

Wine production in Germany

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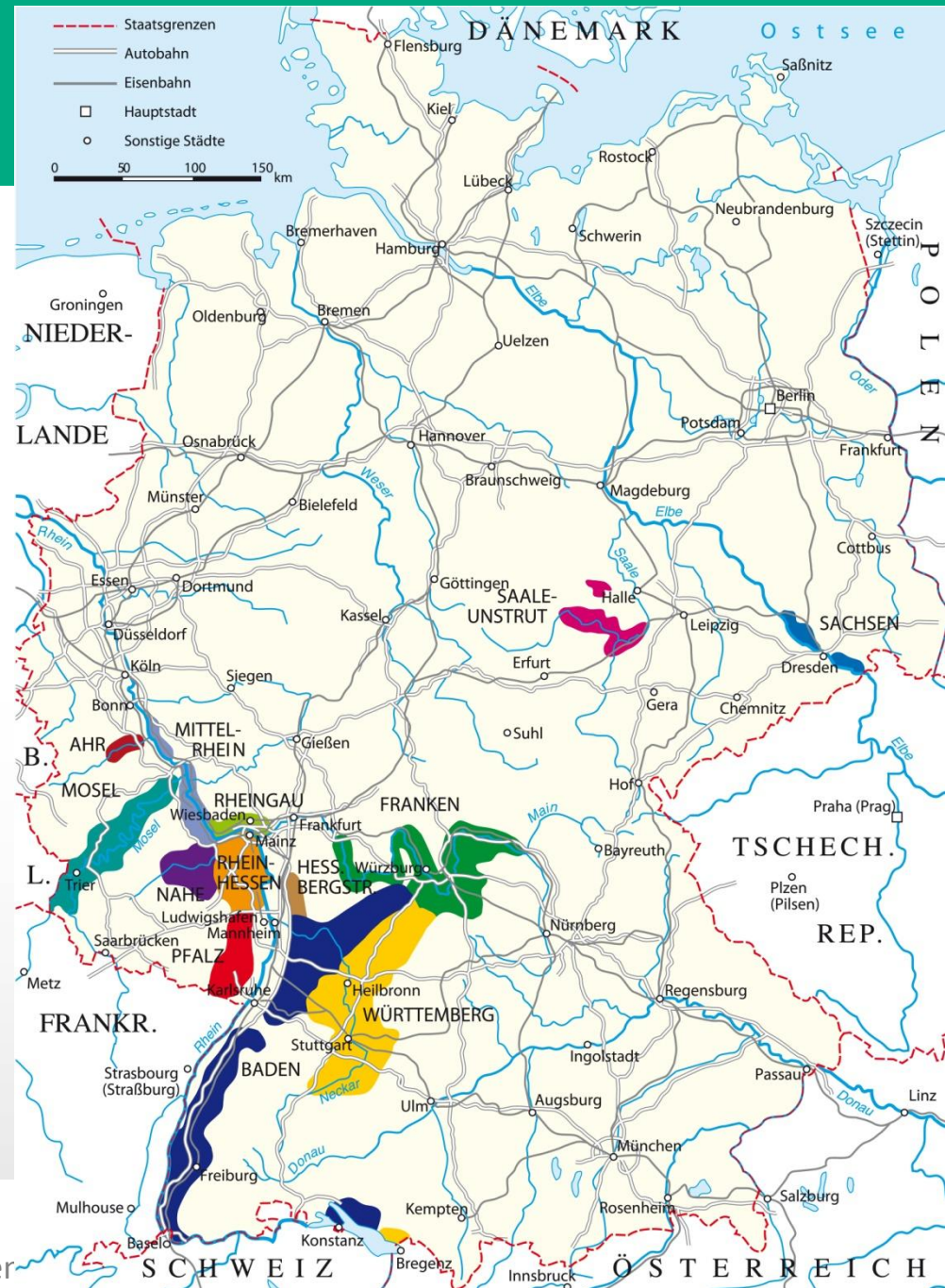
Braunschweig
23.-27.09.2013

Wine production in Germany compared to the world, 2011

| | Grapes area harvested, ha | | Wine production, tonnes | |
|----|---------------------------|---------|-------------------------|-----------|
| 1 | Spain | 963,095 | France | 6,533,646 |
| 2 | France | 764,124 | Italy | 4,673,400 |
| 3 | Italy | 725,353 | Spain | 3,339,700 |
| 4 | China | 596,900 | USA | 2,780,000 |
| 5 | Turkey | 472,545 | China | 1,600,000 |
| 6 | USA | 388,539 | Argentina | 1,547,300 |
| 7 | Iran | 227,000 | Australia | 1,150,000 |
| 8 | Argentina | 218,000 | Chile | 1,046,000 |
| 9 | Chile | 202,000 | South Africa | 965,500 |
| 10 | Portugal | 179,472 | Germany | 913,200 |
| 11 | Romania | 176,170 | Russia | 696,260 |
| 12 | Australia | 167,422 | Portugal | 694,612 |
| 13 | Moldova | 128,350 | Romania | 405,817 |
| 14 | South Africa | 115,000 | Brazil | 345,000 |
| 15 | India | 111,000 | Greece | 295,000 |
| 16 | Uzbekistan | 111,000 | Austria | 281,476 |
| 17 | Greece | 103,200 | Serbia | 224,431 |
| 18 | Germany | 99,747 | New Zealand | 189,800 |

Source:
FAOSTAT, download 17.09.2013
2012 data not yet available

13 Wine growing regions



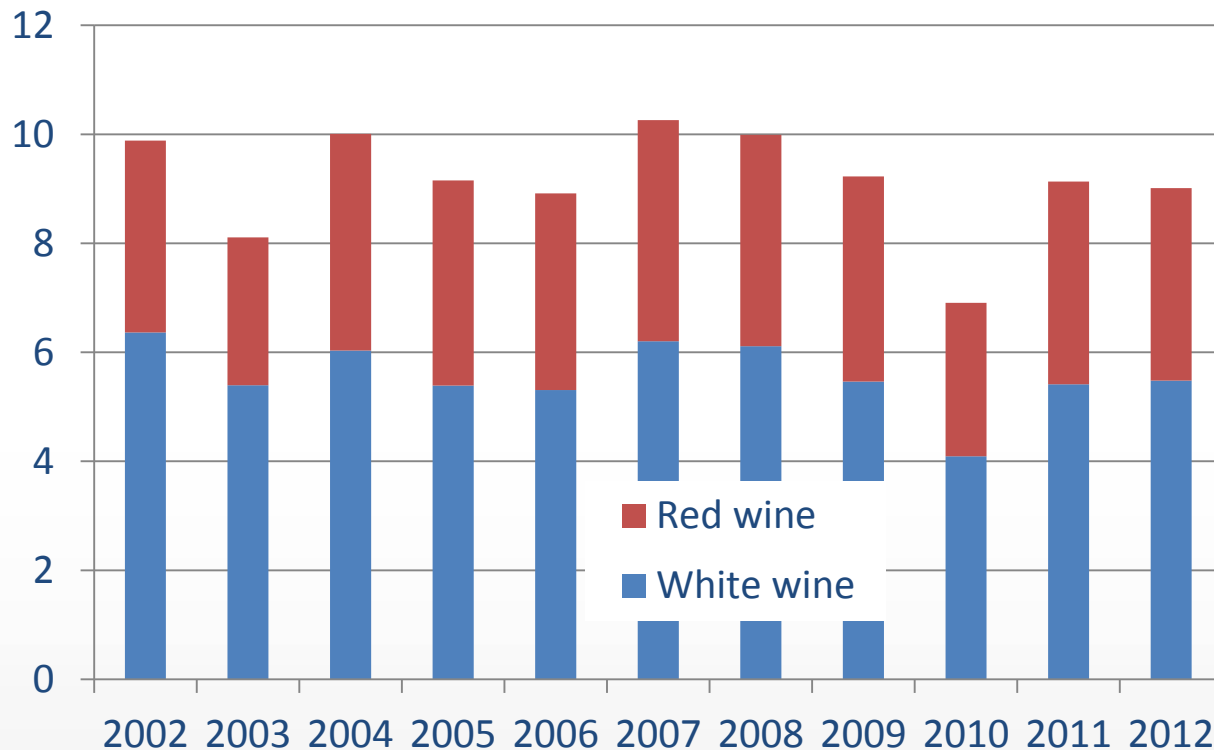
Source:
Deutsches Weininstitut 2012

13 Wine growing regions



Source:
Deutsches Weininstitut 2012

Wine & must production in Germany, (Mio. hl)



Source:
Statistisches Bundesamt

On average white wine accounts for 59-67% of the total wine produced.

Important wine varieties in Germany, 2011

| White wine | ha | % | Red wine | ha | % |
|-------------------------|---------------|--------------|-----------------------|---------------|--------------|
| Riesling | 22,636 | 22.2% | Blauer Spätburgunder | 11,756 | 11.5% |
| Müller-Thurgau | 13,374 | 13.1% | Dornfelder | 8,009 | 7.8% |
| Silvaner | 5,185 | 5.1% | Blauer Portugieser | 3,966 | 3.9% |
| Grauer Burgunder | 4,859 | 4.8% | Blauer Trollinger | 2,378 | 2.3% |
| Weißer Burgunder | 4,280 | 4.2% | Schwarzriesling | 2,198 | 2.2% |
| Kerner | 3,328 | 3.3% | Regent | 2,065 | 2.0% |
| Bacchus | 1,893 | 1.9% | Lemberger | 1,775 | 1.7% |
| Scheurebe | 1,573 | 1.5% | St. Laurent | 667 | 0.7% |
| Chardonnay | 1,388 | 1.4% | Merlot | 521 | 0.5% |
| Gutedel | 1,145 | 1.1% | Acolon | 482 | 0.5% |
| Traminer | 870 | 0.9% | Domina | 398 | 0.4% |
| Sauvignon Blanc | 650 | 0.6% | Dunkelfelder | 322 | 0.3% |
| White wine total | 65,570 | 64.2% | Red wine total | 36,526 | 35.8% |
| Total vineyard area, ha | | | | 102,096 | |

Source: Statistisches Bundesamt 2011

Acreage in the 13 wine-growing regions, 2012

| German wine-growing regions | Total | | White wine | | | Red wine | | |
|-----------------------------|------------------|------------|------------------|------------------|----------------------|------------------|----------------|----------------------|
| | ha ¹⁾ | % of total | ha ¹⁾ | % of total white | % of total in region | ha ¹⁾ | % of total red | % of total in region |
| Rheinhessen | 26,516 | 26% | 18,198 | 28% | 69% | 8,318 | 23% | 31% |
| Pfalz | 23,489 | 23% | 14,477 | 22% | 62% | 9,012 | 25% | 38% |
| Baden | 15,815 | 15% | 9,069 | 14% | 57% | 6,746 | 18% | 43% |
| Württemberg | 11,359 | 11% | 3,336 | 5% | 29% | 8,023 | 22% | 71% |
| Mosel | 8,765 | 9% | 7,932 | 12% | 90% | 834 | 2% | 10% |
| Franken | 6,104 | 6% | 4,941 | 8% | 81% | 1,163 | 3% | 19% |
| Nahe | 4,172 | 4% | 3,113 | 5% | 75% | 1,058 | 3% | 25% |
| Rheingau | 3,145 | 3% | 2,675 | 4% | 85% | 470 | 1% | 15% |
| Saale-Unstrut | 765 | 1% | 565 | 1% | 74% | 200 | 1% | 26% |
| Ahr | 562 | 1% | 86 | 0% | 15% | 476 | 1% | 85% |
| Sachsen | 492 | 0% | 398 | 1% | 81% | 94 | 0% | 19% |
| Mittelrhein | 462 | 0% | 393 | 1% | 85% | 69 | 0% | 15% |
| Hessische Bergstraße | 448 | 0% | 354 | 1% | 79% | 94 | 0% | 21% |
| Other areas | 78 | 0% | 52 | 0% | 67% | 26 | 0% | 33% |
| Germany total | 102,172 | 100% | 65,589 | 100% | 64% | 36,583 | 100% | 36% |

Source: Statistisches Bundesamt 2012

1) includes all vineyards no matter how old the vines are

Production in the 13 wine-growing regions, 2012

| German wine-growing regions | Total | | White wine & must | | | Red wine & must | | |
|-----------------------------|-----------|------------|-------------------|------------------|----------------------|-----------------|----------------|----------------------|
| | hl | % of total | hl | % of total white | % of total in region | hl | % of total red | % of total in region |
| Rheinhessen | 2,607,467 | 29% | 1,675,723 | 31% | 64% | 931,743 | 26% | 36% |
| Pfalz | 1,765,068 | 20% | 1,010,193 | 18% | 57% | 754,876 | 21% | 43% |
| Mosel | 1,272,067 | 14% | 967,788 | 18% | 76% | 304,279 | 9% | 24% |
| Baden | 1,168,396 | 13% | 703,600 | 13% | 60% | 464,797 | 13% | 40% |
| Württemberg | 1,131,274 | 13% | 294,803 | 5% | 26% | 836,471 | 24% | 74% |
| Franken | 460,607 | 5% | 366,350 | 7% | 80% | 94,257 | 3% | 20% |
| Rheingau | 231,188 | 3% | 207,983 | 4% | 90% | 23,205 | 1% | 10% |
| Nahe | 227,991 | 3% | 157,820 | 3% | 69% | 70,171 | 2% | 31% |
| Ahr | 35,718 | 0% | 8,754 | 0% | 25% | 26,964 | 1% | 75% |
| Hessische Bergstraße | 30,272 | 0% | 23,469 | 0% | 78% | 6,803 | 0% | 22% |
| Sachsen-Anhalt/Thüringen | 26,481 | 0% | 19,005 | 0% | 72% | 7,476 | 0% | 28% |
| Mittelrhein | 26,223 | 0% | 22,854 | 0% | 87% | 3,368 | 0% | 13% |
| Sachsen | 19,938 | 0% | 16,239 | 0% | 81% | 3,698 | 0% | 19% |
| Other areas | 9,539 | 0% | 7,860 | 0% | 82% | 1,680 | 0% | 18% |
| Germany total | 9,012,229 | 100% | 5,482,441 | 100% | 61% | 3,529,788 | 100% | 39% |

Source: Statistisches Bundesamt 2012

Structure of the German wine sector - estimations

| | Unit | Wine-growers association with own wine cellars | Wine-growers with bulk production | Winery with bottle marketing | Sum |
|----------------------|------------|--|---|---------------------------------|--------|
| Number | Number | 135 (52,000 members) | 10,000 | 10,000 | |
| Vineyard area | ha | 32,000 | 36,000 | 30,000 | 98,000 |
| Production | million hl | 3.1 | 3.8 | 3.0 | 9.9 |
| * bulk wine | million hl | 0.6 | 3.8 | 0.5 | 4.9 |
| * bottles | million hl | 2.5 | | 2.5 | 5.0 |

Source: Mend (2010) according to expert interviews and official statistics

Structure of vineyard holdings in selected German regions, 2010

| Agricultural holdings according to size of vineyard in ha ¹⁾ | | > 0 to < 1 | 1 to < 3 | 3 to < 5 | 5 to < 10 | 10 to < 20 | >=20 | Total | Ø ha/farm |
|---|---------------------|------------|----------|----------|-----------|------------|--------|--------|-----------|
| Germany | Number of holdings | 6,046 | 5,716 | 2,528 | 3,234 | 2,111 | 655 | 20,290 | 4.8 |
| | % | 30% | 28% | 12% | 16% | 10% | 3% | 100% | |
| | Area with vines, ha | 3,712 | 10,174 | 9,837 | 23,179 | 28,783 | 21,324 | 97,009 | |
| | % | 4% | 10% | 10% | 24% | 30% | 22% | 100% | |
| Rheinland-Pfalz | Number of holdings | 1,518 | 2,499 | 1,352 | 1,865 | 1,619 | 529 | 9,382 | 6.8 |
| | % | 16% | 27% | 14% | 20% | 17% | 6% | 100% | |
| | Area with vines, ha | 1,051 | 4,627 | 5,265 | 13,547 | 22,375 | 16,484 | 63,349 | |
| | % | 2% | 7% | 8% | 21% | 35% | 26% | 100% | |
| Rheinhessen | | | | | | | | | 9.3 |
| | Pfalz | | | | | | | | 7.9 |
| Baden-Württemberg | Number of holdings | 3,428 | 2,551 | 883 | 1,001 | 368 | 66 | 8,297 | 2.9 |
| | % | 41% | 31% | 11% | 12% | 4% | 1% | 100% | |
| | Area with vines, ha | 2,083 | 4,376 | 3,417 | 7,026 | 4,754 | 2,027 | 23,683 | |
| | % | 9% | 18% | 14% | 30% | 20% | 9% | 100% | |
| Baden | | | | | | | | | 2.8 |
| | Württemberg | | | | | | | | 2.9 |

Source: Statistisches Bundesamt 2010

1) This statistic targets agricultural holdings having vineyards as well. The cut-off size is 5 ha. Therefore, about 5,100 ha of vines were not counted since grown on farms comprising less than 5 ha.

First typical farm: DE-M1

- Region: **Rheinhessen** = most important region in terms of acreage and production
- Size: **20 ha** = average size of a commercial vineyard farm that grows vines as major income
- Varieties: **70% white and 30% red** = regional average
- Marketing: only **grape production**; Selling grapes to cooperative

Current developments regarding grape and wine production in Germany

- Stagnation in production due to restricted EU planting rights
- Reduction of production in steep hill vineyards (however rather low quantity)
- Increasing demand for grapes from small private cellars which produce bottled wine and have a good marketing system (vertically integrated) → competition with bulk wine producers for the same grapes

Interesting questions & challenges for the future

- Which varieties will be profitable in the future?
- Can the currently high grape prices be sustained in future?