Commission
Directorate-General for Agriculture and Rural Development

Mid-term prospects for the wine sector 2015/2016

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Summary

The wine outlook for marketing year 2015/2016 is elaborated on the basis of a statistical analysis of the key variables of the sector: production variables (area, yield and production) and consumption. Trade projections are made on the basis of an analysis of trade flows with the major third countries concerned. The projections are made in volume without distinction between the different types of wine. Three scenarios are developed: "average" (which is the most likely), "high-surplus" and "low surplus". The projections reflect a statistically normal marketing year and do not take into account the impact on production of climatic conditions, which can be significant.

For wine production, the projection is based on yields in each producing Member State and on the assumption that the ceiling of 175 000 ha of EU-subsidised grubbing-up established by the Common Market Organization (CMO) of 2008 will be reached. The area harvested is projected to stand at 3.37 million ha in 2015/2016 and production would reach 170.4 million hl ("average" scenario). The comparison with the "average" scenario of the Wine Perspectives published in 2007 for the 2011/2012 marketing year, which were made with no policy change, suggests that the grubbing-up measure would potentially decrease production in 2015/2016 by 5.9 million hl.

The per capita consumption is estimated on the basis of statistical trends for the EU-15 and a flat rate for the EU-12 (insufficient data). The consumption per capita in the EU-27 is projected to reach 26.7 litres in the "average" scenario (27.6 litres in the "low surplus" scenario and 25.5 litres in the "high surplus" scenario). Total consumption in the "average" scenario would stand at 135.9 million hl.

EU-27 international trade has evolved considerably over the period analysed (from 1999/2000 to 2007/2008) with a sharp increase in flows, both for exports (from 10.9 to 17.9 million hl) and imports (from 6.0 to 12.5 million hl). For the "average" scenario, exports are projected to increase to 20.4 million hl in 2015/2016 and imports to 16.4 million hl. Net exports would reach 4.0 million hl (in comparison with 4.5 million hl in 2006/2007 and 5.0 million hl in 2007/2008).

Given the projections of production and use (including for distillation into potable alcohol) and trade, the wine production surplus is projected to reach 7.4 million hl in 2015/2016 in the "average" scenario, which would add to the stocks. This surplus is relatively modest. In a context of total human consumption of wine relatively stable, exports are expected to play an important role in the market balance. As export projections were done in a relatively conservative way, it is not excluded that they may play a larger role than anticipated here, all the more so that they should be bolstered by the 2008 reform (promotion on export markets).

In addition, under low price conditions, additional quantities of wine may be directed to distillation into potable alcohol.

It is important to bear in mind that the projections are made on a statistical basis. In this context, taking into account the impact of the economic crisis that began in 2008 in the global economy remains an important source of uncertainty.