

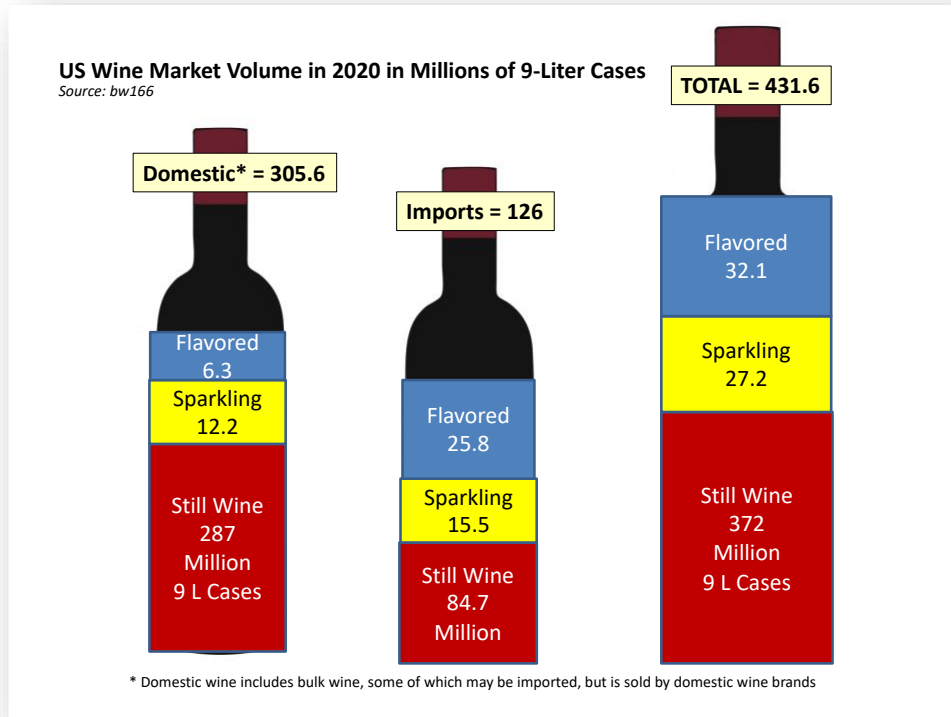
Overview of 2020 US Wine Market Stats

Compiled by Dr. Liz Thach, MW (*Feb. 2021; Liz@lizthach.com*)



Mustard in Spring Vineyard, Sonoma County

Though the US wine market endured a very bumpy ride in 2020, with many dire predictions of loss and doom due to the pandemic and wildfires, now that the numbers are in, the results are not that dismal. Yes, of course, on-premise wine sales plummeted, but off-premise and online sales came to the rescue. This caused the year to end with a surprising increase of 4.0% in still wine volume at 372 million 9-liter cases in 2020, compared to 357 million cases in 2019, according to BW166. Of this total, 84.7 million cases of still wine were imported in 2020.



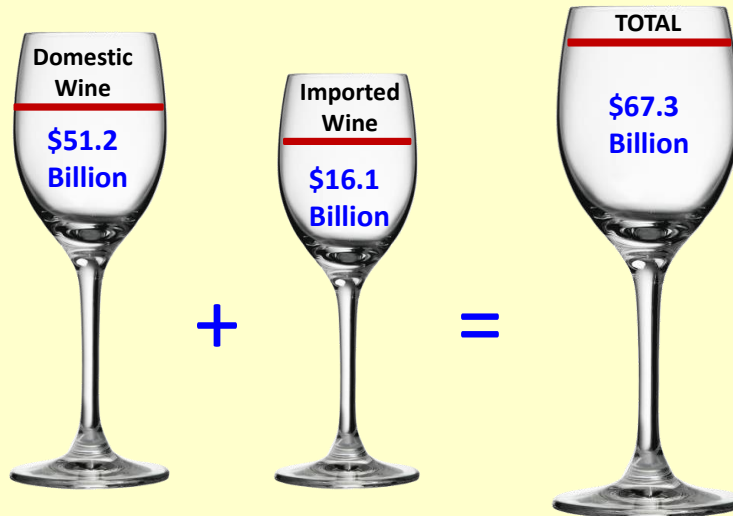
Sparkling & Flavored Wine Volume Sales in the US

However, a deeper dive into the numbers shows a different story for sparkling and flavored wine volume, with sparkling wine losing -4.2 at 27.2 million cases in 2020 against 29 million cases in 2019. This was primarily due to the depression that gripped the world in the first few months of the pandemic where no one wanted to celebrate with sparkling wine. This lifted in the summer months when people began to relax again over vacations, and sparkling wine sales surged, only to fall again in the last quarter as the virus came back again with a vengeance.

More surprisingly is the story of flavored wine, which has gained in tremendous popularity in the US market, with an increase of 90% at 32.1 million cases in 2020 against 16.9 million cases in 2019. The flavored wine category includes wine cocktails, sangria, wine spritzers, agave-wine and other innovative flavored wine-based beverages. It is expected to continue to grow as Americans seek convenience in ready-to-drink (RTD) packaging, as well as new experiences. This category has developed to compete with the highly lucrative alcoholic seltzers, such as White Claw.

When all three wine categories of still, sparkling and flavored wine are combined, including imports and bulk wine (which is part of the domestic numbers), the total wine volume sales in the US market for 2020 was 431.6 million 9-liter cases. *It is important to note that these numbers may shift slightly, as new adjustments may be calculated in federal excise taxes in the new few months.*

US Wine Sales Revenue in 2020



Sources: bw166, 2021; Gomberg-Frederickson, 2021 – estimates as of Feb. 2021; may shift slightly as federal excise taxes are updated

US Wine Sales Revenues Down in 2020, But Up for Some Wineries

Despite the good news on volume, total wine dollar sales revenue fell -9.9% in 2020, according to early estimates, however the loss came from on-premise accounts at -45%, with both off-premise and DTC (direct to consumer) sales achieving a 10% increase over 2019. Gomberg-Frederickson shows preliminary consumer expenditures for all channels totaled \$67.3 billion in 2020 compared to \$74.6 billion in 2019. Of this figure, domestic wine revenues were \$51.2 billion and imports totaled \$16.1 billion.

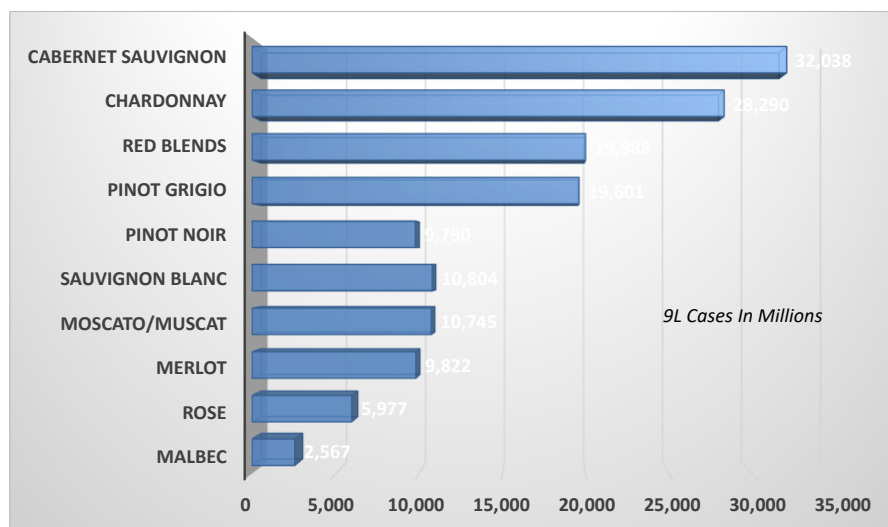
These numbers illustrate what has been witnessed before during times of economic stress where people lose jobs and/or savings: consumers drink more, but spend less. Interestingly, some wineries did exceptionally well during the pandemic, achieving higher sales in 2020 than in 2019. This was primarily due to innovative DTC practices at smaller wineries, such as virtual tastings, and a consumer rush on purchasing popular wine brands produced by larger wineries in retail settings, such as grocery stores.

Best Selling Wine Varietals in the US Market

US consumers primarily purchase wine by varietal, and it is also tracked this way by Nielsen scan data. The graph below illustrates the top 10 best-selling varietals by volume in 2020 for 52 weeks ending 11/28/20. For the first time, cabernet sauvignon moved into the top place over chardonnay in both volume and value, with cab totaling \$3.2 billion in sales against chardonnay at \$2.8 billion. The other varietals remained in similar positions, with the exception of sauvignon blanc, which increased an amazing 22% in volume and 24% in value. *Rosé* also continued to steal the show, with an increase of 20% in volume and 24% in dollar value. In terms of wine color, in 2020 red wine comprised 46% of volume sales, white wine 44%, and pink wine 10%, the same as in 2019. See bottom of article for more information on *Hot Wine Trends in the US market*.

2020 Top 10 Most Popular Wines in US Market by Volume

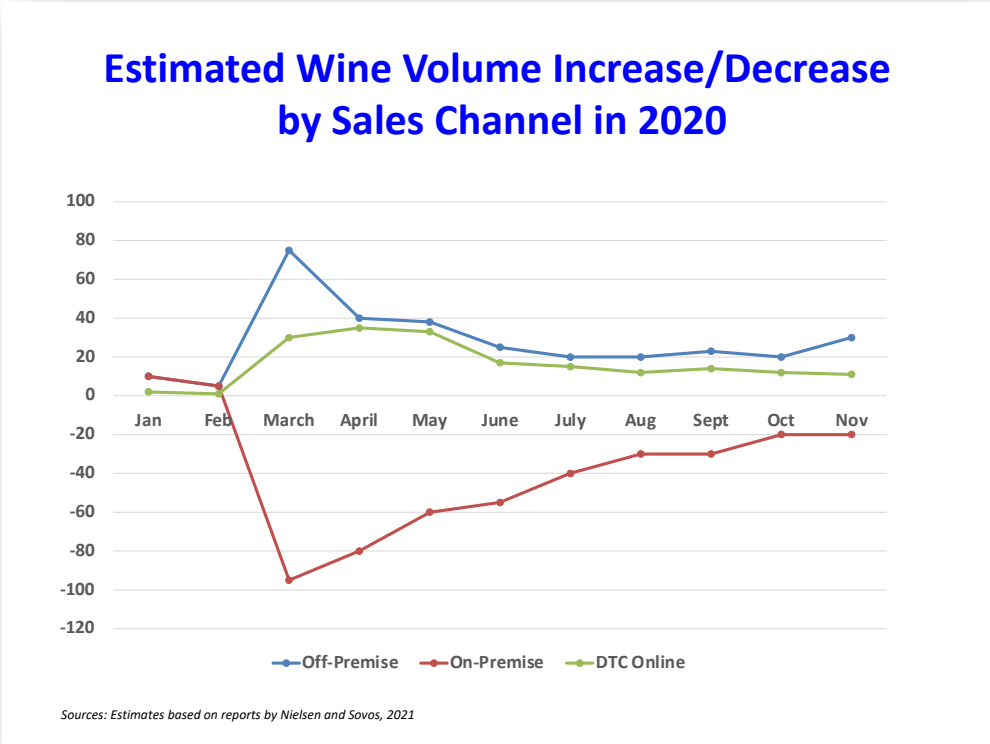
(Source: Nielsen, 52 weeks ending 11/28/20, 9L Cases in Millions)



Wine Sales Channels in 2020 – A Huge Increase in Online Wine Sales

The 2020 pandemic changed the way that Americans purchase alcohol, with an amazing 167% increase in online alcohol sales, according to Nielsen. The graph below illustrates estimated volume for wine in the off-premise (which includes online retailer volume), on-premise, and DTC online shipments from wineries. Though on-premise volume was understandably down in 2020, a recent Nielsen CGA Covid-Impact survey

showed that 76% of on-premise consumers have missed visiting bars and restaurants with family and friends. This bodes well for on-premise establishments when the pandemic has retreated, and lends credence to predictions that American will celebrate and party similar to the end of WWII (McMillan).



DTC Online wine shipments from wineries performed particularly well during 2020, with the largest volume growth rate yet documented (Sovos). Volume grew at 31% as Americans reached out to purchase wine directly from their favorite wineries, and the wineries reciprocated by offering entertaining virtual wine tastings, discounts, and online events. This resulted in dollar value rising 16.5% in 2020 compared to 2019, though the average bottle price fell to \$36.62. This wasn't all bad news as many new consumers rushed to purchase wines online from wineries, electing to buy lower priced options, but still participating in the surge of online shopping.

Other Important Numbers

935 = Number of Distributors in the US (Wines & Vines Analytics, 2021)

49% = Number of Americans aged 21+ who drink wine (WMC, 2019)

11,009 = Number of US Wineries, with 5 largest: CA, OR, WA, TX, NY (WBM, 2021)	54% = Number of American women who drink wine ; 46% male (WMC, 2019)
30% – Volume Percentage of Imported Wine that Americans Purchased in 2020 (bw166)	11 = liters per capita wine consumption in the US; 2.95 gallons (Wine Institute, 2018)

References

- Brager, D. (2021, Jan.). Wine Industry Update. Key note Presentation at Dollars & Sense Webinar, Sonoma County Winegrowers, Santa Rosa, CA, January 2021.
- bw166 (2021). Wine Imports and Exports Report by Jon Moramarco. Available at <https://www.bw166.com/>
- Euromonitor (2021). [Top Global Consumer Trends Report for 2021](https://go.euromonitor.com/white-paper-EC-2021-Top-10-Global-Consumer-Trends.html). Available at: <https://go.euromonitor.com/white-paper-EC-2021-Top-10-Global-Consumer-Trends.html>
- Gomberg-Frederickson. (2021). Available at: <https://www.gfawine.com/products/gfr/>
- McMillan, R. (2021). The SVB State of the Wine Industry Report. Silicon Valley Bank Trends & Insights. Available at: <https://www.svb.com/>
- Nielsen (2021, Feb.) What’s Ahead for Beverage Alcohol? Nielsen IQ Beverage Alcohol Webinar. Presentation by Nielsen.
- Nielsen CGA. (2021, Jan.) NCGA Coved-Impact Survey. Statistics Presented at Nielsen IQ Beverage Alcohol Webinar.
- Nielsen. (2021, Feb.). Nielsen Table Wine Category Segments. *Wine Business Monthly*, Feb. 2021.
- Sovos (2021). 2021 Direct to Consumer Wine Shipping Report. Sovos/ShipCompliant.
- Wine Institute (2018). *Wine Stats & Facts – US Wine Consumption*. Available at: <https://wineinstitute.org/our-industry/statistics/us-wine-consumption>
- Wines & Vines Analytics. (2021, Feb). Statistics on US Distributors. Available at: <https://winesvinesanalytics.com/statistics/distributor/>
- WMC (Wine Market Council). (2019). 2019 Wine Market Council U.S. Wine Consumer Segmentation Handbook.
- WMC (Wine Market Council). (2020, April 3). Wine Market Council Webinar: A Look at Online & Direct Wine Purchasing in a New Reality. April 3, 2020.