

# The German Wine Market

**Prof. Dr. Dieter Hoffmann,**

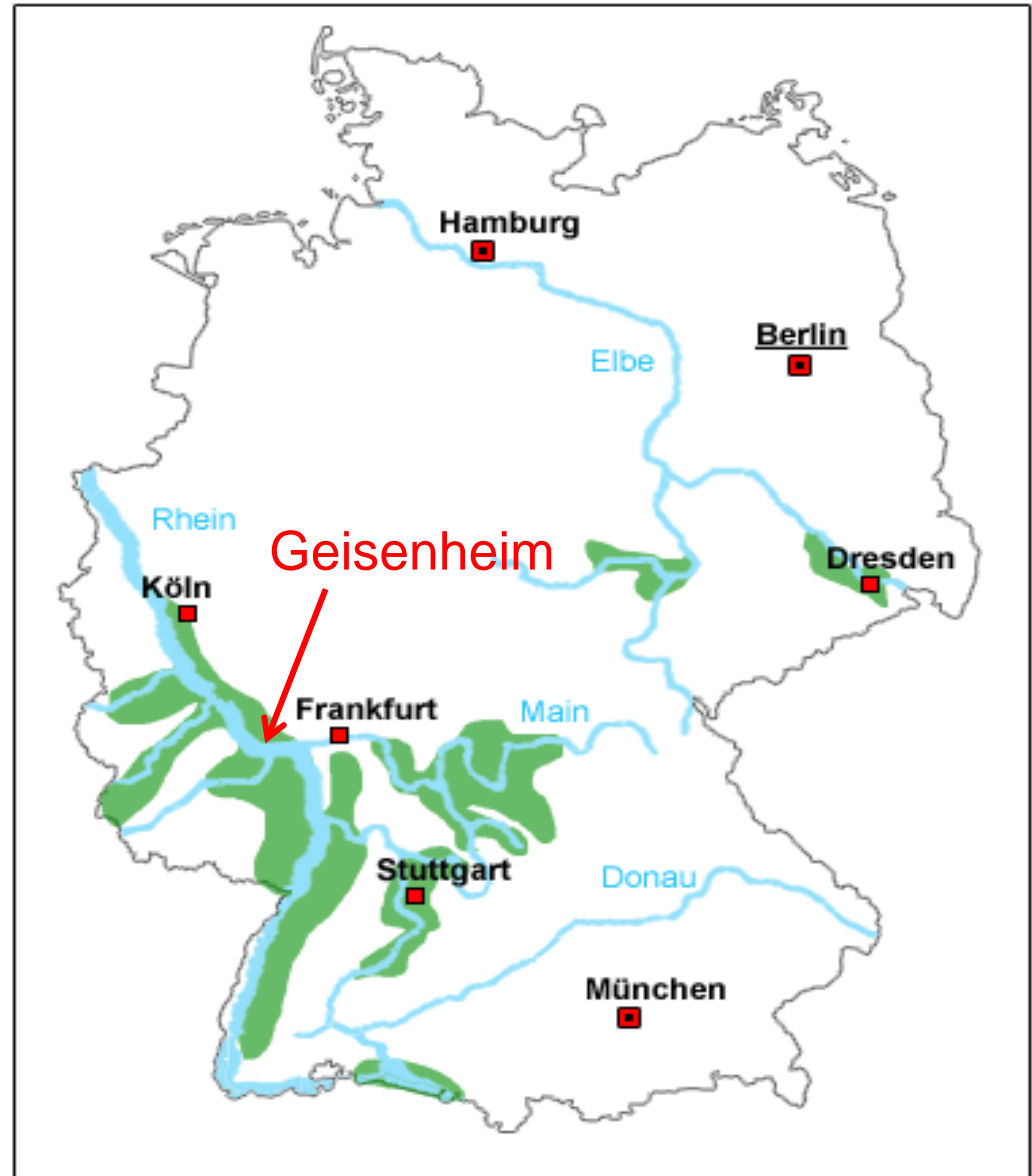
**Geisenheim University, 2014**

# Agenda:

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- Wine market
- Import
- Export
- Structure (production, bottling)
- Distribution
- Margins, costs
- Consumer behavior
- Summary

**location of  
wine regions  
in Germany**



# **Wine Market**

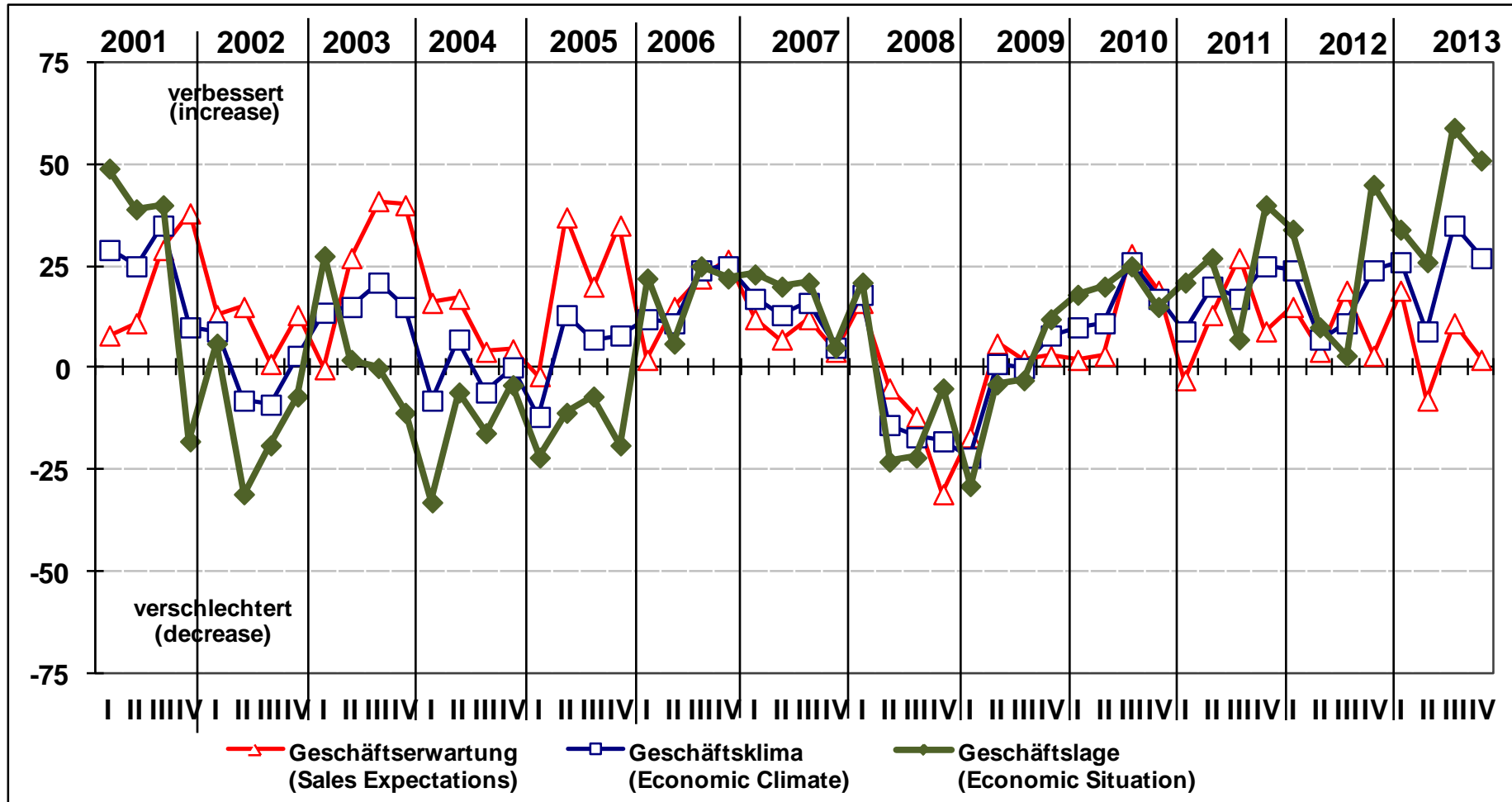
# German wine market is ...

- Nr. 1 by imports 16 Mio. hl
- Nr. 1 by sparkling wine consumpt. 4 l / head
- Nr. 4 by total wine consumption 20 – 21 Mio. hl
- Nr. 10 by wine production 9,5 Mio. hl
- turnover retail level 7,0 Bill. €

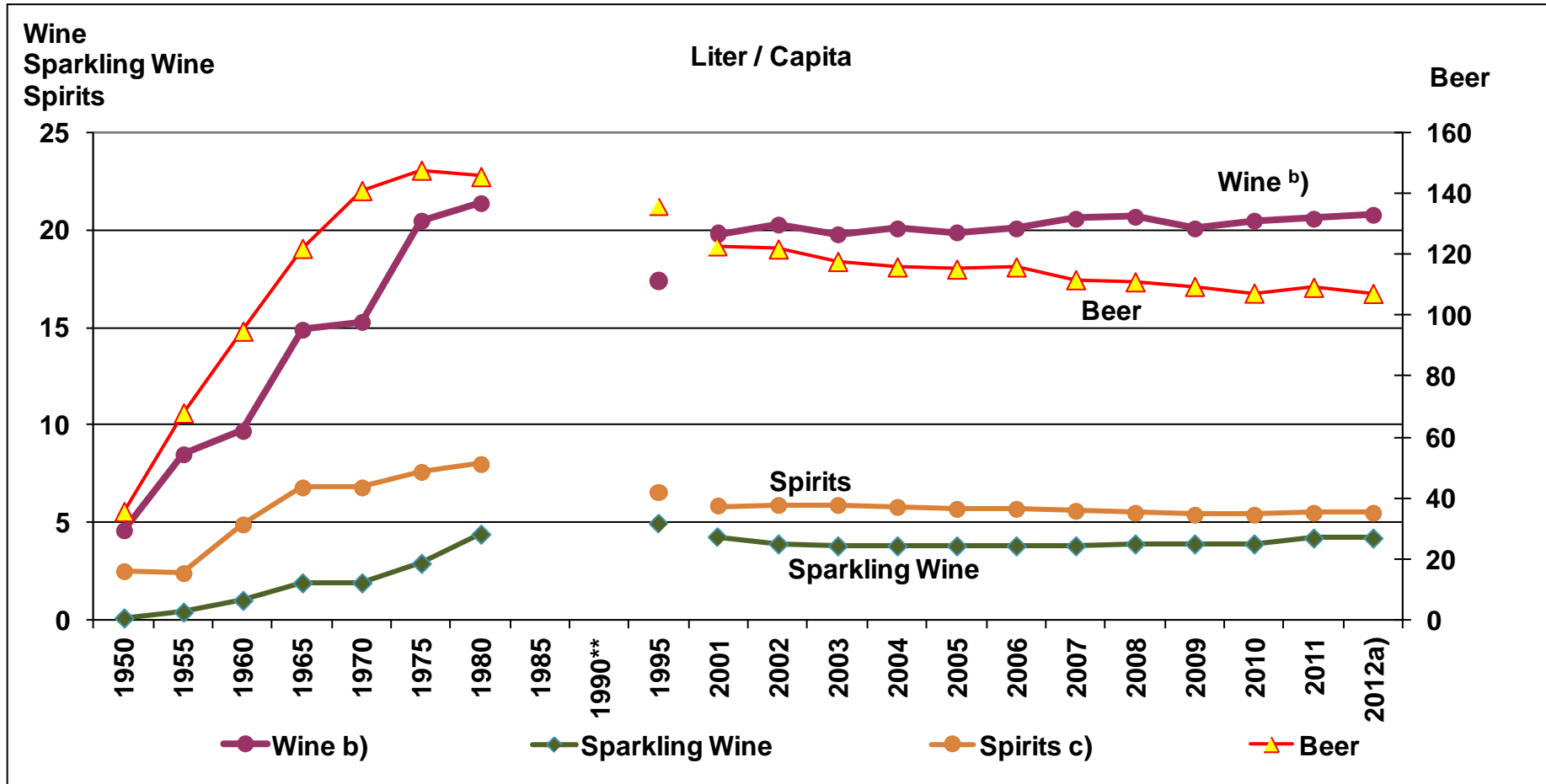
No wine tax (= EU wine tax: 0), only VAT,  
no limitation on trade: **liberal**

# Economic situation in the German wine business

... change to the previous year, Saldo +/- in %, Questionnaire from 150-200 companies, 1,5-1,8 Bill. €



# Consumption of alcoholic beverages in Germany



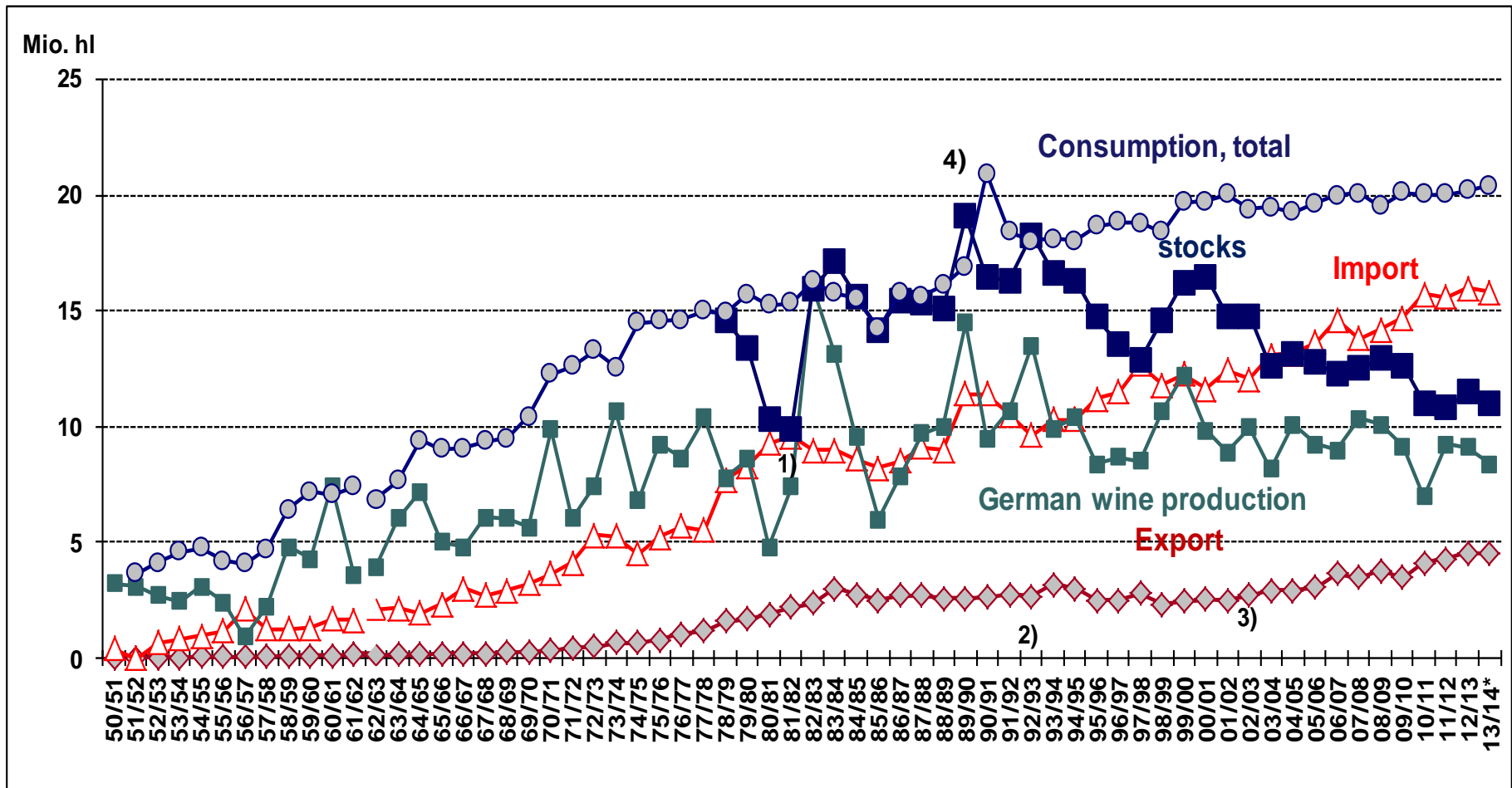
\*) Vorläufig, a) Schätzung. - b) Einschl. Wermut- und Kräuterwein (ohne Schaumwein); c) einschl. Spirituosen-Mischgetränke

\*\* bis 1990 nur BRD, ab 1995 Deutschland gesamt,

Source: ifo Institut und M. Breitenacher (auf der Grundlage von Daten der Branchenverbände).

# Wine- and sparkling wine market (total) in Germany

Wine Production , Stocks, Export, Import, Consumption in Mio. hl



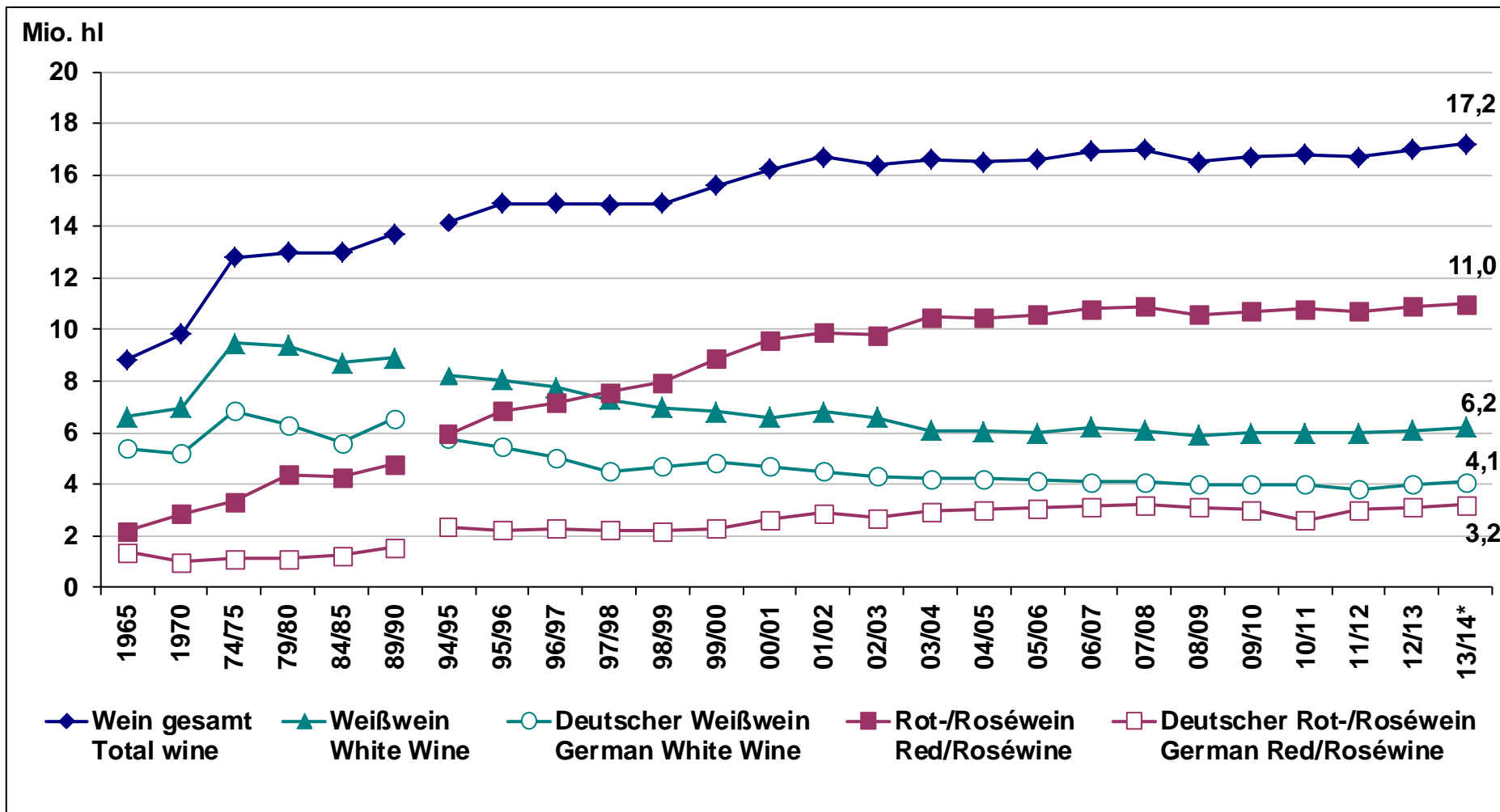
1) Wirtschaftsjahre 1.9. – 31.8.; 2) ab 1990/ einschl. der neuen Bundesländer; 3) ab der Periode 00/01 erstreckt sich das Wirtschaftsjahr vom 1.8. bis 31.7. , 4) Umstellungseffekt durch Einführung des Binnenmarktes

Source: Weinmarktbericht des Deutschen Weinbauverbandes und des Statistischen Bundesamtes, \* estimation



# Still wine consumption

## by color and origin

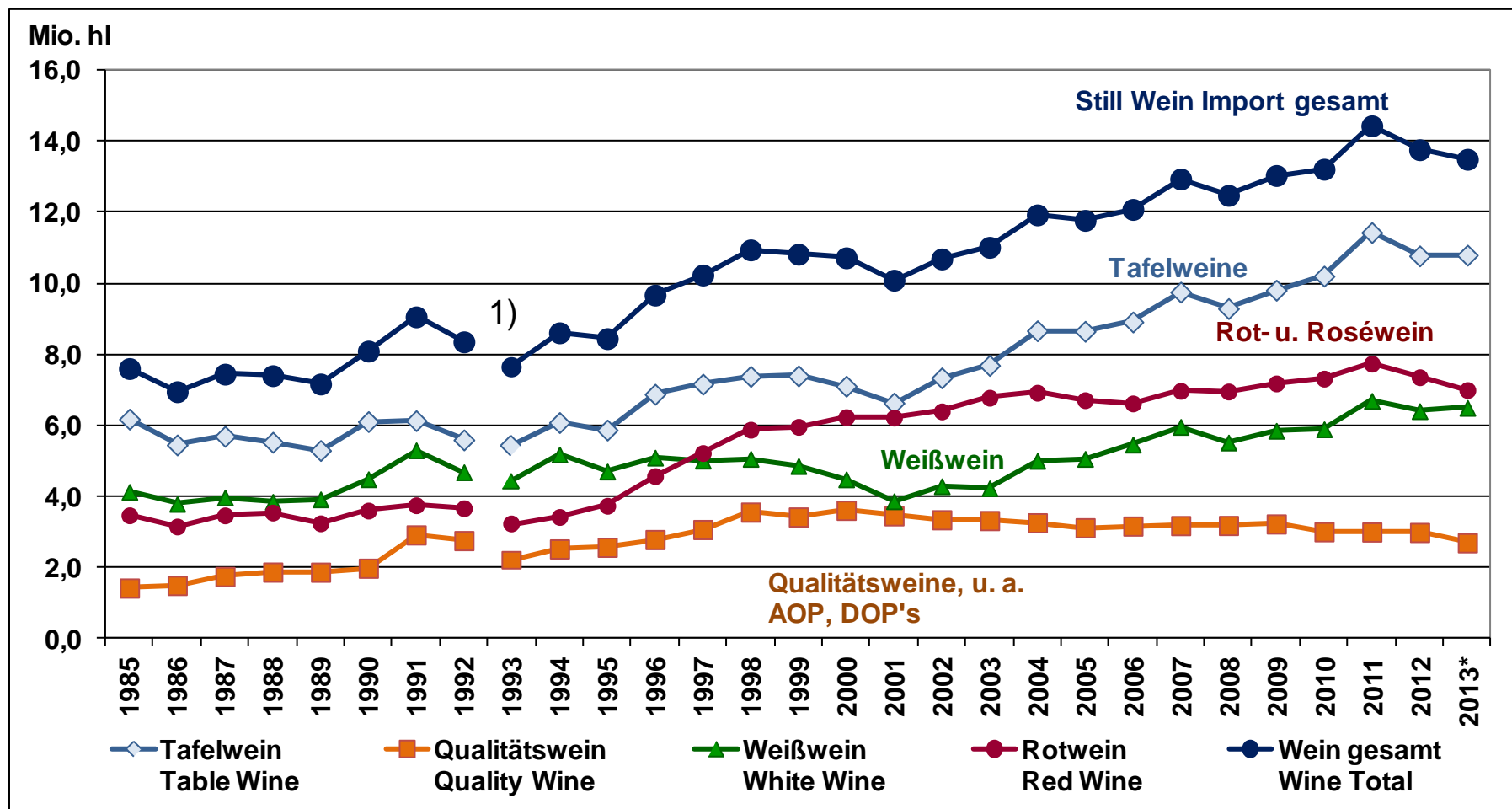


1) bis 1990 BRD, ab 1994/95 Deutschland gesamt,

Source: eigene Berechnungen und Daten der Weinmarktbalanz des Deutschen Weinbauverbandes und \* Schätzung

# Import of wine to Germany

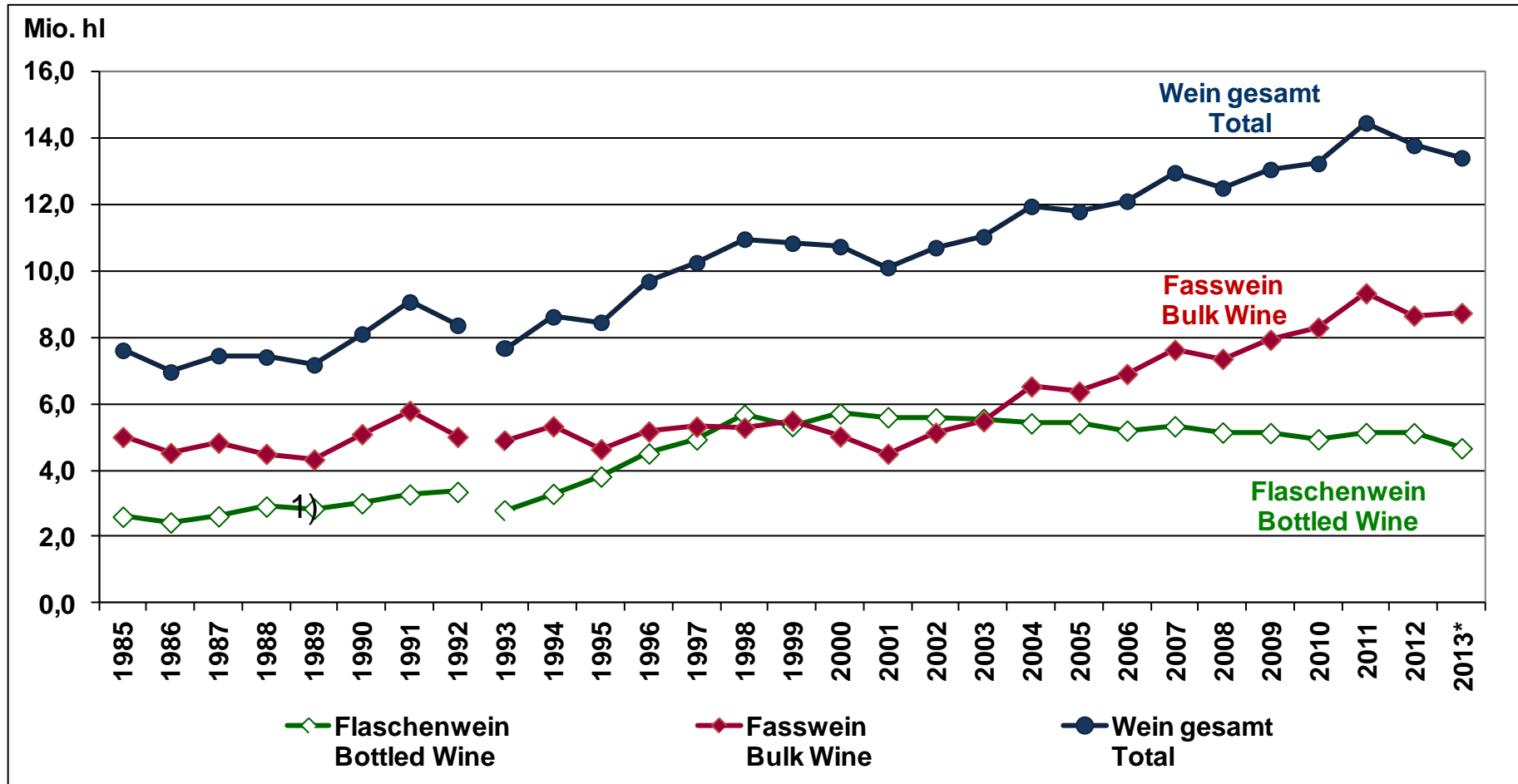
# Wine import to Germany: categories (Volume)



1) Umstellungseffekt der statistischen Erfassung durch den Wegfall der Importformalitäten an den Grenzen (nach Einführung des Binnenmarktes).

Source: Statistisches Bundesamt, Außenhandel, Fachserie 7 und \* Schätzungen

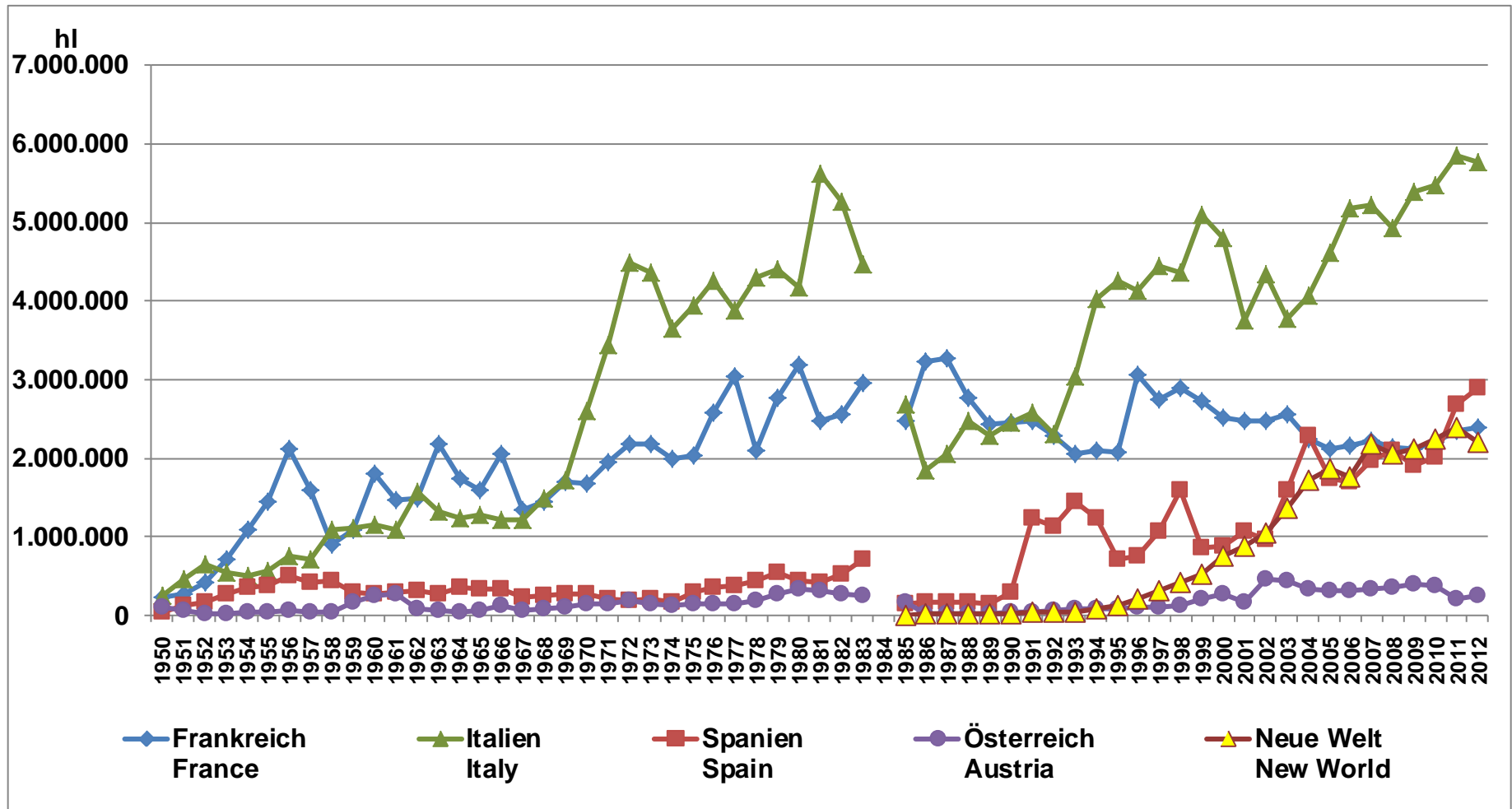
# Wine import to Germany: (Volume) in bottles and bulk



1) Umstellungseffekt der statistischen Erfassung durch den Wegfall der Importformalitäten an den Grenzen (nach Einführung des Binnenmarktes).

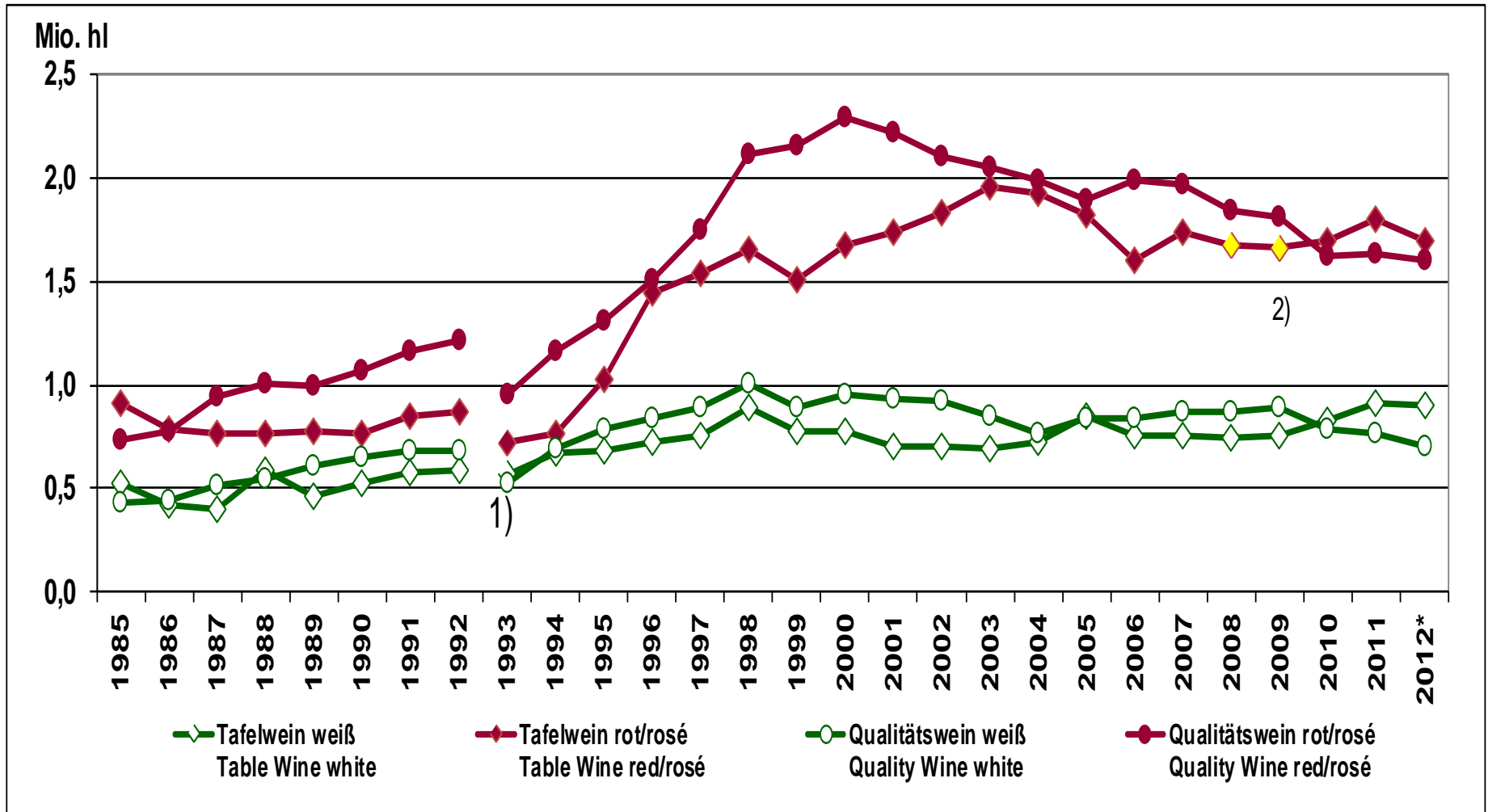
Source: Statistisches Bundesamt, Außenhandel, Fachserie 7 und \* Schätzungen

# Wine import to Germany: countries (volume)



Source: Quelle: Statistisches Bundesamt, Außenhandel, Fachserie 7

# Import of bottled wines to Germany (volume)

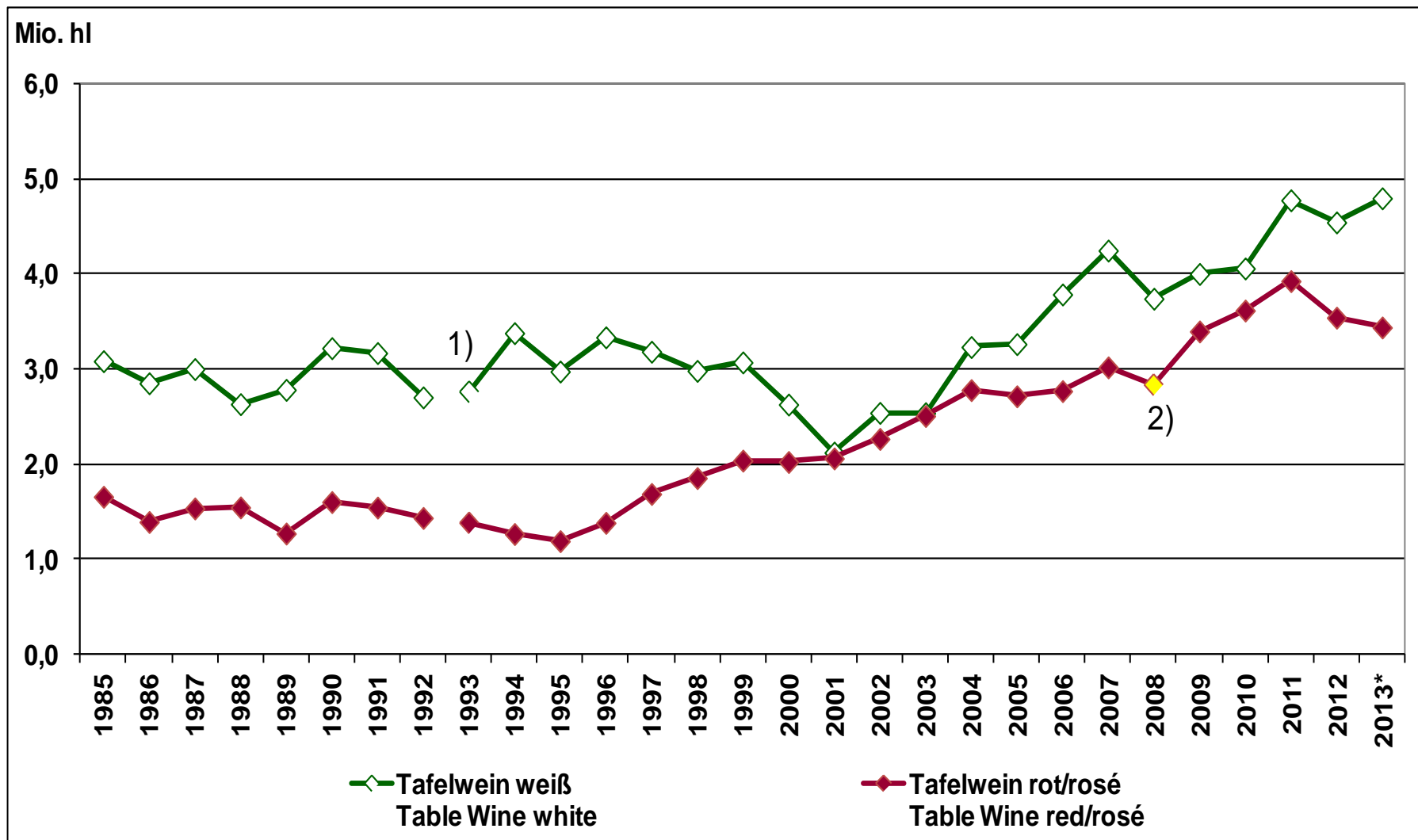


1) Umstellungseffekt der statistischen Erfassung durch den Wegfall der Importformalitäten an den Grenzen (Einführung des Binnenmarktes).

2) geschätzter Wert aufgrund erforderlicher Korrekturen wegen falscher Zuordnung bei Meldungen.

Source: Statistisches Bundesamt, Außenhandel, Fachserie 7, \* Schätzungen

# Import of bulk wines to Germany (volume)

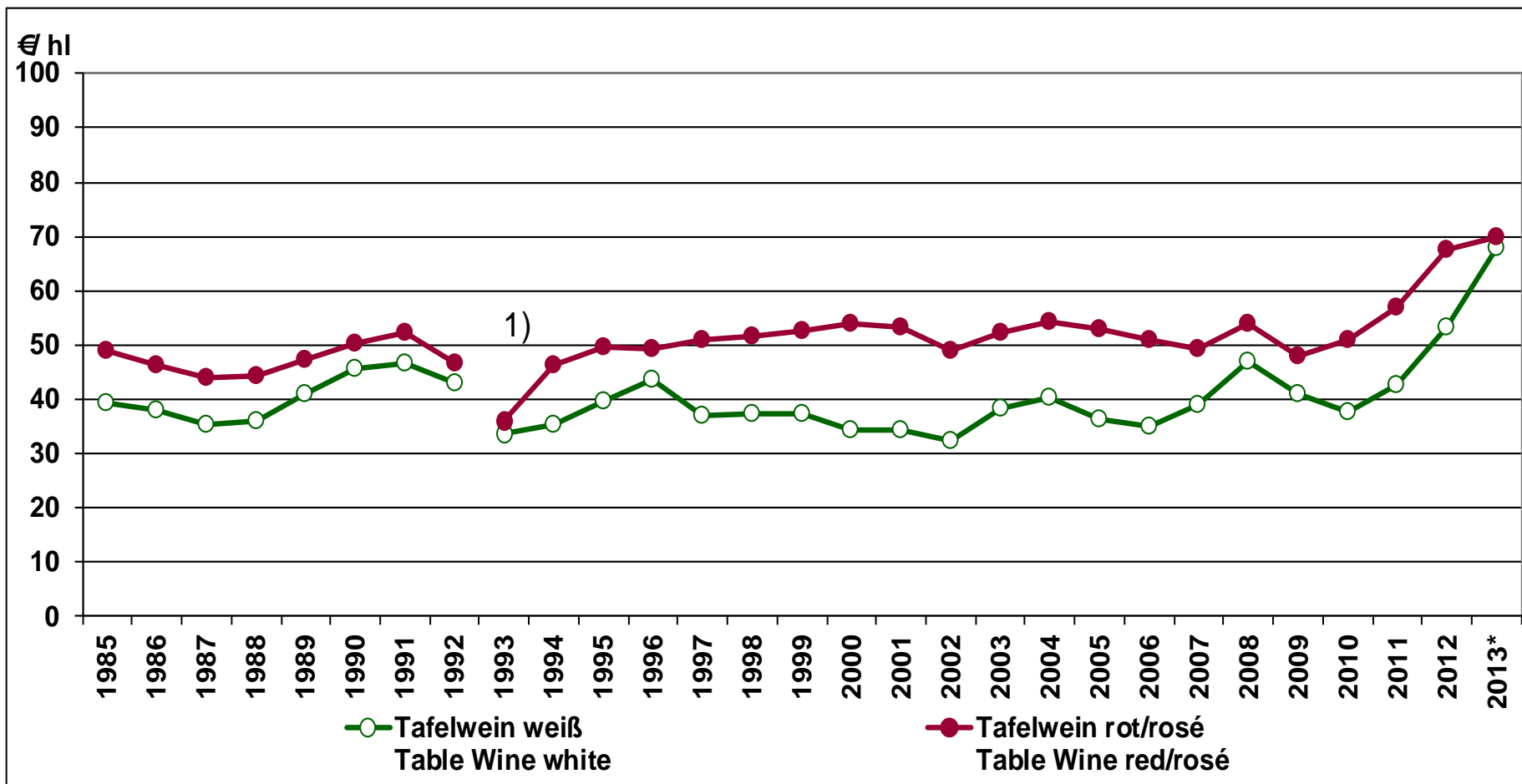


1) Umstellungseffekt der statistischen Erfassung durch den Wegfall der Importformalitäten an den Grenzen (Einführung des Binnenmarktes).

2) geschätzter Wert aufgrund erforderlicher Korrekturen wegen falscher Zuordnung bei Meldungen.

Source: Statistisches Bundesamt, Außenhandel, Fachserie 7; \* estimation

# Import of bulk wines to Germany (value/l)

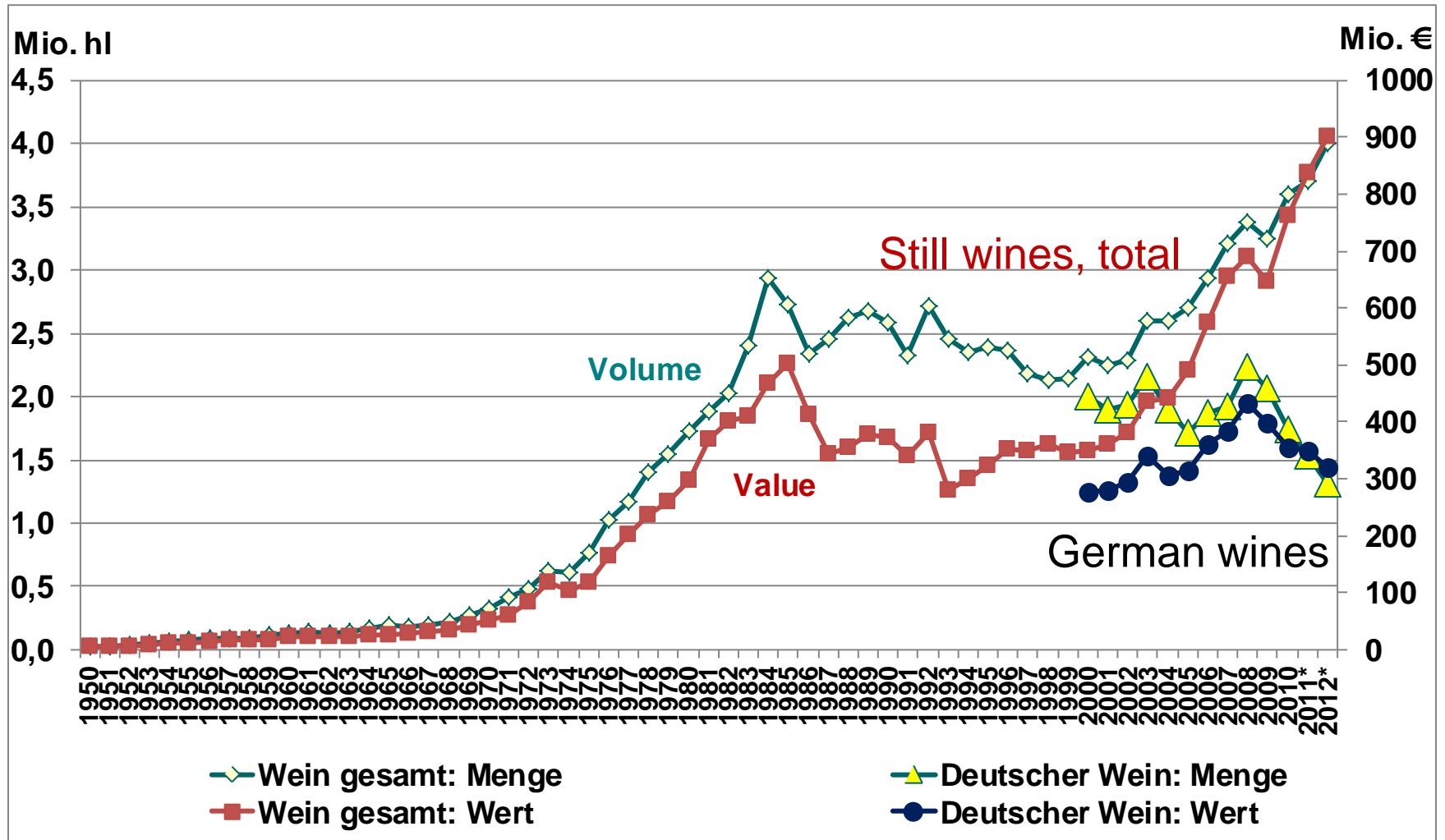


1) Umstellungseffekt der statistischen Erfassung durch den Wegfall der Importformalitäten an den Grenzen (Einführung des Binnenmarktes).



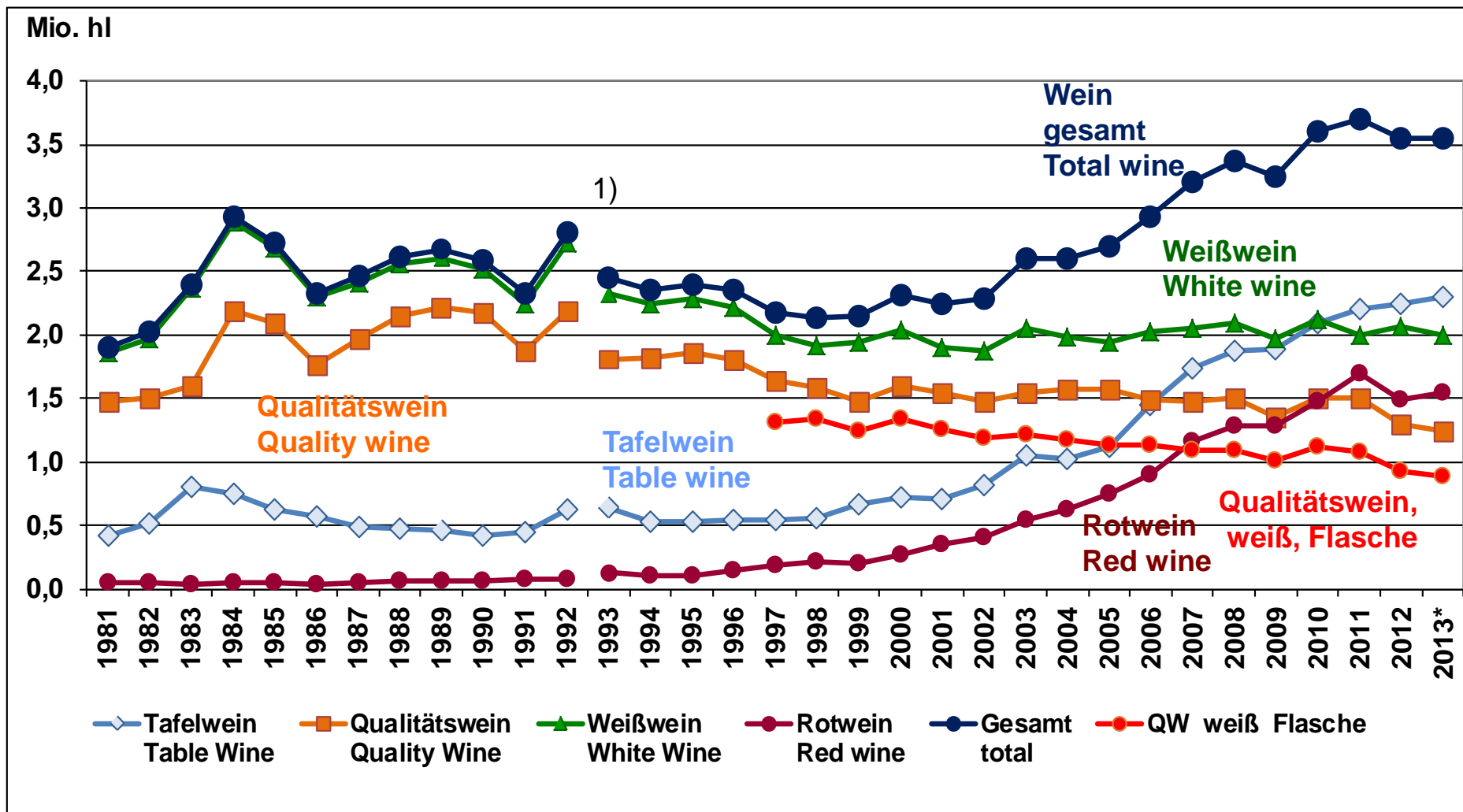
# Export of wine from Germany

# Export of wine from Germany (Volume und Value)



Source: Statistisches Bundesamt, Außenhandel, Fachserie 7 und \* vorläufige Daten

# Wine export from Germany (volume)



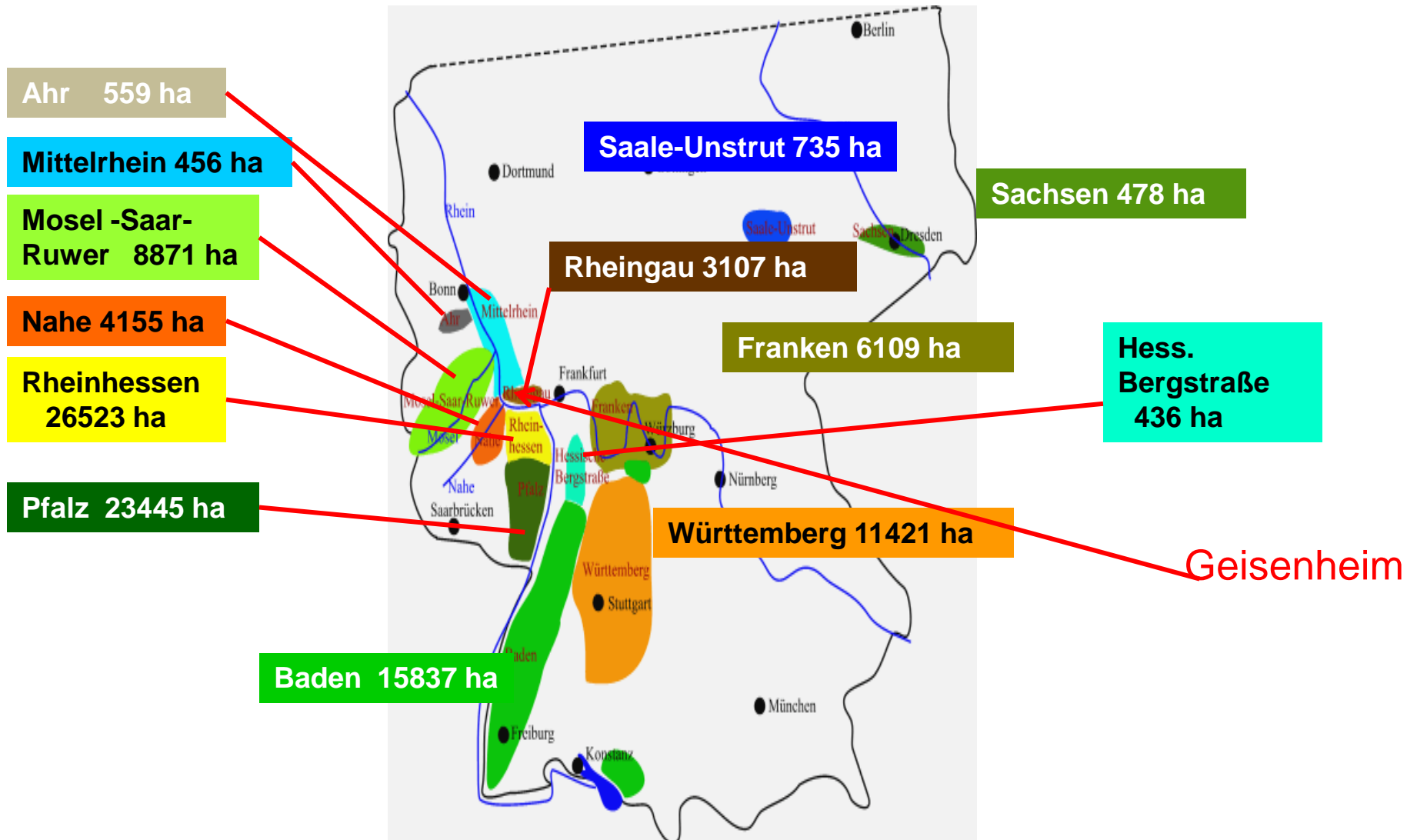
(nach Einführung des Binnenmarktes).

Source: Statistisches Bundesamt, Außenhandel, Fachserie 7 und \* estimation

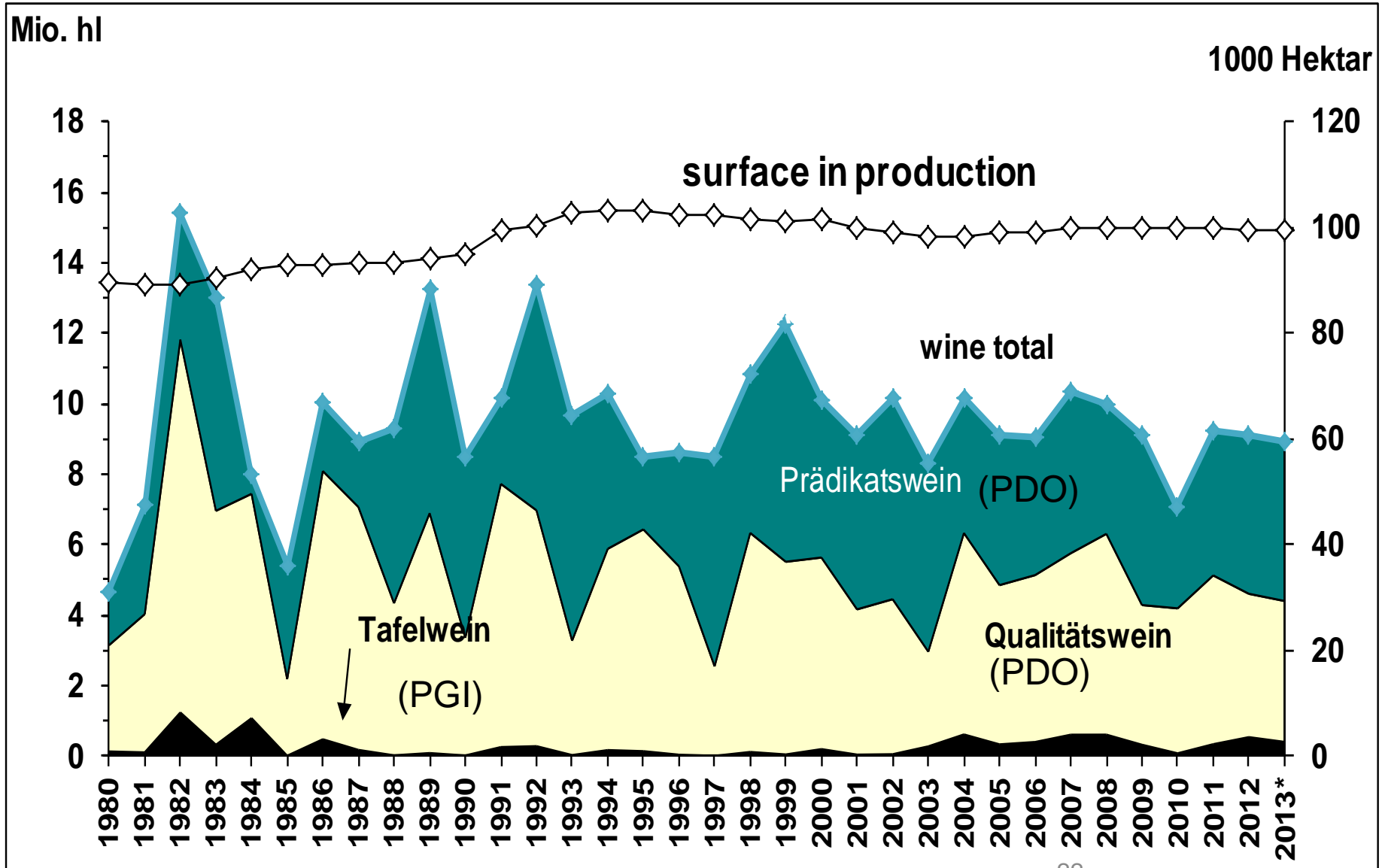
# Structure of the wine industry in Germany

# Wine regions in Germany:

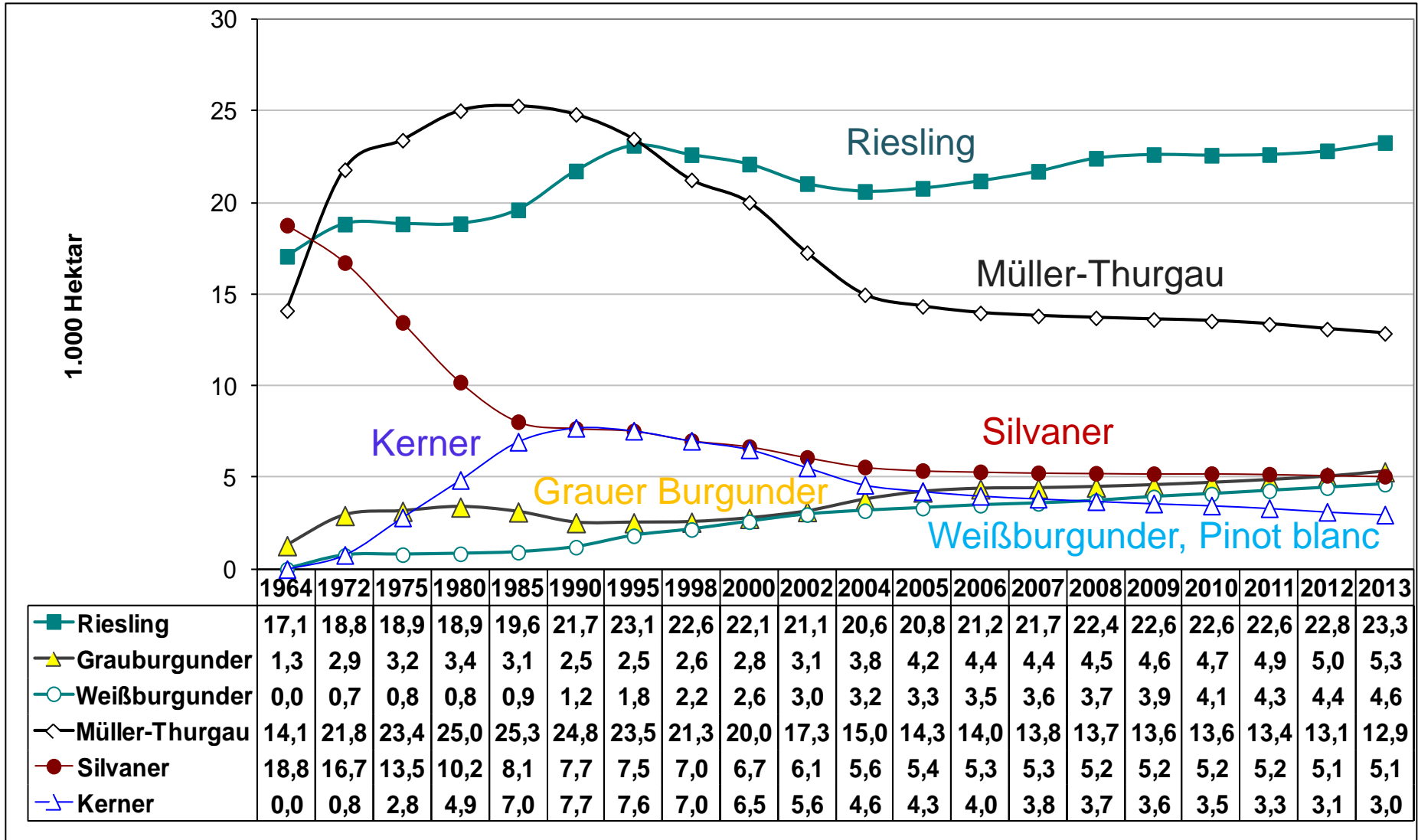
total acreage under vine (in ha) 102 200



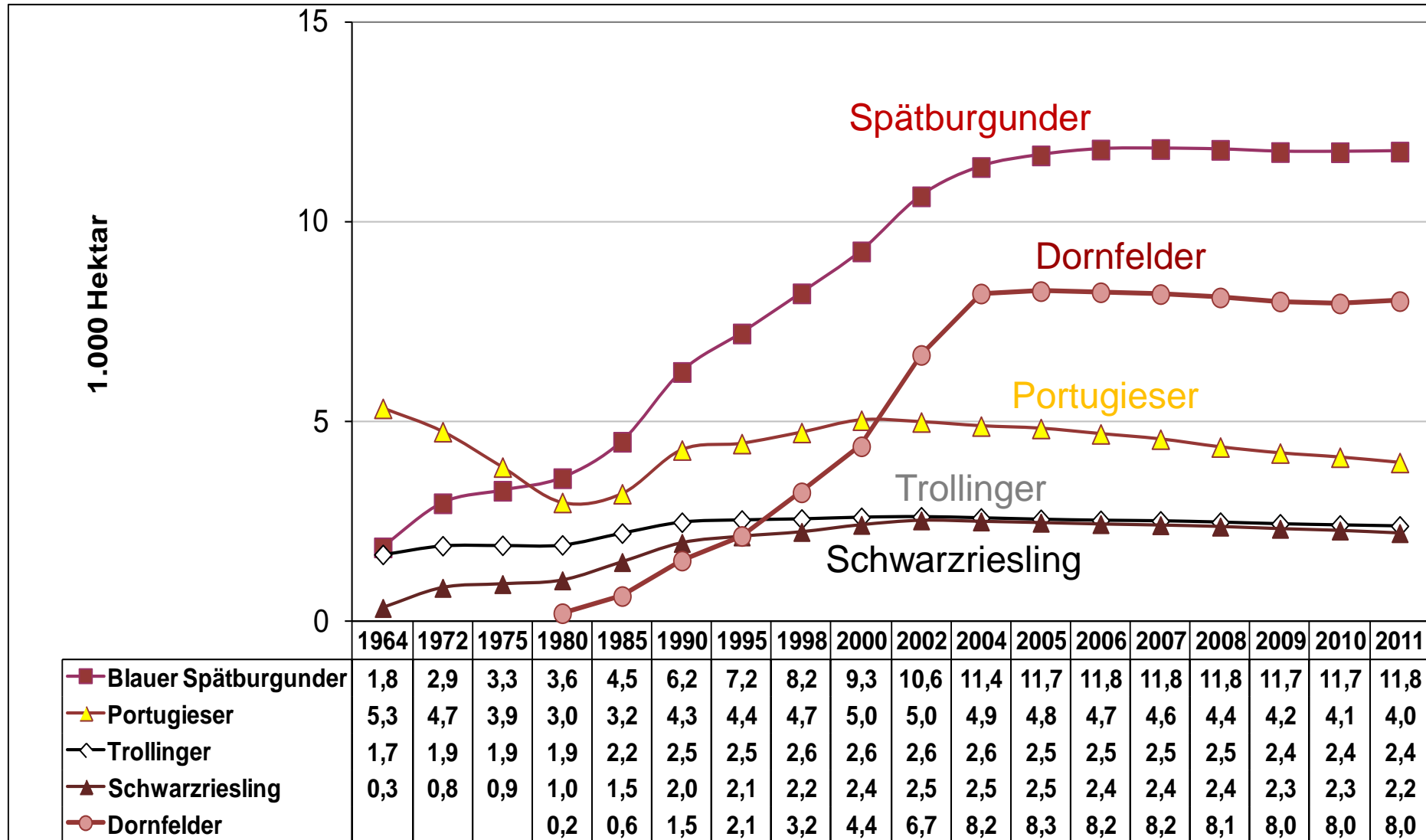
# Key figures of the wine production



# Development of the cultivated grape surface for white wine varieties in Germany



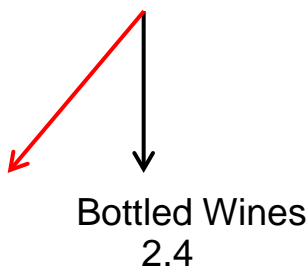

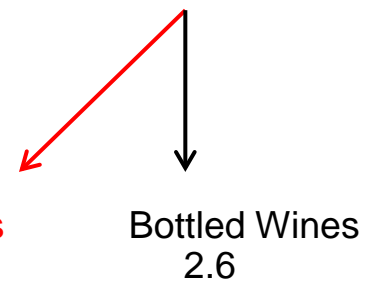
# Development of the cultivated grape surface for red wine varieties in Germany





# Structure of the wine production in Germany

**Cultivated Grape Area** : 98 000 ha in production  
**Wine Production (2013)** : 9.2 Mio. hl on Average (2010: 6.9)  
**Wine Growers** : 26.000 > 0.3 ha (+ 30 000 < 0.3 ha)

<p><b>Wine Cooperatives</b>                      (With own vinification and bottling)                      Number: 111                      Members: ca. 49 000</p> <p>Surface under vine: 32 000 ha</p> <p>Production: 2.8 Mio. hl</p> <p><u>Sales (Mio. hl):</u></p>  <p>Bulk wines 0.4      Bottled Wines 2.4</p>	<p><b>Wine Growers with Bulk Wine</b>                      Number: ca. 10 000</p> <p>Surface under vine: 36 000 ha</p> <p>Production: ca. 3.4 Mio. hl</p> <p><u>Sales (Mio. hl):</u></p>  <p>Bulk wines 3.4</p>	<p><b>Wine Estates Selling Bottled Wines</b>                      Number: ca. 8 000</p> <p>Surface under vine: ca. 30 000 ha</p> <p>Production: 3.0 Mio. hl</p> <p><u>Sales (Mio. hl):</u></p>  <p>Bulk wines 0.4      Bottled Wines 2.6</p>
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# Distribution of wine in Germany

# Structure of wine bottling in Germany

## Import

Bulk Wine 8.5

## Sparkling Wine

Export: 0.4  
Import: 0.85

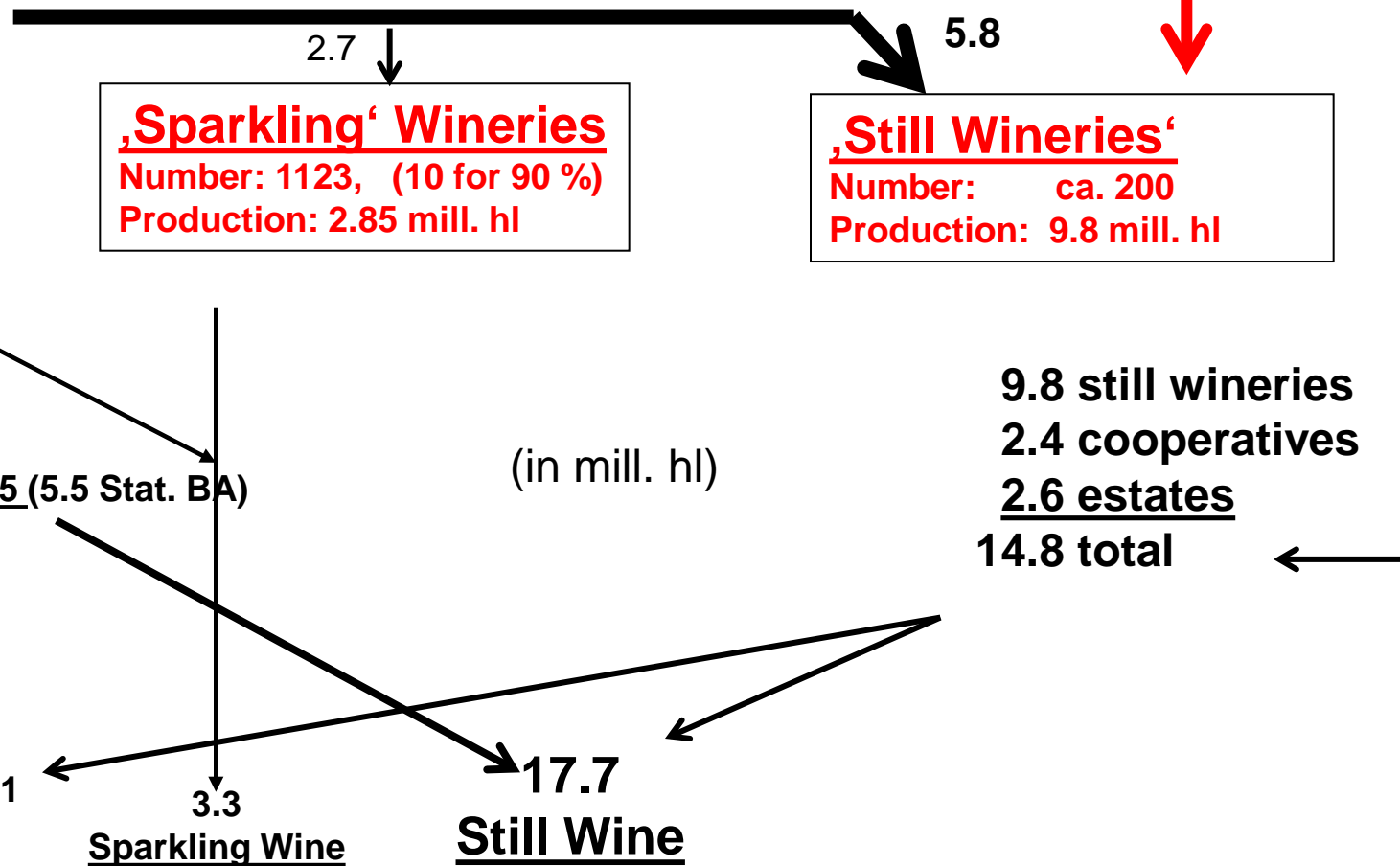
Bottled Wine 6.5 (5.5 Stat. BA)  
(Pearl Wine 0.7)

## Export

Bulk Wine: 0.5  
Bottled Wine: 3.1

German bulk wine: 0.2:

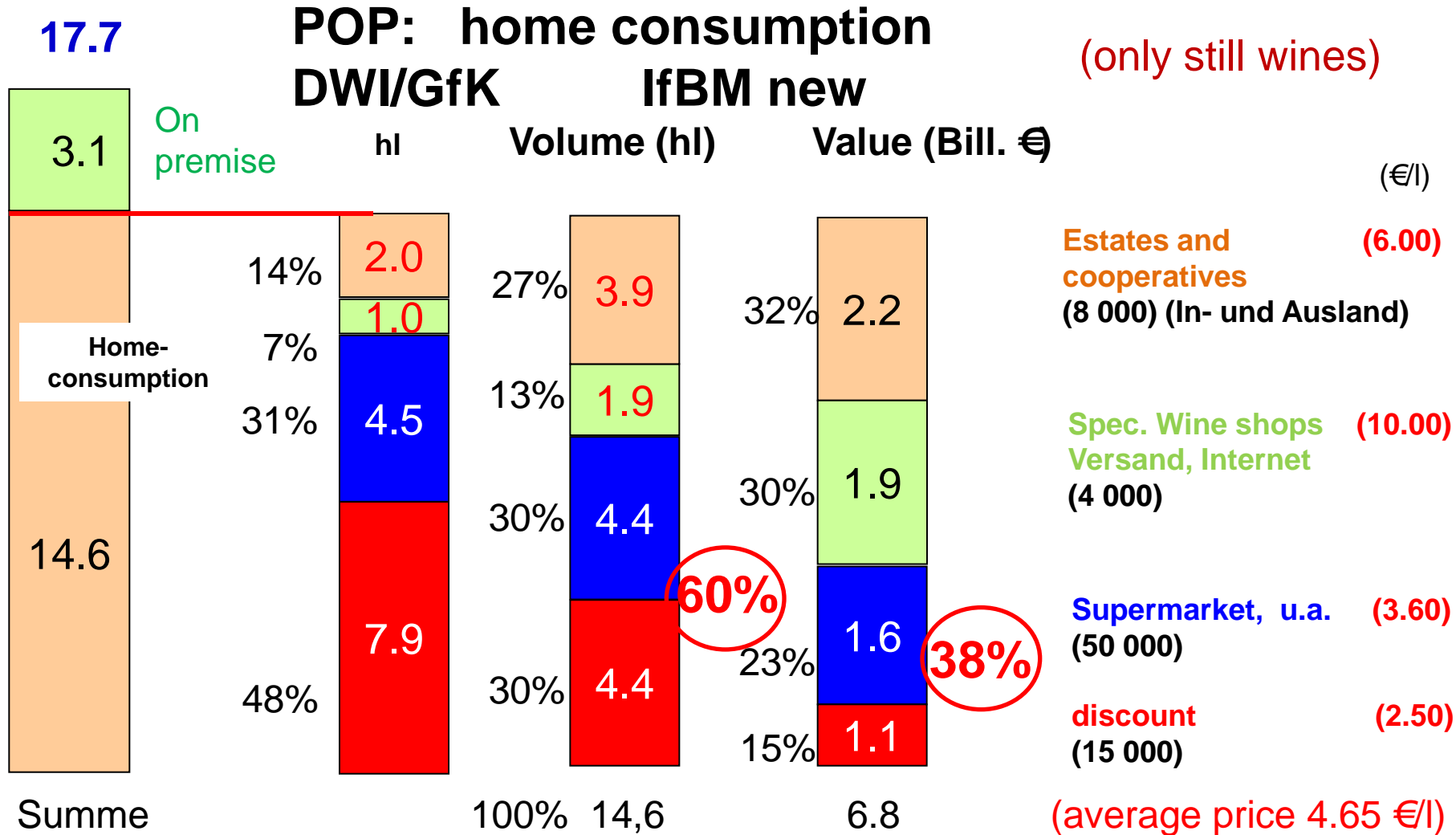
German bulk wine: 4.0:



**Total 21.0 mill. hl**

# POP structure of the German wine market 2013

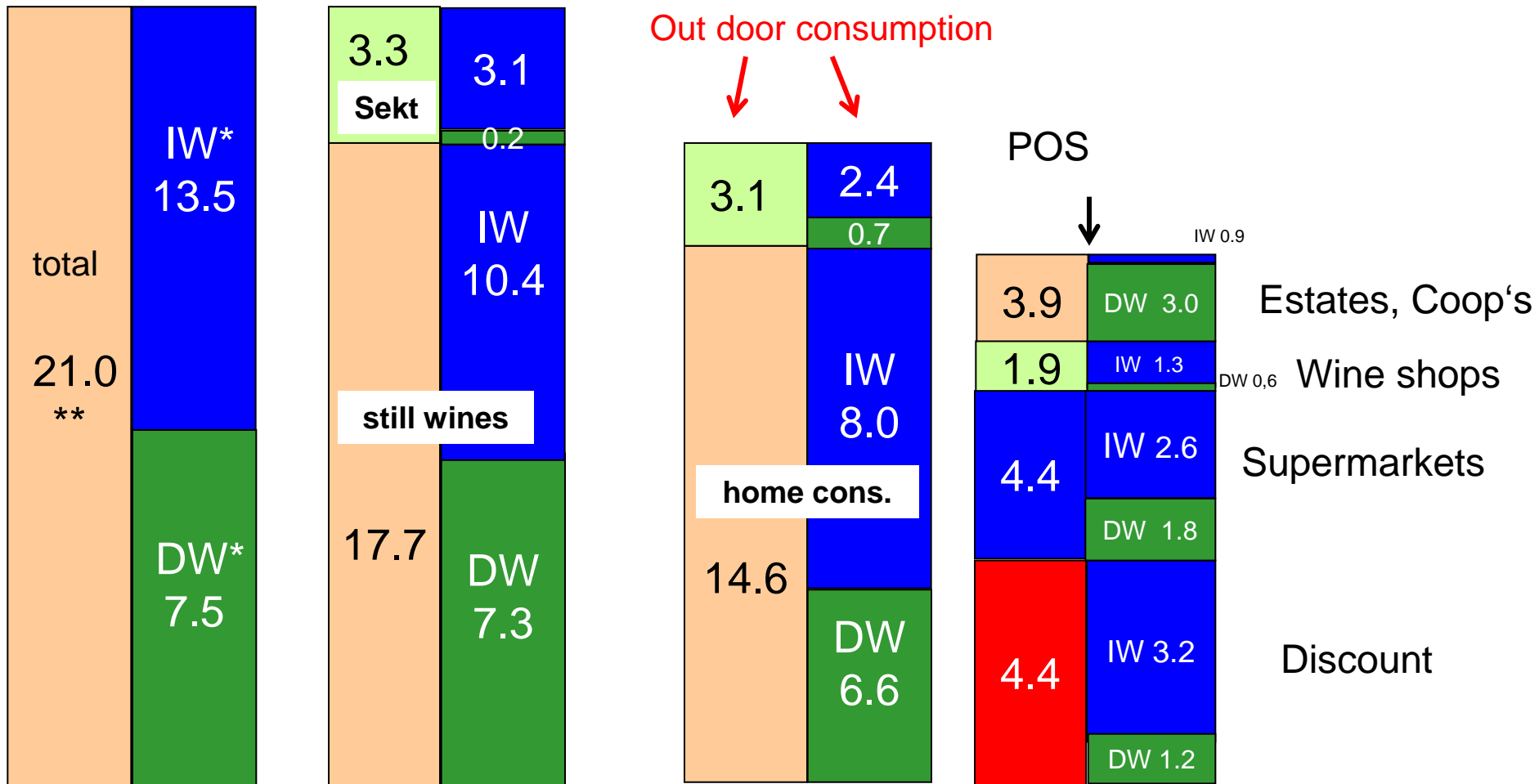
(Volume in Mill. hl, (%), Value in Bill. €)



Source: DWI / GfK (2014) and G. Szolnoki, D. Hoffmann (2014)

Neue Weinkunden-Segmentierung, Geisenheim

# German and imported Wines 2013 in the German wine market (in mill. hl)



• IW = imported wines, DW = German wines      \*\* estimated total consumption, incl. not official reported private imports

# Structure of the wine trade in Germany

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- 14 000 discounters
- 10 500 super / hypermarkets
- 4 000 wine shops; 70 % individuals
- 50 000 restaurants with wine, 90 % individuals
- 8 000 wine estates (direct marketing)
- 111 wine cooperatives (direct marketing)
- Large number of offers by (e)-mail services (internet)

# Margins and costs in Germany

# Margins in the wine trade in Germany

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- Discounter 10-20 % of the retail price
- Super / Hypermarkets 25-35 % of the retail price
- Wine shops 35-50 % of the retail price
- Restaurants 70-80 % of the rest. price
- Whole saler 15-25 % of wholes. price
- Agents 2-20 % of price



# German wine drinkers ...

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- are open-minded about the origin of wines,
- are surfing through the offers on the shelf,
- make their choice first by taste,
- are price-sensitive, but not price-fixed,
- choose their P.o.P. depending on occasions
- love wine drinking.

# Summary:

## the German wine market is ...

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- highly attractive because of increasing demand,
- very competitive on quality, price and promotion,
- very complex through a large diversity of channels,
- open-minded about wines from all over the world,
- free of wine- and other taxes, excl. 19 % VAT,
- strictly quality-managed.

## Summary:

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- Wine market is still growing
- German wines compete with cheap bulk wines from all over the world
- German whites and reds are on success
- The premium market ( $\geq 5$  € a.m.) accounts for 40 % of volume and 62 % of value !
- The German wine market is very dynamic !!!

# Contact

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