



2020 WINE PRODUCTION

OIV First Estimates

27.10.2020



After the exceptionally high production of 2018, for the second consecutive year, the world wine production volume is expected to be below average.

Lower than average production volume in the EU, where measures to reduce the harvest volume had a significant impact in Italy, France and Spain notwithstanding the overall favourable climatic conditions.

First harvest forecasts in the **US** indicate volumes **in line with 2019**, but **uncertainty caused by wildfires** might lead to further revisions.

Drop of South America's wine production, especially in Argentina and Chile due to unfavourable weather conditions.

South Africa finally **back to "normality"** after several years of drought.

Australia records a **low harvest due to bushfires** while **New Zealand** shows a **record harvest** volume in 2020.

Abbreviations:

mhl: millions of hectolitres

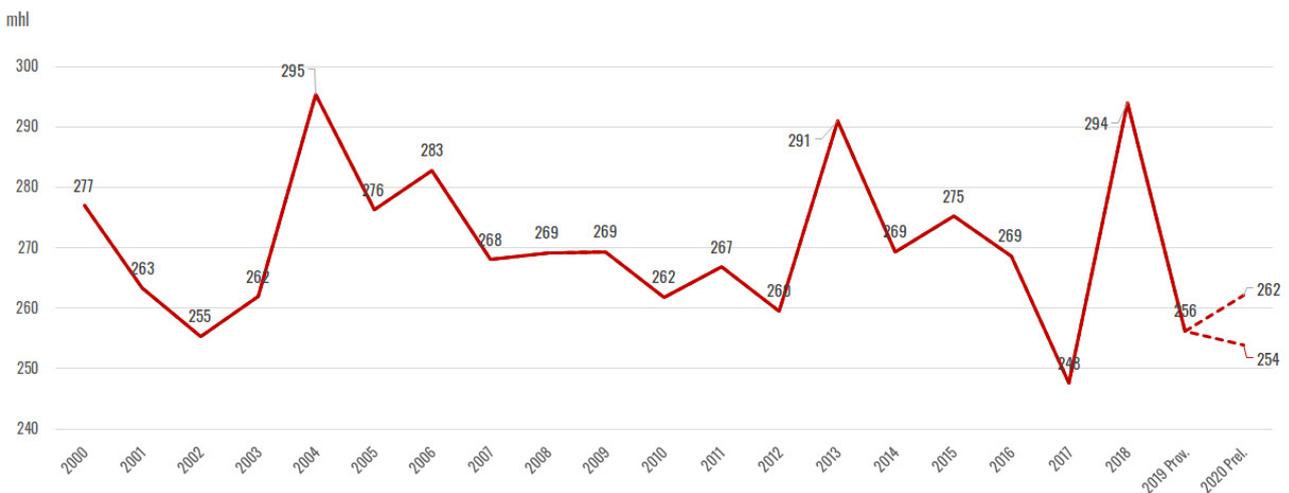


World production

Based on information collected on 30 countries, which represent 84% of the world production in 2019, **2020 world wine production (excluding juices and musts) is estimated between 253.9 and 262.2 mhl, with a mid-range estimate at 258 mhl.**

The 2020 production seems in line with the previous year: +1% compared to 2019. After the exceptionally high production of 2018, first estimates on 2020 show for the second consecutive year a production volume that can be defined as **below average**. This is not necessarily to be considered as bad news for the wine sector given the current context where geopolitical tensions, climate change and covid-19 pandemic are generating a high degree of volatility and uncertainty in the global wine market.

Figure 1 – World wine production volume (excluding juices and musts), 2000-2020





Northern hemisphere

The harvest in the Northern Hemisphere takes place normally between August and October. As for the 2020 harvests, they were not strongly affected by lockdown measures to mitigate the Covid-19 pandemic, in contrast with the vine cultivation period in springtime (April to July).

2.1 European Union

In the **European Union (EU)**, good weather conditions favoured a potentially large 2020 harvest; albeit, that has been limited by different measures at both, the government and producers' association levels aiming at mitigating the (direct and indirect) negative impacts of the Covid-19 pandemic on the global wine market. The production volume this year is estimated at **159.0 mhl** (excluding juices and musts), about 5% more than in 2019. This volume shows an annual increase of 7 mhl compared with 2019.

Overall preliminary estimates for 2020 wine production in EU countries indicate a much more heterogenous situation compared with the previous years.

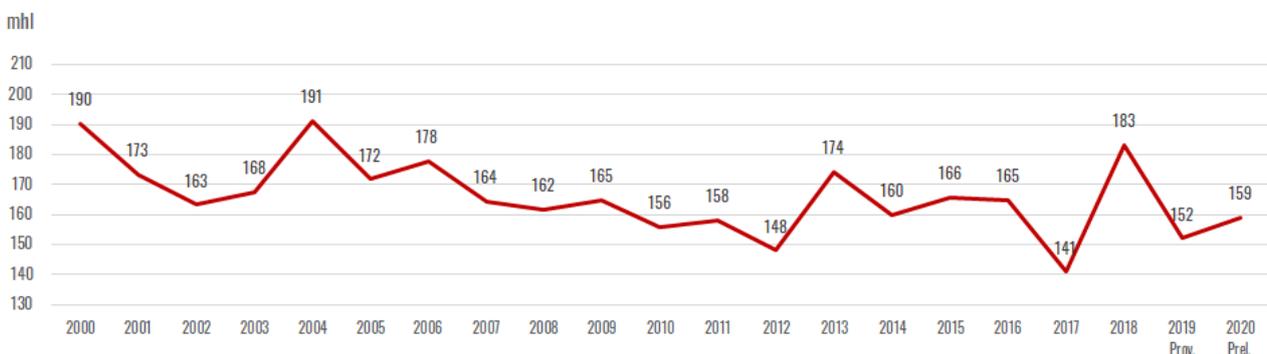
An example is given by the three largest producing countries where, with respect to 2019, there is a drop of -1% in **Italy (47.2 mhl)**, a slight increase of 4% in **France (43.9 mhl)** and a large rise of more than 11% in **Spain (37.5 mhl)**. It should be noted however, that all three countries, which together account for 49% of the world wine production and 81% of the EU wine production, show preliminary levels of production for 2020 that are lower or just below their last five-year averages.

This is the result of a combination of overall favourable weather conditions during spring and summer and the application of regulation measures. The EU wine Common Market Organisation provides subsidies to regulate volumes, such as green grape harvesting aids. Also, in certain Italian, French and Spanish regions, wine makers decided to fix the vinified volumes at a level inferior to that of 2019 because of the drop in demand on the global wine market.

A positive growth with respect to 2019 is recorded also in other large EU wine producing countries such as **Germany (8.9 mhl, +8%/2019)**, **Hungary (2.9 mhl, +22%/2019)** and **Austria (2.7 mhl, +10%/2019)**. These show production levels that are in line or even above their last five-year averages.

Portugal, with **6.5 mhl** in 2020, is in line with its 2019 production and with its last five-year average, while countries such as **Romania (3.6 mhl)** and **Greece (2 mhl)** show a negative variation with respect to both 2019 (-7% and -2% respectively) and their last five-year averages (-12% and -17% respectively).

Figure 2 – Wine production in the EU27 (excluding juices and musts), 2000-2020



**Table 1: Wine production (juice and musts excluded) in EU Countries**

<i>Unit: mhl</i>	2015	2016	2017	2018	Prov. 2019	Prel. 2020	20/19 Var. in volume	20/19 Var. in %
Italy	50.0	50.9	42.5	54.8	47.5	47.2	-0.3	-1%
France	47.0	45.4	36.4	49.2	42.1	43.9	1.8	4%
Spain	37.7	39.7	32.5	44.9	33.7	37.5	3.8	11%
Germany	8.8	9.0	7.5	10.3	8.2	8.9	0.7	8%
Portugal	7.0	6.0	6.7	6.1	6.5	6.5	0.0	0%
Romania	3.6	3.3	4.3	5.1	3.8	3.6	-0.3	-7%
Hungary	2.6	2.5	2.5	3.6	2.4	2.9	0.5	22%
Austria	2.3	2.0	2.5	2.8	2.5	2.7	0.2	10%
Greece	2.5	2.5	2.6	2.2	2.0	2.0	0.0	-2%
Bulgaria	1.4	1.2	1.2	1.1	0.9	0.9	-0.1	-7%
Croatia	1.0	0.8	0.7	1.0	0.7	0.7	0.0	-7%
Slovenia	0.6	0.5	0.5	0.9	0.8	0.6	-0.1	-16%
Czech Rep.	0.8	0.6	0.6	0.7	0.5	0.6	0.1	15%
Slovakia	0.3	0.3	0.3	0.4	0.3	0.3	0.0	1%
Cyprus	0.1	0.1	0.1	0.1	0.1	0.1	0.0	2%
Luxembourg	0.1	0.1	0.1	0.1	0.1	0.1	0.0	32%
Malta	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-13%
EU27	166	165	141	183	152	159	7	5%

2.1. Outside EU

In the Northern Hemisphere outside the EU, the 2020 wine production is high in countries like **Russia (4.7 mhl, +2%/2019)** and **Ukraine (1.0 mhl, +1%/2019)**, while **Georgia** and **Moldova** (undergoing drought) have recorded a contraction in production with **1.7 mhl (-3%/2019)** and **1.2 mhl (-18%/2019)** respectively.

Wine production volume in **Switzerland** in 2020 (**0.9 mhl**) is expected to be not only smaller than last year (-10%/2019), but also 8% smaller than the average observed over the last five-year period.

In the **USA**, the preliminary estimate for wine production is at **24.7 mhl (+1%/2019)**. This figure is based on USDA forecasts on the wine-grape harvest, but this figure could be significantly revised in the coming months when more information on the real effects of the

wildfires in Napa and Sonoma will be available, since, complications from fire and smoke taint may prevent part of the grapes from being vinified. Furthermore, the oversupply issue that characterised the last few years might also play a role in wine production decisions.

At this time of the year, data on grapes harvest in **China** is not available. However, wine production is likely to continue the contraction that started in 2016 for structural reasons outlined in the **OIV report on the state of the vitivinicultural sector published in April 2020**.

**Table 2: Wine production (excluding juices and musts) in major countries in the Northern Hemisphere outside EU**

<i>Unit: mhl</i>	2015	2016	2017	2018	Prov. 2019	Prel. 2020	20/19 Var. in volume	20/19 Var. in %
USA*	21.7	23.7	23.3	24.8	24.3	24.7	0.3	1%
China**	13.3	13.2	11.6	9.3	8.3	NA	NA	NA
Russia	5.6	5.2	4.5	4.3	4.6	4.7	0.1	2%
Georgia	1.2	0.9	1.0	1.7	1.8	1.7	-0.1	-3%
Moldova	1.6	1.5	1.8	1.9	1.5	1.2	-0.3	-18%
Ukraine	0.9	1.2	1.0	1.0	1.0	1.0	0.0	1%
Switzerland	0.9	1.1	0.8	1.1	1.0	0.9	-0.1	-10%

* OIV estimate based on USDA harvest data

** OIV estimate based on China NBS and FAO

NA: not available

Southern hemisphere

In the **Southern hemisphere**, where harvests ended in the first trimester of 2020, preliminary figures on wine production tend to be more accurate and reliable in this period of the year. Regarding volumes, a strong decline in wine production is recorded among major producing countries, with a few exceptions. It is worth mentioning that the Covid-19 pandemic spread during the harvesting season, even though this difficulty does not seem to have impacted much, the volumes of production. However, due to unfavourable climatic conditions, the production estimate for 2020 is **49 mhl**, which is -8% with respect to 2019.

South America is the region in the Southern Hemisphere that registers a sharper decrease with respect to the production level of 2019. In **Argentina**, 2020 wine production drops significantly to **10.8 mhl** (-17%/2019 and -13%/ the last five-year average) due to the unfavourable weather conditions caused by El Niño. **Chile**, with **10.3 mhl**, records a 13% decline with respect to 2019 mainly due to drought.

Brazil has an estimated wine production volume of **2.2 mhl** in line with last year a level that is 15% lower than its five-year average.

In **South Africa**, where drought significantly impacted harvests in 2018 and 2019, wine production in 2020 is estimated at **10.4 mhl**, thus, levelling up, back to normality.

In Oceania, **Australia** registers a strong decline in wine production volume in 2020, at **10.6 mhl** (-11% compared to 2019 and -16% with respect to its last five-year average). This can be partly explained by a combination of factors that reduced the production volume: the drought reduced the yields, bushfires took place during the harvesting season, and some of the grapes were particularly affected by smoke taint. In **New Zealand**, wine production shows an opposite trend with respect to Australia and for the fourth year in its history produces more than 3 mhl, precisely **3.3 mhl** in 2020 (+11%/2019 and +15% compared to its last five years' average).



Figure 3 – Wine production in the Southern Hemisphere (excluding juices and musts), 2000-2020

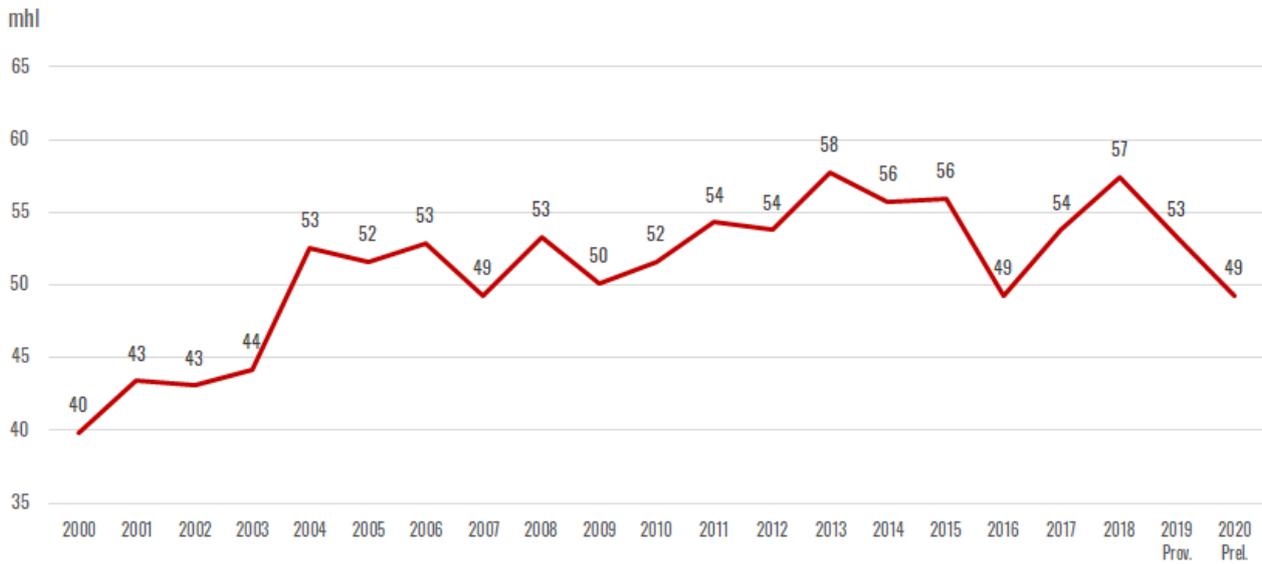


Table 3: Wine production (excluding juices and musts) in major countries in the Southern Hemisphere

Unit: mhl	2015	2016	2017	2018	Prov. 2019	Prel. 2020	20/19 Var. in volume	20/19 Var. in %
Argentina	13.4	9.4	11.8	14.5	13.0	10.8	-2.2	-17%
Australia	11.9	13.1	13.7	12.7	12.0	10.6	-1.3	-11%
South Africa	11.2	10.5	10.8	9.5	9.7	10.4	0.7	7%
Chile	12.9	10.1	9.5	12.9	11.9	10.3	-1.6	-13%
New-Zealand	2.3	3.1	2.9	3.0	3.0	3.3	0.3	11%
Brazil	2.7	1.3	3.6	3.1	2.2	2.2	0.0	0%
Uruguay	0.7	0.8	0.7	0.7	0.6	0.7	0.1	20%
Southern Hemisphere	56	49	54	57	53	49	-4.0	-8%



Note for editors:

- The OIV is the intergovernmental organisation of a scientific and technical nature of recognised competence for its work concerning vines, wine, wine-based beverages, table grapes, raisins and other vine-based products. It is composed of 47 Member States.
- In the framework of its competence, the objectives of the OIV are as follows:
 - to inform its members of measures whereby the concerns of producers, consumers and other players in the vine and wine products sector may be taken into consideration;
 - to assist other international organisations, both intergovernmental and non-governmental, especially those that carry out standardisation activities;
 - to contribute to international harmonisation of existing practices and standards and, as necessary, to the preparation of new international standards in order to improve the conditions for producing and marketing vine and wine products, and to help ensure that the interests of consumers are taken into account.

*Abbreviations:
mhl: millions of hectolitres

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