Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Required Report - public distribution

Date: 11/14/2003

GAIN Report #GM3046

Germany

Wine

Annual

2003

Approved by:
Richard Petges
U.S. Embassy, Berlin
Prepared by:
Dietmar Achilles

Report Highlights:
U.S. wine exports to Germany are reaching record levels in CY 2003. During the first eight months of the year, American exporters shipped 304,000 hectoliters to Germany - 50 percent more than during the same period in CY 2002. Growth took place mainly in bulk shipments.
German vintners have harvested only a small grape crop for wine production in 2003. However, the wine is expected to be of excellent quality. In Germany, per capita wine consumption reached a new high of 20.3 liters in 2002.

Includes PSD changes: No
Includes Trade Matrix: No
Annual Report
Berlin [GM1], GM

Executive Summary

On an area of 103,000 hectares, German vintners harvested only about 8.5 million hectoliters (hl) of grape must in 2003, 20 percent less than in 2002. First reports indicate that the 2003 wine quality will be well above average. Due to climate and geography, German wine production can vary significantly in quality and quantity from year to year. However, strict maximum harvest regulations based on the EU wine regime should limit fluctuations in annual production. Germany is predominantly a white wine region with 68.5 percent white wine areas. However, due to consumer preferences, vintners are gradually switching over to produce more and more red wines. In 1991, only 20 percent of the grapes were of red varieties compared to 32.5 percent now. About 50 percent of the re-plantings are currently in red wine varieties. Based on area, Germany is the sixth largest wine grape producing country in the world and ranked seventh in 2002 in terms of wine production, just recently surpassed by Australia.

Total calculated wine consumption in MY 2001/2002 (Aug/Jul) is estimated at 20.0 million hl, 62 percent sourced from imports. Germany is actually the world's biggest importer of wine, predominantly from other EU countries. U.S. exports of mostly high quality red wines are growing steadily. Total U.S. wine shipments to Germany amounted to 303,100 hl in CY 2002 compared to 250,200 hl in 2001. The U.S. is currently the largest non-EU supplier of wine in Germany on a value basis. Due to the strengthening of the Euro versus the dollar,

U.S. wine exports to Germany continue to grow fast in 2003. However, U.S. wines face strong competition from other New World wines from Australia, New Zealand, Chile, Argentina and South Africa.

Germany exported about 2.37 million hl of wine in CY 2002, mainly to other EU countries. However, about 6.4 percent of German exports are to the United States, or 151,400 hl. In its export markets, Germany is strongly promoting Riesling wine for the medium and higher price segments. The German Wine Institute spent about Euro 3.67 million ($3.29 million) in export promotions in CY 2001.

Note: In recent years the U.S.$/EURO exchange rate has been as follows:

1997: $1 = Euro 0.8870	2000: $1 = Euro 1.0827
1998: $1 = Euro 0.8990	2001: $1 = Euro 1.1166
1999: $1 = Euro 0.9383	2002: $1 = Euro 1.0575
	Sep 2003: $1 = Euro 0.8911

Production

In the fall of 2003, German vintners harvested about 8.3 million hectoliters of grape must which will most likely be the smallest crop of the past twenty years. In 2003, the grape harvest began about two to three weeks earlier than normal due to the extreme warm summer. The summer heat led to high Oechsle levels and corresponding low acid levels in the grapes. German vintners claim that this year's wine has the potential for a so-called century wine.

Germany is the EU's 6th largest wine producing region with 102,955 hectares under wine grape cultivation but also the world's 7th biggest wine producer with an annual production of around ten million hectoliters. Its production area is divided into 13 different growing regions. The names of these regions are used for region of origin labeling. The commercial production of wine outside of these designated regions is not permitted. Based on the rules of the EU wine regime, the German wine law allows regional authorities to stipulate which grape varieties can be produced in the production regions. In 2002, 68.5 percent of grapes produced in Germany were of white wine varieties. Five years ago, white wine vines covered 78.8 percent of German wine production area. The leading Riesling and Mueller-Thurgau varieties are grown on about 37 percent of the grape area. Of growing popularity are White Burgundy, Chardonnay and Rulaender grapes with the largest decrease in the Mueller-Thurgau variety. Red wine is only planted in about 31.2 percent of the grape area, but its production area is growing by about 1,500 to 2,500 hectares every year. The most favored red grape varieties are Blue Burgundy, Dornfelder, and Blue Portugese. For replantings, the most favored grape during the past five years was the Dornfelder variety (see Table 3.)

To assist vintners better meet consumer demand, the EU offers a restructuring program for vineyards. During MY 2002/03 (Aug/Jul) the EU subsidized in Germany the unrooting of unwanted grape varieties and the subsequent replanting with modern varieties valued at Euro 12.5 million (U.S.$ 11.8 million). The program is also offered in other EU countries. Under this program, a total of 2,100 ha were replanted with new grape varieties other than Mueller-Thurgau, Kerner, Bacchus, Morio-Muskat or other high yielding varieties which are of little interest to the consumer. Also, subsidized replanting with the high yielding red Dornfelder variety was stopped in MY 2001/02 since this could risk meeting maximum yield limits stipulated by production region and quality level. In MY 2001/2002, the EU provided Euro 13.78 million (U.S.$ 12.34 million) for the restructuring of 2,280 hectares of grape area in Germany. The total annual replanting rate is estimated at about 4 percent since plants are kept in production for 20 to 25 years.

The smaller wine production of below 10 million hectoliters in four consecutive years led to price increases of about EUR 25 in 2003 versus EUR 16 in late 2002 in particularly for the lowest quality bulk white wines for industrial use. Also low end quality wine prices for bulk white wines improved somewhat by EUR 2-3 to EUR 40. However, with the increase of red wine production in Germany, prices for bulk Dornfelder dropped by EUR 40 to about EUR 140 per hl within the last twelve months . Total bulk wine production represents about 40 percent of German wine production. Vintners who market their wine directly do not seem to face such low prices - growing grapes is simple, but making and marketing a good wine is a science. Producers of bulk white wine also seem to have problems selling their product to mass producers of sparkling wines. These companies still prefer to import their raw wine from low-priced Mediterranean and eastern European sources. The majority of the bulk wines are purchased by mass bottlers for sale in discount stores. The disadvantages faced by domestic vintners are their small operation size and consequent inability to offer sufficient volume for sale in retail chains. However, for direct marketeers small size may also be a helpful marketing tool.

In 2002, Germany lifted the irrigation ban now allowing vintners to irrigate their vineyards for the production of quality wines of special production regions which represents the lower end of quality wines. Because of maximum harvest limitations, irrigation is not permitted in higher quality wine production. Also, the concentration of wine must was established by German wine law in 2002. For the grape crop, German vintners are permitted to add tartaric acid to the must and to the wine. The maximum permitted amount is limited to 1.5 grams per hectoliter of wine must and 2.5 grams per hectoliter of wine. However, German wine experts do not expect that this option will be used by very many vintners. The vintners' association expects that not many vintners will make use of this special permission

About two percent of the German wine production is organic. This special market niche is expected to grow steadily in the near future. The image of organic wine has improved significantly during recent years. Until the mid and late 1990s, organic wine faced a relatively negative image.

Consumption

The economic situation in Germany worsened considerably in 2002 and GDP stagnated at an extremely marginal growth rate of only 0.1 percent in 2003. An economic turn-around is forecasted for 2004. The predicted growth rate of 1.5 percent will mainly be driven by increased export demand. Domestic budget deficits are rising and consequently public demand will not inspire additional growth. The government is working on a substantial income tax reform and income tax relief program to spark domestic private demand. However rising contributions to the social welfare system increasingly limit available private income to be used for consumptive spending. In view of a high unemployment level of 10.5 percent in 2003, the private savings rate has increased to about 11 percent. In addition, following the introduction of the Euro, many consumers felt insecure dealing with the new currency and reduced their spending particularly in the catering and restaurant business. Consequently, hotel and restaurant receipts in 2002 and 2003 dropped by about three percent in both years. A clear turnaround in consumption for 2004 is not yet foreseeable.

However, German wine consumption by volume had not been affected by the negative economic conditions until 2002. It was growing while demand for all other alcoholic beverages was decreasing. Wine has been gaining popularity since it has a positive-image among German consumers (see Table 4). In 2001, German consumers for the first time in history spent more money on wine than on beer. Good quality combined with interestingly designed bottles and labels makes wine attractive to all alcohol beverage consuming age classes. Per capita consumption in 2002 was estimated at about 20.3 liters versus 19.8 liters in 2001. This number does not include sparkling wine, which lost about twenty percent of its consumption after the millennium. In 2002, a consumer panel revealed that 69.5 percent of the German households are at least irregularly buying wine. This is a steady and promising upward trend.

Since the beginning of 2003, the German wine market has reported slight reductions. Retail sales have dropped by 3.1 percent during the first half of 2003. However, this may not necessarily be interpreted as the beginning of a negative trend. The early and very warm summer of this year may have slowed down wine purchases in favor of non-alcoholic or lower alcoholic drinks. The beverage industry reports rising demand for alcoholic mixery drinks, in particular, by young customers.

The major beneficiaries in the long-term positive trend for wines are red wines in general and New World wines in particular, with a share of 11.5 percent of all German wine imports. As a result, the market share of German wines has actually dropped under 50 percent to 45.3 percent, to the dismay of the average German vintner (Table 5). One of the reason for this decline is the shrinking German production but also the strong consumer preference for red wines. Despite recent re-planting of red wine varieties, Germany is still predominantly a white wine producing country. Consumed red and rose wines which cover 58.8 percent of the German wine market are predominantly coming from imported sources. By converting their vineyards to red wine varieties, German vintners intend to participate in this popular red wine trend. The big winners in the wine market, the New World wines, are generally selling at above average prices.

Some hindrances faced by the German wine industry are the fragmented production structure (about 67,000 vineyards) and the complicated German wine grading and labeling system, which is not fully understood by many customers (see GAIN Report GM9069). Because of its diversified structure, the German wine industry has not been in the position to provide the increasingly concentrated retail trade with sufficient quantity of uniform types of wine. It, in particular, limits the marketing opportunities since discounters handle about 43 percent of total wine sales in Germany; another 23 percent sold through super markets and 17 percent are sold directly by the vintners and wine cooperatives. Of the domestic wine production, close to 40 percent is sold directly by the producer or producer cooperative to the consumer while about 85 percent of the imported wines are marketed through food stores, discounters and super markets**.** Only 7 percent of imported wines are traded by specialized stores and 5.5 percent are sold through restaurants and hotels.

To better position domestic wines on the retail shelves, the German Wine Institute has developed two new wine categories, ‘Classic’ and ‘Selection’ type wines (see GAIN Report GM0041). Vintners contract with the German Wine Institute for the use of the Classic and Selection label. The German Wine Institute controls the production methods and the quality of the wine sold under this label. In 2001, the first Classic type wines were put on the market, somewhere around 20,000 to 30,000 hl. For CY 2003, an increase to 85,000 hectoliters is expected. The Classic line specifically aims to improve the quality of bulk wine and in the longer term the image of German wines. It focuses exclusively on dry wines. The target price range for Classic wines is between EUR 3.50 and EUR 5.00 per bottle of 0.75 liters. The target price for Selection wines is between EUR 7.50 and EUR 15.00. The target of this campaign is not only the domestic market, the Germans also intend to promote the Classic and Selection label in their export markets.

Although German wine consumption declined during the first half of 2003, a closer look tells us that consumers switched from higher price purchasing locations to price aggressive food discount chains. Average retail prices dropped slightly from EUR 2.18 to EUR 2.12 per 0.75l bottle. However, German wines on the average sold at EUR 2.37 while imported wines were priced at only EUR 1.93. The major reason for the higher prices for German wines is the difference in trade channels for domestic and imported wines. Since close to 40 percent of the German wines are sold directly by the producer or cooperative these wines do not have to directly compete with price aggressive discounters. Many vintners developed a long-term delivery relationship with their customers which is expressed in high prices and reliable quality. Prices for German wines marketed through discounters are actually somewhat lower than for imported wines.

Imported wines are increasingly marketed through low priced food discount chains. In 2002, average wine prices at the leading discounter 'Aldi' were reported at EUR 2.65/liter for imported wines and EUR 2.18/liter for domestic wines. At special wine stores, prices were significantly higher at EUR 6.19 and EUR 5.26, respectively. Vintners and cooperatives sell their wines at about 20 percent below the prices in specialized stores.

With respect to taste, German consumer preference for dry and semi-dry wines is steadily growing. Data for CY 2000 indicate that 54.4 percent of the German quality label wines were of the dry/semi-dry market segment, compared to 35.9 percent fifteen years before.

Favorite bottling size for Germany is the 0.75 liter bottle. Wines sold in one liter bottles are often of the lower price segment or sold directly through the vintners. About 94 percent of German wines are in glass bottles, of which about 27 percent are returnable. The industry has recently looked into packaging alternatives for glass bottles and also tested PET (plastic) bottles but came to the result that PET is not a packaging alternative for wine in Germany. An alternative to the glass bottle is the five liter bag-in-the-box system which is frequently used for French wines.

Sparkling wine consumption in Germany reached a high in 1999 due to the millennium celebration. Demand for sparkling wine, including champagne, has fallen to 3.9 liters per capita in 2002. Reports for 2003 do not show a turnaround of this negative trend.

Trade

Germany is the world's most important import market for wine. About 55 percent of Germany's wine consumption is of imported wine. Total imports in CY 2002 increased by 4 percent in the last year to 11.9 million hl. During the first eight months of 2003, total wine imports stagnated at the 2002 level. According to official German trade statistics, in CY 2002, imports from EU countries recovered by five percent to 9.6 million hectoliters. Italian wineries especially were able to sell more wine to Germany. However, during the first eight months of 2003, Italy is again losing ground (down 17 percent). Imports from south eastern European countries such as Bulgaria, Macedonia, Slovenia, Hungary and Romania are marketed at very low prices, below 50 percent of normal import prices. These five countries exported a bit more than one million hectoliters of wine to Germany in 2002.

Of growing importance to the German wine trade are New World wines, which already make up for 11.5 percent of all German wine imports, compared to 4 percent in 1999. While prices for U.S., Australian, Argentine and South African wines are noticeably above the average import price, Chilean wine is marketed relatively price aggressive.

However, the total market share of these 5 countries still remains at only about 4 percent. U.S. (mainly California) and other New World wines have captured space on many of the retail shelves. They are no longer exotic products. Most important, they are selling at above average prices (except for Chile) and are of wine varieties that are popular with German consumers. About 80 percent of the imported U.S. wines are red wines, of mostly high quality. While U.S. red wine shipments to Germany make up 6 percent of total red wine import volume, the value of these imports adds up to 13.5 percent making the U.S. the largest non-EU supplier of wine on value basis. California wines are relatively well known in Germany and German consumers expect high quality when they purchase California wines. Wines from other regions or states in the U.S. are not yet well known. Total U.S. wine exports to Germany amounted to 303,000 hl in CY 2002; further strong growth of about 50 percent is reported for 2003 (see Table 7 ff.). The increase of U.S. shipments particularly took place in the area of bulk wine shipments, up 140 percent to 127,000 hectoliters. However, the shipments of higher priced bottled wines also went up by about 20 percent to 178,000 hectoliters.

German wine exports amount to 20 to 25 percent of domestic production. In 2002, these were 2.37 million hl. The leading markets are the United Kingdom and the Netherlands followed by the United States. Germany is working hard to improved its image as a supplier of quality wines. The export marketing focus is on dry Riesling wine. The German Wine Institute spends about EUR 3.5 million annually for export promotions.

Stocks

German wine stocks dropped to 14.8 million hl by the end of July 2002 due to the smaller grape harvest in 2001. This stock level represents about 150 percent of a regular German harvest or about 73 percent of German annual consumption of wines. During MY 2000/01 (August/July) increases are reported mainly for red wines because of the growing consumer preference for red wine. However, largest stocks are held in quality white wines at 8.1 mil hl. Extremely low bulk wine prices indicate that stocks are still far too high. In MY 2000/01, German vintners sold 307,000 hl of wine into the EU distillation program for drinking alcohol. Another 179,000 hl were distilled for industrial purposes under an EU emergency distilling program. In MY 2001/02 only 35,600 hl were distilled into drinking alcohol. During recent MY 2002/03, only a few hundred hectoliters were distilled due to the reduced crop and lower stock levels. A new emergency distilling program is currently not being discussed in Germany. Stock data for the end of the MY 2002/03 are not yet available, however, a reduction of up to one million hectoliters is expected.

Policy

The current derogation for market access of U.S. wines to the EU market which do not exactly meet EU oenological practices is set to expire by the end of 2003. The EU and the U.S. are currently negotiating a general market access agreement or at least a continuation of the derogation. So far there are no indications that shipments of U.S. wines to the EU will be blocked after December 31, 2003. Under the to-be-negotiated general market access agreement for wines, the U.S. wants to facilitate trade in wine between the EU and the U.S. and to improve co-operation in the development and enhance the transparency of regulations affecting such trade. Neither party shall restrict on the basis of either wine-making practices or product specifications, the importation, marketing or sale of wine originating in the territory of the other party.

With respect to oenological practices the Germans are taking a more liberal stand than other EU wine producing regions. Since the EU exports far more wine than they import, there is some recognition that a compromise may be economically necessary. However, the use of oak chips in the U.S. instead of oak barrels is controversially discussed among German vintners. Traditional vintners claim that the production of wine in oak barrels costs about three dollar more than the use of oak chip in steel tanks.

However, the use of semi-generic names such as Chablis, Champagne, Chianti and others as brand names or trade marks is intensively disputed by the EU.

Marketing

California wines have an excellent reputation in the German market and so far the consumers seem to be willing to pay an above average price. Other American wine growing regions should increasingly test the German market and take advantage of the good California reputation. Wines from the Mid-West have done some tastings / promotions in Germany during recent years. California wines have been very successful during recent years. However, since they are no longer a novelty in the German market, growth rates are likely to level off. They have to compete intensively with other New World wines, in particular wines from Chile, South Africa and Australia which also have a good quality reputation. Also high quality wines from Romania and Bulgaria are foreseen to conquer the German market within the coming years. However, their great disadvantage is their image as low priced products.

The growing strength of the Euro versus the U.S. dollar during the past year has significantly improved the competitive situation for American wines. However, the generally difficult economic situation in Germany limits the opportunities to sell high value and high priced wines to the restaurant and hotel sectors. Companies are increasingly cutting back traveling and representation funds which limits marketing opportunities in the high price market segment. Trade servicing efforts such as European storage, presentations, tastings and selling on commission will become a more important marketing tool to successfully compete with other New World and European suppliers.

On the lower end market segment, exporters may consider bulk shipment of wines to Germany/Europe for bottling in the destination country. Price aggressive food discounters often use special sales to market special high quality wines for a short period of one or two weeks. These special sales prices range between EUR 5 to EUR 10 per 0.75 liter bottle.

Generic marketing for the German wine industry is conducted by the German Wine Institute, charged with marketing and promoting the quality of German wine within Germany and around the world. It receives most of its funds as royalties from German wine growers and processors. Overall, the German wine marketing strategy aims to improve the image of German wine, and promote German wine in the high and medium priced market segments. These promotional efforts have the potential to also generically support marketing opportunities of imported high quality wines. Promotional efforts are particularly targeting the lucrative medium-price segment of the wine market (between $5 and $9 per bottle), a segment in which German wines are under-represented. Besides the traditional export markets in Europe, North America and Japan, new markets in Eastern Europe, South America and Asia are also targeted.

For marketing domestic wines, quality seals and wine awards are a very helpful and efficient tool in wine marketing. Consumers feel confident when they identify such seals such as a golden or silver plaque of the Chamber of Agriculture or DLG quality seal (DLG = Deutsche Landwirtschaftsgesellschaft).

Helpful addresses for marketing wines in Germany and for general information about the German wine market are

California Wine Institute
Sabine Weyrich
Rheingaustrase 85
65203 Wiesbaden, Germany
Tel.: +49 611 9200 736
Fax: +49 611 9200 263
wineinstitute@weyrich-pr.de

Deutsches Weininstitut
Postfach (POBox) 1660
Gutenbergplatz 3-5
55006 Mainz, Germany
Tel.: +49 6131 2829 0
Fax +49 6131 2829 20
info@dwi-dwf.de
(info material only in German language)

The major international trade show for wine in Germany is the ProWein, held every Spring in Duesseldorf. Next show: Feb 29-March 2, 2004. ProWein is an excellent opportunity to meet importers, wholesalers, wine buyers, and media contacts; and to taste-test your wine against the competition. In addition to individual U.S. exhibitors, California has a large Pavilion; also, a MIATCO organized Mid-West Wine Pavilion has become increasingly popular in recent years. Visiting ProWein would be a first step for U.S. exporters to market their wines in Germany; however, exhibiting at the show is more effective because it gives trade visitors a point of contact for questions and provides an opportunity to taste the wines. The next step would be wine tastings for wine buyers in various German cities.

ProWein - International Trade Fair Wines and Spirits
Messe Duesseldorf GmbH
Stockumer Kirchstrasse 61
40474 Duesseldorf, Germany
Tel.: +49 211 4560 01
Fax +49 211 4560 668
www.messe-duesseldorf.de
info@messe-duesseldorf.de

Another interesting regional trade fair is the Forum Vini held every November at the fairgrounds in Munich (Muenchen). Forum Vini is a consumer fair which attracted 9,700 visitors in November 2003, thereof about 85 percent private customers. Forum Vini provides a good opportunity to test the German market in a large scale public tasting and selling environment.

Forum Vini
ALBRECHT, Gesellschaft fuer Fachausstellungen und Kongresse mbH
Oettingenstr. 25
80538 Muenchen
Tel.: +49 89 2729 4820
Fax: +49 89 2729 4822
www.forum-vini.de
Info@forum-vini.de

Statistical Section

Table 1: German Wine Production by Type and Quality, in 1,000 hl						
Calender Year	1997	1998	1999	2000	2001	2002*
White Wine	6,481	7,936	9,042	6,819	6,071	6,364
Table Wine	244	503	1,354	708	359	592
Quality Wine	2,953	5,111	4,648	3,984	3,545	3,314
Quality Wine w/ Spec. Attributes**	3,282	2,323	3,040	2,127	2,166	2,458
Red Wine	1,829	2,684	3,081	3,032	2,820	3,521
Table Wine	9	26	33	69	25	31
Quality Wine	1,422	2,436	2,706	2,736	2,539	3,216
Quality Wine w/ Spec. Attributes	397	222	342	227	256	274
Total Wine	8,310	10,620	12,123	9,852	8,891	9,885
Table Wine	254	529	1,387	777	384	623
Quality Wine	4,376	7,547	7,354	6,720	6,085	6,530
Quality Wine w/ Spec. Attributes	3,680	2,545	3,382	2,355	2,422	2,732
* Preliminary						
** Quality attributes shown on the label						
Source: German Wine Growers' Association						

Table 2: German Grape Must Production by Type and Quality, in 1,000 hl							
Calender Year	1997	1998	1999	2000	2001	2002	2003*
White Wine	6,614	8,091	9,119	7,005	6,071	6,563	5,700
Red Wine	1,881	2,742	3,167	3,076	2,820	3,573	2,600
Total Wine	8,494	10,834	12,286	10,081	8,891	10,136	8,300
* Forecast							
Source: German Wine Growers' Association							

Table 3: Grape Variety Distribution, 1,000 hectares							
	1991	1997	1998	1999	2000	2001	2002
White Varieties	85,392	82,186	80,853	79,081	77,525	73,882	70,575
Riesling	22,013	22,774	22,631	22,355	22,118	21,514	21,050
Mueller-Thurgau	24,600	22,069	21,252	20,672	20,023	18,609	17,280
Silvaner	7,585	7,188	7,018	6,859	6,691	6,422	6,101
Kerner	7,667	7,263	7,011	6,828	6,543	6,054	5,557
Bacchus	3,490	3,396	3,316	3,282	3,209	2,967	2,756
Rulaender	2,509	2,538	2,565	2,637	2,769	2,905	3,144
Scheurebe	3,781	3,418	3,284	3,126	2,948	2,693	2,436
White Burgundy	1,282	2,029	2,165	2,396	2,593	2,795	2,982
Chardonnay			467	531	610	719	821
other white	12,465	11,511	11,144	10,936	10,021	9,204	8,448
Red Varieties	18,385	22,057	23,540	25,152	27,245	29,723	32,380
Blue Burgundy	6,449	7,745	8,204	8,643	9,255	9,806	10,635
Dornfelder	1,509	2,599	3,218	3,765	4,372	5,530	6,661
Blue Portogese	4,320	4,660	4,718	4,878	5,026	5,039	4,980
Trollinger	2,439	2,547	2,551	2,530	2,593	2,615	2,607
Black Riesling	1,987	2,187	2,228	2,289	2,405	2,481	2,517
other red	1,681	2,319	2,621	3,047	3,594	4,252	4,980
Total	103,777	104,243	104,393	104,233	104,770	103,605	102,955
Source: German Wine Growers' Association							

Table 4: Wine Market Developments in Germany							
	Unit	1997	1998	1999	2000	2001	2002
Wine Consuming Households	%	63.0	66.5	66.5	68.5	68.6	69.5
Market Share							
- German Wine	%	51.8	49.1	49.7	48.7	47.8	45.3
- Import Wine	%	48.2	50.9	50.3	51.3	52.2	54.7
- White Wine	%	48.8	47.8	46.7	43.3	41.1	41.2
- Red + Rosee Wine	%	51.2	52.2	53.3	56.7	58.9	58.8
- Wine in 0.75 l Bottles	%	48.3	49.1	51.1	52.2	51.8	49.0
- German Wine in 0.75 l Bottles	%	36.8	40.4	44.5	43.0	45.0	44.0
Average Prices							
- All Wine	EUR/l	3.02	2.97	3.10	3.11	3.21	2.94
- German Wine	EUR/l	3.27	3.35	3.35	3.32	3.48	3.36
- Imported Wine	EUR/l			2.85	2.92	2.97	2.84
- White Wine	EUR/l	3.00	2.86	2.92	2.92	3.05	2.77
- Red Wine	EUR/l			3.32	3.36	3.29	3.12
Trade Chanels							
- Vintners + Coops	%	20.8	19.5	19.3	18.7	19.0	18.3
- Super Markets	%	23.3	23.4	24.2	23.9	22.9	22.3
- Speciality Stores	%	7.7	6.3	7.4	7.2	5.6	4.7
- Discount Stores	%	30.8	35.3	35.8	37.2	39.0	43.1
- other	%	17.4	15.5	13.3	13.0	13.5	11.6
Source: German Wine Institute, Annual Report							

Table 5: German Beverage Consumption, Liter per Capita							
	1996	1997	1998	1999	2000	2001	2002
Alcoholic Beverage	161.3	160.3	156.3	156.3	154.4	152.2	151.6
- Beer	131.9	131.2	127.5	127.5	125.5	122.4	121.5
- Wine	18.3	18.1	18.1	18.0	19.0	19.8	20.3
- Sparkling Wine	4.8	4.9	4.7	4.9	4.1	4.2	3.9
- Spirits	6.3	6.1	6.0	5.9	5.8	5.8	5.9
Non-alcoholic Bev.	230.9	239.9	240.7	248.3	254.0	256.7	271.2
- Mineral Water	97.0	100.0	100.1	104.2	107.7	110.2	118.1
- Soft Drinks	92.7	98.7	99.6	103.7	105.7	106.2	112.8
- Fruit Juice	41.2	41.2	41.0	40.4	40.6	40.3	40.3
Hot Drinks + Other	278.7	273.3	275.1	277.3	275.8	276.6	274.9
- Coffee	163.5	160.0	159.1	159.4	158.9	159.2	156.3
- Coffee Substitute	3.3	3.4	3.2	3.0	3.0	3.0	3.1
- Black Tea	24.7	24.8	27.1	28.2	26.7	26.2	26.2
- Milk	87.2	85.1	85.7	86.7	87.2	88.2	89.3
Grand Total	670.9	673.5	672.1	681.9	684.2	685.5	697.7
Source: Ifo Institut Muenchen - Weinbauverband - Zahlen, Daten, Fakten							

Table 6: German Wine PS+D - 1,000hl			8/1/2000 - 7/31/2001	
	Total	German Wine	Imported Wine	Sparkling Wine
Beg.Stocks	17,846	12,244	2,277	3,325
Production	9,950	9,410	-	540
Imports	11,616	-	8,910	2,706
Total Supply	39,412	21,654	11,187	6,571
Exports	2,569	2,011	425	133
Processing	607	487	120	-
Dom Wine Cons	19,661	7,336	8,847	3,478
Ending Stocks	16,575	11,820	1,795	2,960
Total Distrib	39,412	21,654	11,187	6,571
Per Capita Cons	23.9	8.9	10.8	4.2
%Change vs				
MY 1999/00	0.2	2.9	4.0	(12.9)
Wine Cons 99/00	19,622	7,127	8,504	3,991
Source: German Vintners' Association				

Table 6: German Wine PS+D - 1,000hl			8/1/2001 - 7/31/2002	
	Total	German Wine	Imported Wine	Sparkling Wine
Beg.Stocks	16,495	11,820		
Production	8,980	8,240		
Imports	12,434	-		
Total Supply	37,909	20,060		
Exports	2,509	2,050		
Processing	600	400		
Dom Wine Cons	20,035	7,381		
Ending Stocks	14,765	10,229		
Total Distrib	37,909	20,060		
Per Capita Cons	24.3	9		
%Change vs				
MY 1999/00	1.5	0.6		
Wine Cons 00/01	19,661	7,336		

Table 7: German Imports of Wine, 1,000 hl, Million Euro								
	2000		2001		2002		Jan/Aug 2003	
Quality White Wine	1,000hl	Mill. Euro	1,000hl	Mill. Euro	1,000hl	Mill. Euro	1,000hl	Mill. Euro
Total	1,079.2	224.2	952.4	198.7	977.1	188.1	653.6	127.8
Intra-EU	1,078.7	224.1	948.9	198.0	977.0	188.1	653.6	127.8
Extra-EU	0.5	0.1	3.5	0.7	0.1	0.0	0.0	0.0
United States	0.2	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Other White Wine								
Total	3,408.0	220.3	2,768.7	196.3	3,119.0	199.5	1,975.2	136.7
Intra-EU	2,994.0	158.4	2,325.6	139.7	2,664.2	142.4	1,570.2	92.5
Extra-EU	414.1	61.9	443.1	56.6	454.8	57.1	405.0	44.6
United States	32.5	10.0	37.1	9.1	61.8	11.8	65.8	10.4
Quality Red Wine								
Total	2,535.0	634.0	2,294.1	581.4	2,185.1	552.6	1,440.3	349.9
Intra-EU	2,534.6	633.9	2,291.6	580.6	2,185.1	552.6	1,440.3	349.9
Extra-EU	0.3	0.1	2.5	0.7	0.0	0.0	0.0	0.0
United States	0.0	0.0	1.7	0.5	0.0	0.0	0.0	0.0
Other Red Wine								
Total	3,702.1	424.1	3,715.4	436.4	3,948.8	426.4	2,799.4	302.7
Intra-EU	2,175.0	201.9	2,082.9	214.1	2,319.4	216.5	1,609.6	160.0
Extra-EU	1,527.1	222.2	1,632.5	222.3	1,629.3	209.9	1,189.8	142.8
United States	206.6	65.6	210.9	58.9	241.0	53.7	238.3	40.2

Table 7 con't: German Imports of Wine, 1,000 hl, Million Euro								
	2000		2001		2002		Jan/Aug 2003	
Vermouth	1,000hl	Mill. Euro	1,000hl	Mill. Euro	1,000hl	Mill. Euro	1,000hl	Mill. Euro
Total	580.4	27.7	481.0	22.8	598.6	24.1	279.5	13.7
Intra-EU	371.6	21.0	310.1	17.4	444.0	19.4	193.9	10.5
Extra-EU	208.8	6.7	170.8	5.4	154.6	4.7	85.6	3.2
United States	0.0	0.0	0.3	0.0	0.1	0.0	0.1	0.0
Wine Cooler								
Total	130.0	11.8	244.9	13.5	263.9	15.0	136.4	9.0
Intra-EU	119.3	9.0	233.3	11.0	254.8	13.2	127.3	7.8
Extra-EU	10.7	2.8	11.7	2.4	9.1	1.9	9.0	1.2
United States	2.5	0.7	1.3	0.3	1.1	0.3	2.0	0.2
Liquor/Wine Spirits								
Total	133.7	26.8	148.3	31.1	169.6	37.8	88.8	21.1
Intra-EU	132.5	26.4	146.8	30.3	168.2	37.2	88.1	20.7
Extra-EU	1.1	0.4	1.5	0.9	1.4	0.6	0.7	0.4
United States	0.3	0.1	0.3	0.4	0.1	0.2	0.1	0.1
Sparkling Wine / Base Wine for Sparkling Wine								
Total	1,270.0	401.2	1,388.8	408.0	1,309.9	366.3	800.8	215.8
Intra-EU	1,246.2	393.1	1,371.4	402.3	1,289.5	360.6	792.5	213.7
Extra-EU	23.7	8.1	17.4	5.7	20.4	5.6	8.4	2.1
United States	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Total Wine								
Total	12,838.2	1,970.2	11,993.7	1,888.2	12,572.0	1,809.8	8,174.0	1,176.8
Intra-EU	1,065.2	1,667.8	9,710.5	1,593.5	10,302.2	1,530.1	6,475.5	982.6
Extra-EU	2,186.3	302.5	2,283.2	294.7	2,269.8	279.8	1,698.5	194.1
United States	242.0	77.0	251.8	69.4	30.4	66.1	306.4	50.9
Source: Federal Statistics Office								

Table 8: German Exports of Wine, 1,000 hl, Million Euro								
	2000		2001		2002		Jan/Aug 2003	
Quality White Wine	1,000hl	Mill. Euro	1,000hl	Mill. Euro	1,000hl	Mill. Euro	1,000hl	Mill. Euro
Total	1,521.9	230.8	1,416.7	225.7	1,330.4	222.5	871.2	153.2
Intra-EU	1,132.7	127.7	1,013.6	122.5	938.4	113.6	604.8	76.0
Extra-EU	387.8	101.7	401.9	101.9	390.1	107.4	265.1	76.2
United States	125.5	36.8	130.0	38.4	138.4	44.2	107.4	38.7
Other White Wine								
Total	522.4	45.8	459.4	44.5	484.8	48.1	388.2	38.1
Intra-EU	468.3	39.0	401.3	36.1	425.5	38.9	330.4	30.9
Extra-EU	53.9	6.6	57.8	8.2	59.0	9.0	57.5	7.1
United States	1.2	0.3	1.6	0.3	1.3	0.4	1.5	0.5
Quality Red Wine								
Total	74.8	40.4	104.1	39.2	939.3	39.4	56.4	31.3
Intra-EU	37.2	22.6	61.9	21.7	513.1	20.8	31.3	18.5
Extra-EU	36.2	15.9	40.9	15.7	412.0	16.6	24.1	11.4
United States	2.7	1.5	2.8	1.4	3.9	2.2	2.3	2.3
Other Red Wine								
Total	192.7	31.8	234.4	38.7	304.6	51.6	282.9	46.5
Intra-EU	148.5	21.4	171.4	25.5	221.2	34.7	211.2	32.9
Extra-EU	43.5	9.8	62.4	12.8	82.7	16.5	71.1	13.3
United States	3.3	0.8	2.2	0.6	3.3	1.0	1.4	0.7

Table 8 con't: German Exports of Wine, 1,000 hl, Million Euro								
	2000		2001		2002		Jan/Aug 2003	
Vermouth	1,000hl	Mill. Euro	1,000hl	Mill. Euro	1,000hl	Mill. Euro	1,000hl	Mill. Euro
Total	124.8	13.2	112.3	12.4	151.5	16.1	91.0	10.0
Intra-EU	107.1	9.7	94.6	8.4	125.4	10.9	77.0	6.6
Extra-EU	16.7	3.0	16.6	3.5	24.9	4.7	13.3	3.0
United States	1.6	0.2	1.0	0.2	1.9	0.2	0.9	0.1
Wine Cooler								
Total	151.5	17.9	136.7	16.0	179.2	18.5	108.3	10.3
Intra-EU	119.3	12.9	111.3	12.1	150.8	14.5	83.6	7.5
Extra-EU	32.0	5.0	25.4	3.9	28.3	4.0	24.6	2.8
United States	0.4	0.2	0.4	0.1	0.2	0.1	0.5	0.1
Liquor/Wine Spirits								
Total	15.8	5.4	21.5	7.0	28.2	9.1	18.9	6.0
Intra-EU	15.0	4.9	20.4	6.2	27.4	8.5	18.6	5.6
Extra-EU	0.6	0.3	0.8	0.4	0.7	0.4	0.2	0.1
United States	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.0
Sparkling Wine / Base Wine for Sparkling Wine								
Total	146.8	39.5	135.4	42.8	132.6	46.6	72.8	21.6
Intra-EU	94.7	22.5	90.9	26.0	83.3	27.4	52.0	12.4
Extra-EU	50.7	14.7	43.2	14.3	47.8	16.6	20.1	7.6
United States	5.5	1.8	5.2	1.4	4.3	1.5	2.5	1.0
Total Wine								
Total	2,750.8	424.9	2,620.6	426.5	2,705.1	452.1	1,889.7	316.9
Intra-EU	2,123.0	260.7	1,965.4	258.7	2,023.3	269.3	1,408.9	190.4
Extra-EU	621.3	156.9	649.1	160.7	674.8	175.3	476.1	121.7
United States	140.4	41.6	143.1	42.5	153.5	50.0	116.6	43.6
Source: Federal Statistics Office								

Table 9: German Wine Imports by Country of Origin								
	2000		2001		2002*		Jan/Aug 2003	
	1,000 hl	Mill. $	1,000 hl	Mill. $	1,000 hl	Mill. $	1,000hl	Mill. $
U.S.A.	239.5	70.4	250.2	61.9	303.1	62.1	304.3	55.9
Italy	5,428.2	601.7	4,556.4	564.0	4,842.0	578.6	2,736.2	439.9
France	2,698.0	570.6	2,544.5	518.2	2,566.0	509.7	1,681.1	377.7
Spain	1,388.0	262.1	1,531.0	250.7	1,435.0	244.2	1,232.3	186.5
Greece	241.6	31.9	202.0	25.6	193.9	28.9	127.1	21.7
Austria	277.0	22.7	224.7	20.3	416.7	26.1	282.8	22.3
Portugal	119.3	22.3	97.6	20.7	130.4	24.8	91.8	22.1
Hungary	246.2	22.6	185.5	16.2	182.2	16.8	166.5	15.5
Romania	132.3	7.8	198.3	10.9	183.3	10.0	115.7	7.6
Bulgaria	196.1	13.4	201.0	13.0	152.7	10.9	84.6	7.4
Mazedonia	476.8	18.8	461.1	16.6	453.2	17.6	236.5	11.5
Tunesia	53.0	3.0	34.5	2.0	14.2	0.8		
South Africa	135.0	27.9	121.3	25.0	146.4	29.5	126.5	25.6
Chile	213.2	42.8	329.5	47.8	343.1	42.9	290.9	33.4
Argentina	43.5	8.1	39.6	6.7	37.0	6.1	22.5	3.6
Australia	129.9	34.4	138.3	35.9	144.9	39.4	146.5	33.7
Other	110.2	22.6	152.4	23.1	165.3	26.0	112.9	16.3
World	12,127.8	1,783.2	11,267.9	1,658.6	11,709.4	1,674.4	7,758.2	1,280.7
* Preliminary								
Source: Federal Statistics Office								

Table 10: German Wine Exports by Major Countries of Destination								
	2000		2001		2002*		Jan/Aug 2003	
	1,000 hl	Mill. $	1,000 hl	Mill. $	1,000 hl	Mill. $		
U.S.A.	138.3	38.0	141.6	37.8	151.4	46.7	115.2	35.0
Great Britain	1,029.9	108.1	929.4	99.5	855.8	102.4	569.3	82.4
Netherlands	291.1	34.4	285.5	32.1	307.8	37.5	223.6	29.7
Sweden	120.3	18.4	120.4	17.5	126.9	19.4	107.8	18.1
Japan	118.0	35.2	101.5	29.9	100.7	30.7	47.2	17.9
France	154.9	16.4	104.5	17.9	133.9	21.8	87.2	18.2
Bel/Lux	80.6	10.2	95.1	12.9	87.4	12.6	62.0	11.1
Denmark	81.6	7.3	73.7	6.6	74.5	6.1	43.7	5.3
Austria	56.7	11.7	54.9	11.2	52.4	13.1	36.5	12.1
Canada	50.4	11.6	45.8	11.1	49.7	13.3	34.6	9.3
Ireland	18.6	2.3	21.4	3.2	28.6	4.4	33.5	5.3
Poland	30.4	4.3	35.3	4.5	37.6	5.4	27.0	4.2
Norway	43.5	7.0	45.6	7.5	55.1	10.0	44.5	9.2
Switzerland	14.6	8.8	17.0	8.5	21.7	10.6	17.9	9.0
Latvia	22.2	5.8	39.3	7.4	48.8	7.7	37.9	6.4
Other	223.3	43.9	260.5	48.8	242.2	53.1	202.4	56.9
World	2,474.4	363.6	2,371.5	356.4	2,374.5	394.8	1,690.3	330.1
* preliminary data								
Source: Federal Statistics Office								

Table 11: Average Prices for Imported Wine

	2000		2001		2002*		Jan/Aug 2003	
	Euro/L	$/L	Euro/L	$/L	Euro/L	$/L		
	Quality White Wine							
WORLD	2.08	1.92	2.09	1.87	1.93	1.82	1.96	2.18
U.S.A.	3.25	3.00	3.00	2.69	-	-	-	-
INTRA-EU-15	2.08	1.92	2.09	1.87	1.93	1.82	1.96	2.18
CHILE	1.92	1.77	-	-	-	-	-	-
SOUTH AFRICA	7.67	7.05	-	-	-	-	-	-
	Other White Wine							
WORLD	0.64	0.59	0.71	0.63	0.64	0.60	0.69	0.77
U.S.A.	3.19	2.95	2.45	2.19	1.91	1.80	1.58	1.75
INTRA-EU-15	0.52	0.48	0.60	0.54	0.53	0.51	0.59	0.65
CHILE	2.48	2.29	1.77	1.58	1.45	1.37	1.06	1.18
SOUTH AFRICA	1.72	1.59	1.64	1.47	1.49	1.41	1.27	1.41
AUSTRALIA	2.36	2.18	2.33	2.09	2.15	2.04	1.72	1.91
	Quality Red Wine							
WORLD	2.51	2.31	2.53	2.27	2.53	2.39	2.43	2.69
U.S.A.	1.09	6.55	3.17	2.84	-	-	-	-
INTRA-EU-15	2.51	2.31	2.53	2.27	2.53	2.39	2.43	2.69
CHILE	3.09	2.86	1.97	1.77	-	-	-	-
SOUTH AFRICA	7.67	7.08	2.50	2.24	-	-	-	-
AUSTRALIA	20.50	11.80	2.73	2.45	-	-	-	-
	Other Red Wine							
WORLD	1.13	1.04	1.17	1.05	1.08	1.02	1.08	1.20
U.S.A.	3.20	2.96	2.79	2.50	2.23	2.11	1.69	1.86
INTRA-EU-15	0.92	0.85	1.03	0.92	0.93	0.88	0.99	1.10
CHILE	2.14	1.98	1.60	1.44	1.30	1.23	1.03	1.14
SOUTH AFRICA	2.57	2.37	2.71	2.42	2.60	2.46	2.16	2.40
AUSTRALIA	3.20	2.96	3.16	2.83	3.15	2.98	2.21	2.46
	Liquor Wine							
WORLD	2.06	1.90	2.10	1.88	2.23	2.11	2.37	2.64
U.S.A.	43.90	40.54	13.76	12.32	24.00	22.70	14.74	16.31
INTRA-EU-15	2.05	1.89	2.06	1.85	2.21	2.09	2.35	2.61
CHILE			30.70	27.50	4.31	4.08	4.38	4.73
SOUTH AFRICA	4.52	4.17	4.70	4.21	2.41	2.28	4.98	5.54
AUSTRALIA	10.48	9.68	10.12	9.06	13.18	12.47	14.44	16.10
	Sparkling Wine							
WORLD	3.18	2.93	2.94	2.63	2.80	2.64	2.69	3.00

U.S.A.	10.49	9.69	9.20	8.24	4.55	4.30	10.00	10.80
INTRA-EU-15	3.17	2.93	2.93	2.63	2.80	2.64	2.70	3.00
CHILE	8.76	8.09	3.72	3.33	4.52	4.27	2.86	3.21
SOUTH AFRICA	3.80	3.51	3.68	3.30	2.99	2.83	3.36	3.76
AUSTRALIA	8.34	7.71	5.20	4.66	5.36	5.07	5.56	6.26
	Vermouth							
WORLD	0.46	0.43	0.47	0.43	0.40	0.38	0.49	0.54
U.S.A.	5.10	4.70	0.63	0.56	3.11	2.95	2.35	2.59
INTRA-EU-15	0.55	0.51	0.56	0.50	0.44	0.41	0.54	0.60
	Wine Coolers							
WORLD	0.97	0.90	0.55	0.49	0.57	0.54	0.66	0.74
U.S.A.	2.82	2.60	2.31	2.06	2.63	2.39	1.07	1.19
INTRA-EU-15	0.80	0.74	0.47	0.42	0.52	0.49	0.61	0.69
SOUTH AFRICA	1.99	1.84	2.19	1.96	1.07	1.01	20.00	23.20
* Prelimnary								
Source: Federal Statistics Office								