



SHORT-TERM OUTLOOK

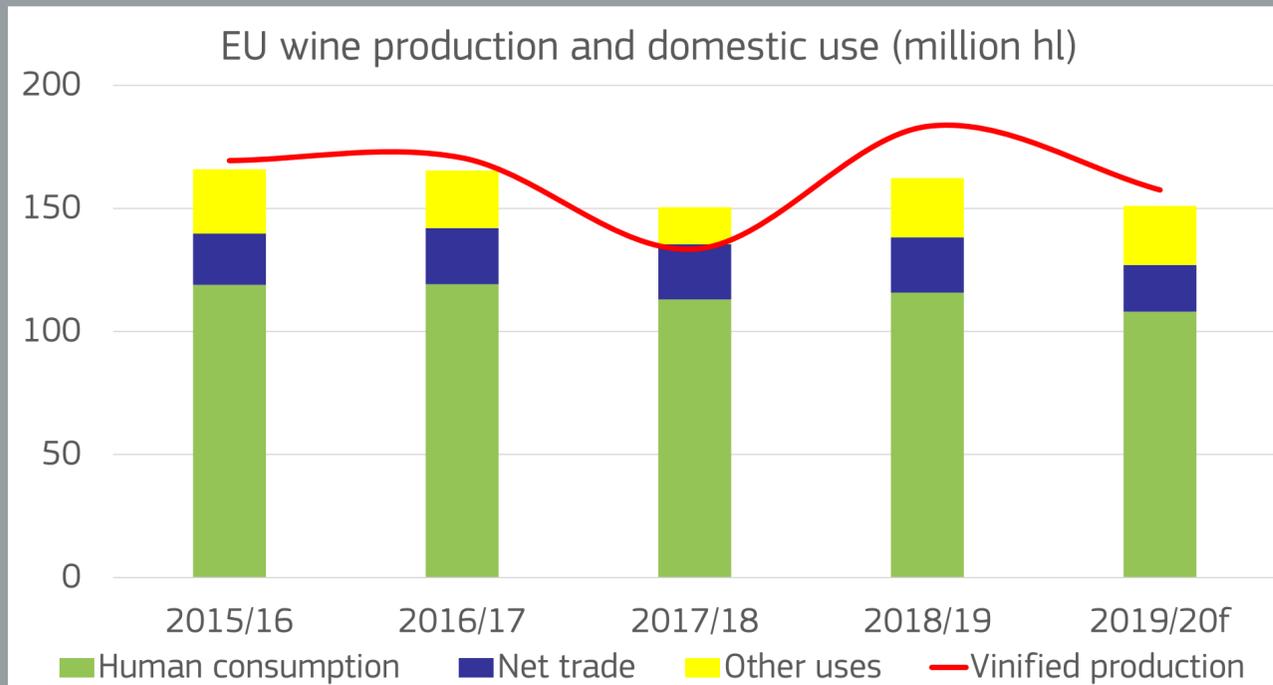
FOR EU AGRICULTURAL MARKETS
IN 2020

SPRING 2020

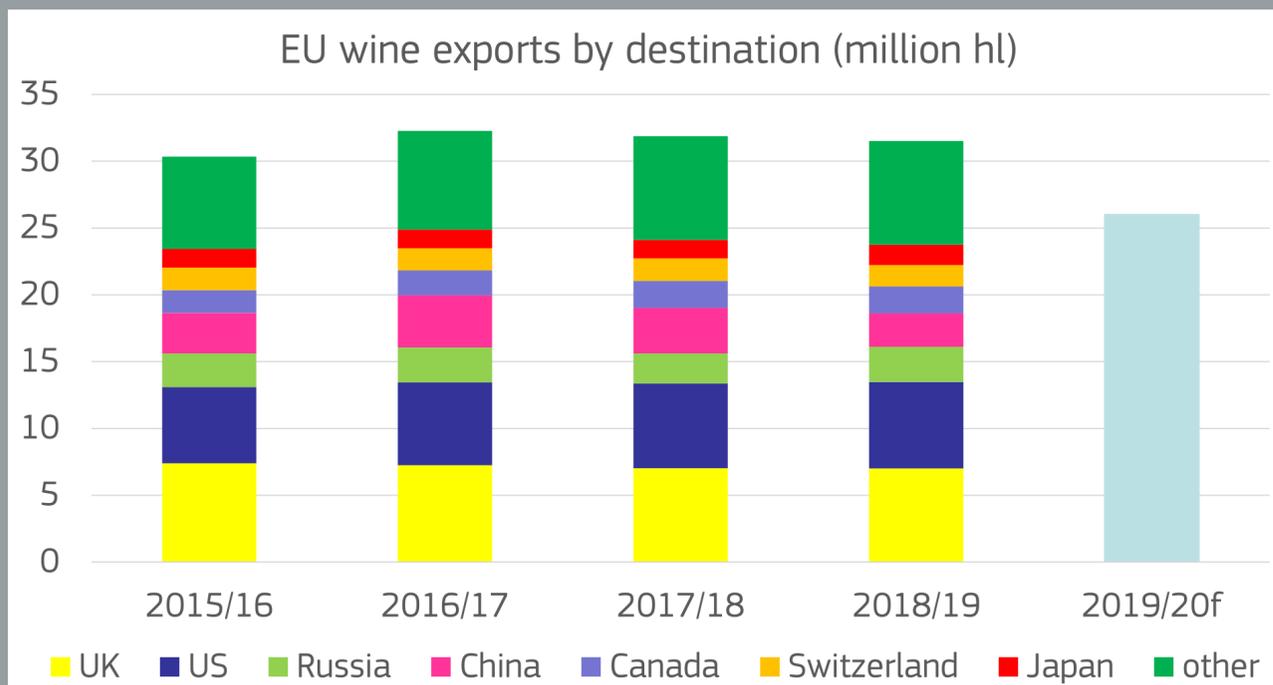
Edition N°26



Agriculture
and Rural
Development



Source: DG Agriculture and Rural Development, based on Eurostat.



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Drop in consumption with diverse impact between wine types

EU wine consumption is strongly affected by the Covid-19 measures, even though the **impact varies by type of wine**.

Wine consumption in restaurants and bars has stopped (it usually represents around 30% of EU wine consumption), as well as in agro-tourism, due to confinement measures in place. However, **wine sales through retail** (70% of consumption) **are increasing**. These increases are, however, not expected to compensate for the loss of restaurant sales.

Consumers are mainly buying average priced still wines at the detriment of sparkling wines, mostly consumed for celebrations, and the highly priced wines, mainly consumed in restaurants and bars.

Based on the above, **EU wine consumption** in the current marketing year 2019/2020 is expected to **fall to 108 million hl**, corresponding to 24 l per capita (-8% compared to the last 5-year average).

Decline in exports and further increasing stocks

Despite the **additional import tariffs imposed by the US** as from October 2019, wine exports in the first half of the current marketing year 2019/2020 were 2% above exports over the same period last year. Although the wine sector (in particular FR) has taken actions during these months to keep its market share, this positive evolution is not expected to continue.

In addition, **EU wine exports** are impacted by Covid-19 measures in main exporting destinations, e.g. China. Overall, exports are expected to **fall by 14%** in 2019/2020, both compared to last year and to the last 5-year average.

EU wine imports are affected by Covid-19 to a lower extent than exports as they are mainly sold in retail, even if they are also impacted by logistical problems or measures taken by the exporting countries. However, as imports during the first half of 2019/2020 were 7% below last year's imports, a decrease of 11% compared to 2018/2019 is expected.

These developments should lead, despite a despite a below average 2019/2020 harvest, to a further **slight increase of stocks** which were already at a record level at the end of the previous marketing year.