
OIV Focus 2015

The rosé wine market

Content

This focus on rosé wines was conducted by the International Organisation of Vine and Wine (OIV) and by the Provence Wine Council (CIVP). It analyses global trends with regard to rosé wine production, consumption and trade flows since 2002.



vins de
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FRANCE

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Summary

This focus on rosé wines was conducted by the International Organisation of Vine and Wine (OIV) and by the Provence Wine Council (CIVP). It is based primarily on the work of the *Observatoire économique des marchés internationaux des vins rosés* (Economic Observatory for International Rosé Wine Markets) funded by the CIVP and FranceAgriMer. This report analyses global trends with regard to rosé wine production, consumption and trade flows since 2002.

Economic information for rosé wines is relatively difficult to obtain or to reconstruct. These wines suffer from the lack of a unique, shared definition. This means that rosé and red wines are often mixed together in economic data. Information needs to be collected at the most local level and different sources need to be cross-checked in order to carry out reliable estimates of data on rosé wines.

The analysis of data on rosé wines has made it possible to estimate global production in 2014 at 24.3 million hectolitres (mhl), which represents 9.6% of global wine production excluding sparkling wines¹. Rosé wine production has risen in recent years, boosted by an increase in consumption. Four countries account for 80% of production: France (7.6 mhl in 2014), Spain (5.5 mhl), the United States (3.5 mhl) and Italy (2.5 mhl).

World rosé wine consumption reached 22.7 mhl in 2014, which is an increase of 20% since 2002. France and the United States are the main consumers of rosé wines, with 8.1 and 3.2 mhl consumed respectively in 2014. Only a few countries saw their rosé wine consumption drop, and these are countries with historically high levels of wine consumption, particularly with regard to rosé wine: Italy, Spain and Portugal. Rosé consumption is becoming globalised and a number of new regions have also begun to consume it, especially in Northern Europe – including the United Kingdom (+250% since 2002) and Sweden (+750%) – as well as Canada (+120%) and Hong Kong (+250%). France recorded the biggest increase in recent years: + 2.5 mhl between 2002 and 2014. Rosé wines currently represent 30% of total still wine consumption, in contrast with 16% in 2002.

Since 2002, global rosé wine exports (9.8 mhl in 2014) have seen sustained growth, stimulated by high demand from major consumer countries, including non-producer countries such as the United Kingdom, the Netherlands and Belgium. This market is now trading at the same level as the wine market as a whole. This increase in consumption is driven by young age groups.

¹ The provisional OIV total for production in 2014 is 270.2 mhl, of which 17.6 mhl corresponds to sparkling wines and 252.6 mhl to still wines.

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Abbreviations :

khl: thousands of hectolitres

mhl: millions of hectolitres

I. Introduction

The production and consumption of rosé wines saw an increase of 16% and 20% respectively over the last ten years. In 2014, rosé wines held 10% of the still wine market share.

Although countries in the European Union (EU) are still the leaders in this market segment, rosé wine consumption and production is increasing throughout the rest of the world. Furthermore, international trade has grown. The purpose of this report is to provide an overview of the still rosé wine segment and its place in the vitivincultural sector.

What is a rosé wine?

There is no specific definition for **rosé wine**. The Combined Nomenclature (CN)² and European regulations on the wine sector only differentiate a white wine from a non-white wine.

This differentiation does not exist on a global level. For example, the OIV, which defines wine as a beverage resulting from the partial or complete alcoholic fermentation of fresh grapes, whether crushed or not, or of grape must, does not have specific analytical standards that distinguish wines according to their colour.

Despite the fact that a precise definition of **rosé wine** does not exist, **there are, however, specific production methods**. Rosé wines are divided into four types, depending on the oenological practice used:

1. *Rosé from direct pressing or very short maceration periods (<2h)*: This technique consists of the direct pressing of whole or destemmed grapes immediately after harvesting and a relatively short skin maceration period until the desired clear, pink shade is obtained. The juice, separated from the skins, is then placed in the vat where the fermentation process begins.

2. *Rosé from skin maceration for a duration of >2h*: This type of rosé is normally produced from black grapes that are placed directly in the vat and undergo a relatively long maceration period before alcoholic fermentation, in order to release the components of the skin and pulp to obtain a fairly deep pink shade. The juice, separated from the skins with or without pressing, is then placed in the vat where the fermentation process begins.

3. *Saignée method rosé*: This type of rosé is normally produced from black grapes that are placed directly in the vat and undergo a relatively long maceration period before alcoholic fermentation, in order to release the components of the skin and pulp until the desired pink shade is obtained. Some of the juice is separated and transferred to another vat for the production of rosé wine while the rest of the harvest continues maceration and fermentation to produce red wine.

4. *Blending of musts or white and red wines*: This practice is subject to different regulations depending on the country. Within the EU³, this practice is not permitted for wines without a Geographic Indication, is controlled (or not) under the specifications for wines with Geographical Indications and is authorised for sparkling wine production; however, it is more commonly used in the rest of the world. In addition, white wines may be enriched with coloured concentrated musts to obtain a rosé wine. The oenological practice

² The Combined Nomenclature (CN), a European Union eight-figure code, is comprised of six figures corresponding to the Harmonised System (HS) and an additional two figures that enable white wines to be identified.

³ Commission Regulation (EC) No. 606/2009 laying down certain detailed rules for implementing Council Regulation (EC) No. 479/2008

that defines enrichment with musts and concentrated musts does not indicate that it is obligatory to use a concentrated must of a similar colour to that of the must undergoing enrichment.

II. Methodologies

For the majority of products, economic information does not exist as an end in itself and is relatively difficult to obtain or to reconstruct. For rosé wines, which suffer from a lack of a specific definition, economic data is even harder to obtain.

Therefore, consumption data, often compiled for marketing purposes, is the most accurate information available and makes it possible to reconstruct harvest assessments and production data.

Indeed, rosé and red wines are not always separated in economic data derived from reporting obligations⁴. The distinction is very rarely made on an international level, and occasionally on a national scale, but is made fairly frequently at the local level, where product production specifications exist (Geographical Indications or brands).

Compiling information at the most local level and cross-checking different sources therefore makes it possible to make reasoned estimates with regard to the rosé wine market. Different methods were used to prepare the information published in this report⁵:

To **evaluate consumption**, the following was used: distributor or consumer panels, data from distribution monopolies for countries for which it is available (e.g. Sweden, Canada, Norway, etc.) and consumer surveys.

The following were used to **evaluate production data**:

Official sources

Fiscal, customs or national statistics rarely provide data on rosé wines. At the local level, organisations (inter-professional, regional or national) often make the distinction between rosés and reds for harvests (mainly in the case of Geographical Indications). This information is easily recovered for some countries such as France (for PDOs), Brazil or South Africa.

Commercial data

For certain wines or in certain geographical regions, rosés are not distinguished from other wines at the time of production, yet commercial follow-up data often exists. In such cases, estimates are made based on transactions that most often occur in bulk on the markets within which production takes place. These sources, supplemented by additional data on stock variation, or qualitative sources regarding production levels, make it possible to assess the production levels.

⁴ In European regulations, rosé wine is sometimes assimilated with red wine (harvest, vineyard register and stock declarations) and also, at times, with white wine (control of volatile acidity, sulphur dioxide, etc.).

⁵ Wassily Leontief's idea of the input-output matrix was used in order to complete and validate all of the data. This method consists in estimating the data for several countries, for which information is not readily available, using the average for all of the countries for which information is known.

Consumption data used to reconstruct production data

Rosé production data, for countries that do not make a distinction between reds and rosés in their harvest data, has sometimes had to be reconstructed from consumption data.

We have used Germany by way of example to explain the methodology adopted. The IRI⁶ distributor panel makes it possible to track mass-distribution and hard-discount purchases in Germany. Due to the dominance of this distribution network in German wine consumption, it is possible to use the percentage of rosé sold through these channels in Germany (10.1% in 2014) to reconstruct overall rosé consumption in the country. The ability to identify the origins of the rosés sold in most destinations therefore makes it possible, as for the previous case, to assess German rosé wine production levels.

It should be noted that the work carried out previously on sparkling wines, as well as the accuracy of the data from consumer or distributor panels, has allowed us to focus this work on still rosé wines.

To evaluate the data on trade:

In the majority of cases, countries do not have customs data available for rosé wine. The data linked to imports and exports was reconstructed thanks to consumption monitoring tools.

The breakdown by colour of the still wines bought in a consumer country originating from a producer country was applied to all volumes exported from the latter country to the former destination, and adjustments were sometimes made according to qualitative commercial information. This method was applied for all countries for which information is available, and for all of the main exporting countries, thus enabling us to evaluate the global rosé wine market.

⁶ IRI: Information Resources, Inc.

III. The rosé wine market

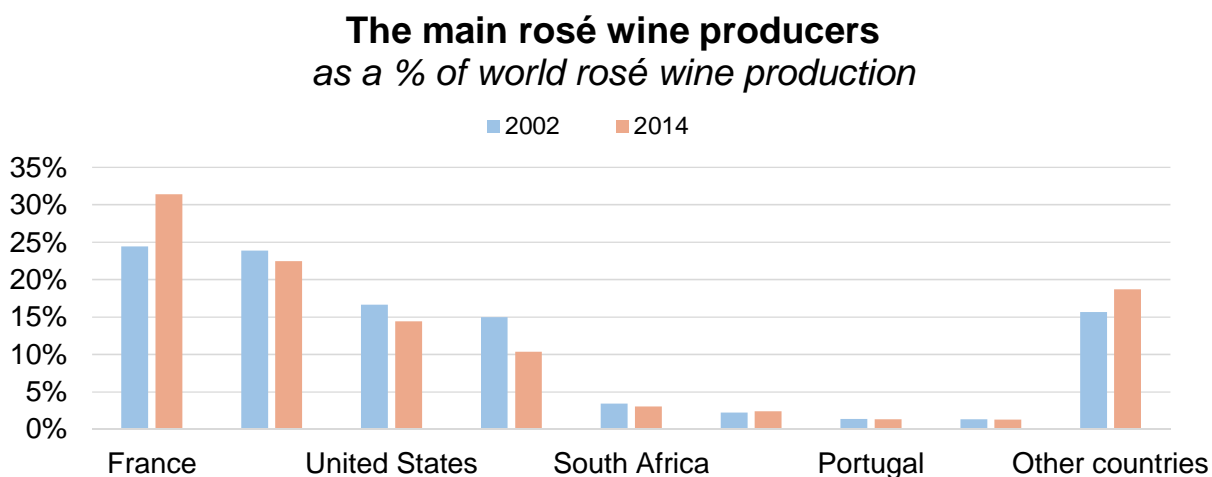
Production

World rosé wine production in 2014 (excluding sparkling wines) is estimated at over **24 mhl**, a 10% increase compared with the year 2013.

Rosé wine production has risen in recent years, driven by an increase in consumption. The production of rosé wines has seen an increase of around 16% since 2002. The rosé wine share of total wine production has remained fairly stable since 2002, fluctuating between 8% and 10% of still wine production.



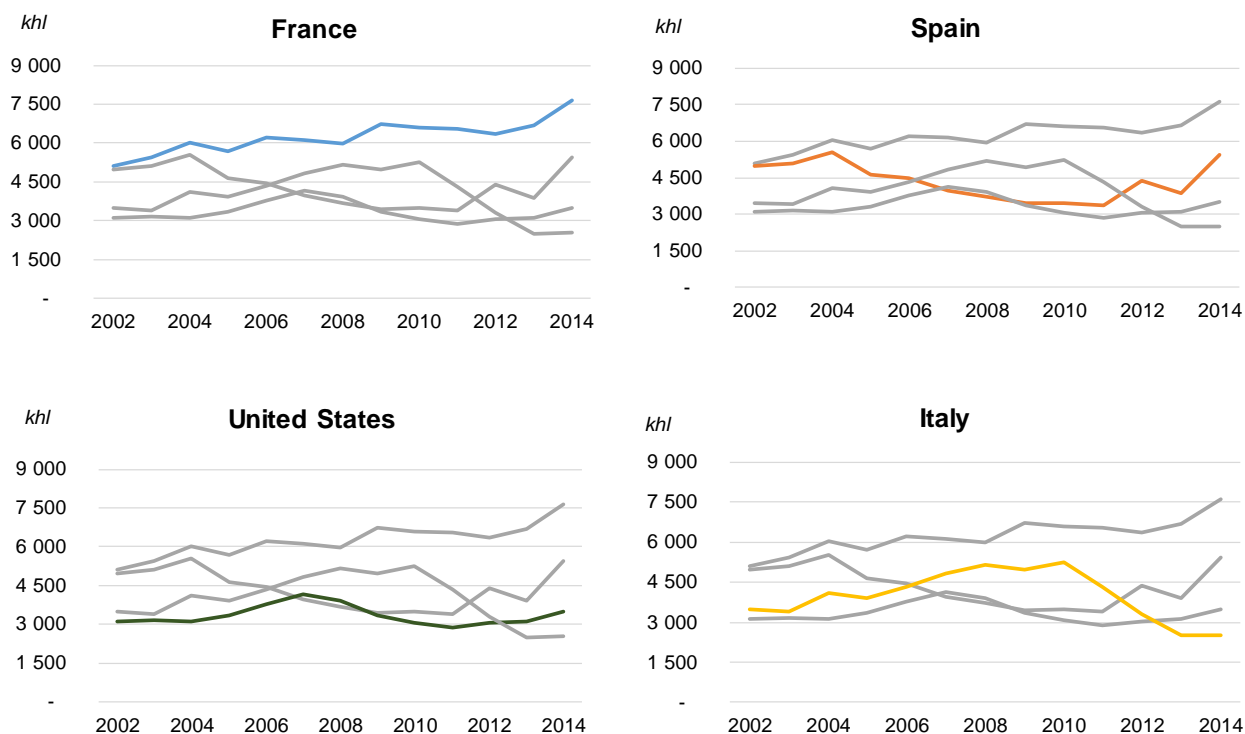
Source: Various sources, preparation by OIV-CIVP, 2015



Source: Various sources, preparation by OIV-CIVP, 2015

Therefore, in absolute terms, the trends in rosé wine production in the main producer countries were as follows:

Trends in rosé wine production for the four biggest producers



Source: Various sources, preparation by OIV-CIVP, 2015

Three-quarters of rosé wine production comes from four countries. **France**, with **7.6 mhl** in 2014, remains the world leader in rosé wine production. French production accounts for nearly 30% of rosé wine produced globally. Between 2002 and 2014, rosé wine production in France grew by nearly 50%.

Spain is the second biggest producer, with over **5.5 mhl** in 2014, which corresponds to a fifth of rosé wines produced worldwide. This country's production is primarily destined for export, whereas the opposite is true in France, where production does not fully meet domestic demand.

The **United States** reached **3.5 mhl**, putting it in third place globally, following a resurgence in the last few years.

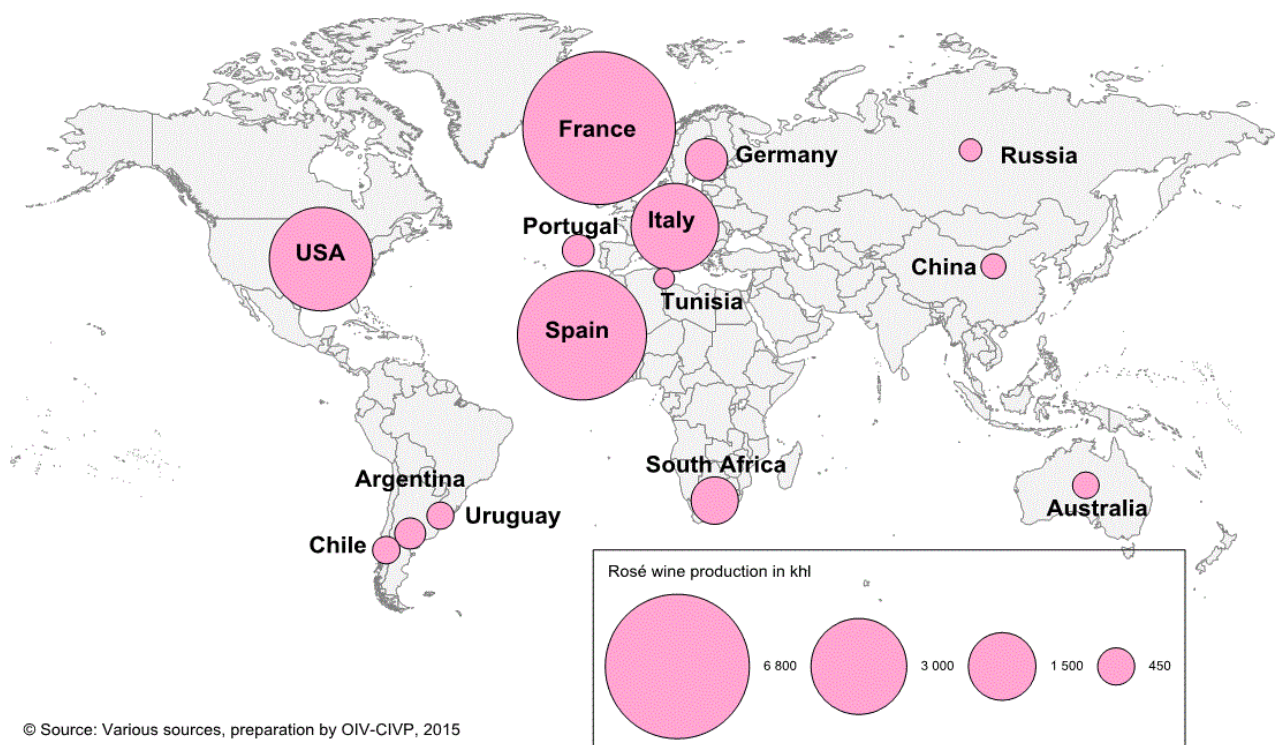
Italy recorded production of around **2.5 mhl** in 2014, keeping it at the same level as in 2013, following a significant decline since 2010.

Although production of this type of wine is still concentrated in Europe, **new rosé wine producer countries are of growing importance** in this segment. **South Africa, Chile** and

Australia have seen their production increase progressively since the start of the 2000s (+200% in South Africa, +400% in Chile and +450% in Australia).

Although the size of the volumes in absolute terms is the primary indicator with which to examine the rosé wine market, the relative weight of these wines against total production is also a significant indicator. This "intensity" varies from country to country. Indeed, it should be noted that rosé wine production in Tunisia represents nearly 60% of the volume of its total still wine production, compared to 35% in Uruguay.

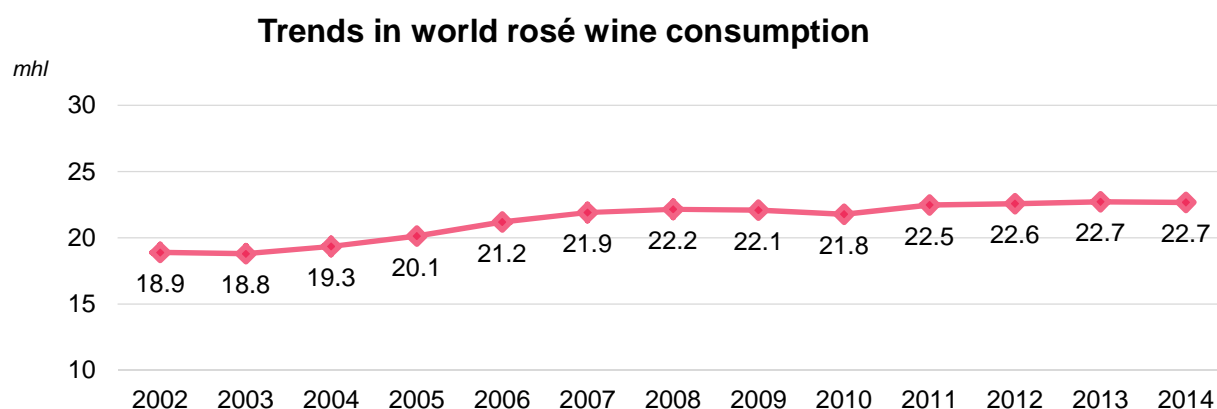
The main rosé wine producer countries in 2014



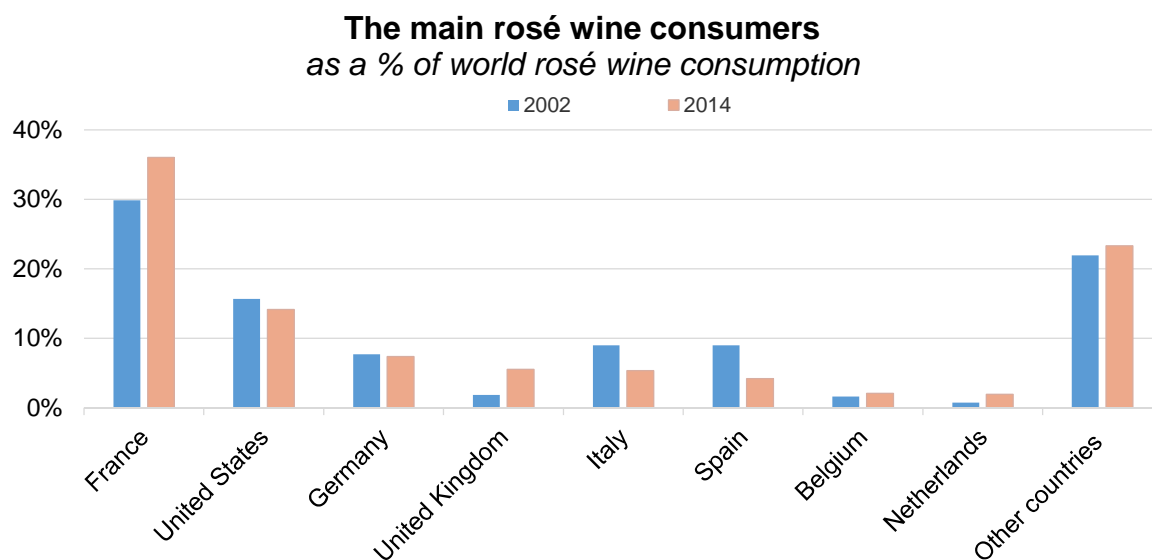
Consumption

Rosé wine consumption (22.7 mhl in 2014) has stabilised recently in terms of volume, in line with the overall consumption trend for all wines. Nevertheless, at 10.3%, it continues to increase its share of still wine consumption.

Although total still wine consumption has remained generally stable in absolute terms since 2002⁷, rosé wine consumption has increased 20% (since 2002), from 18.9 mhl to 22.7 mhl.



Source: Various sources, preparation by OIV-CIVP, 2015

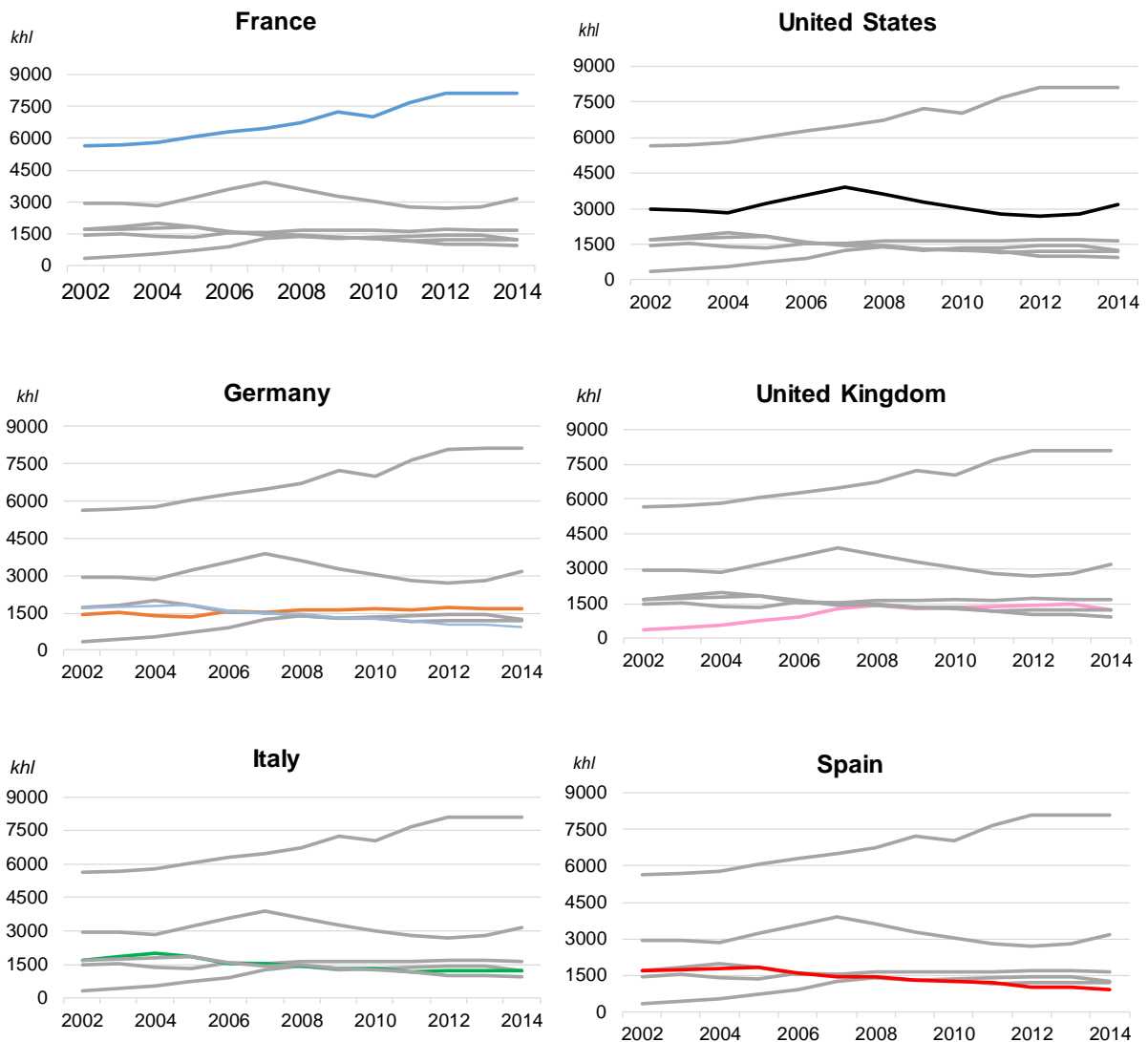


Source: Various sources, preparation by OIV-CIVP, 2015

Therefore, in absolute terms, rosé wine consumption trends in the main consumer countries were as follows:

⁷ Provisional OIV total for all wine consumption in 2014: 237 mhl, of which 17.5 mhl corresponds to sparkling wines and 219.5 mhl to still wines.

Trends in rosé wine consumption for the six biggest producers



Source: Various sources, preparation by OIV-CIVP, 2015

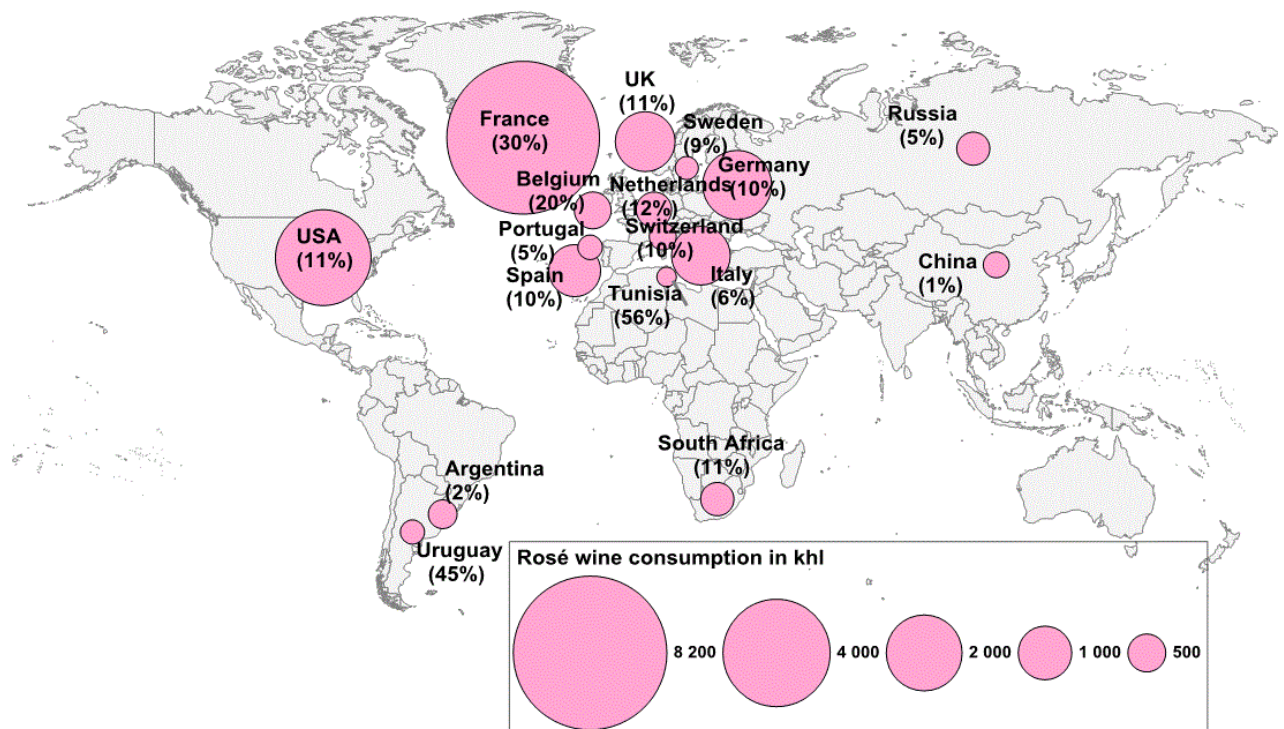
Global rosé wine consumption has been driven in particular by the growth in rosé consumption in France, but also by the emergence of new consumer countries.

France and the **United States** are the main rosé wine consumers: with **8.1** and **3.2 mhl consumed respectively in 2014**; they account for nearly half of the volumes of rosé wines consumed in the world. Consumption of rosé wines in France has significantly increased since 2002 (+43%). Rosé wines' share of still wine consumption in France rose from 16% in 2002 to more than 30% in 2014. Conversely, the other primary rosé wine consumers have recorded stagnant consumption (Germany) or even declining consumption (particularly Spain, Italy and Portugal) in recent years.

In the rest of the world, **countries are starting to consume more and more rosé wines** and there have been significant increases – which has been the case for most regions – especially in Northern Europe, including the United Kingdom (+250% since 2002) and Sweden (+750%), as well as in Canada (+120%) and Hong Kong (+250%).

Changes in "intensity" are an additional indicator: indeed, the market share of rosé wines may grow faster than its volume (this is the case in France, as red wine consumption is declining), or else remain stable or decrease because red and white wine consumption is growing more quickly (as in Germany or the United States, for example). It should be noted that, in Tunisia and Uruguay, rosé wines account for approximately half of still wine consumption.

Rosé wine consumption in 2014
 (% of total rosé wine consumption/total still wine consumption)



© Source: Various sources, preparation by OIV-CIVP, 2015

Who are the consumers of rosé wine?

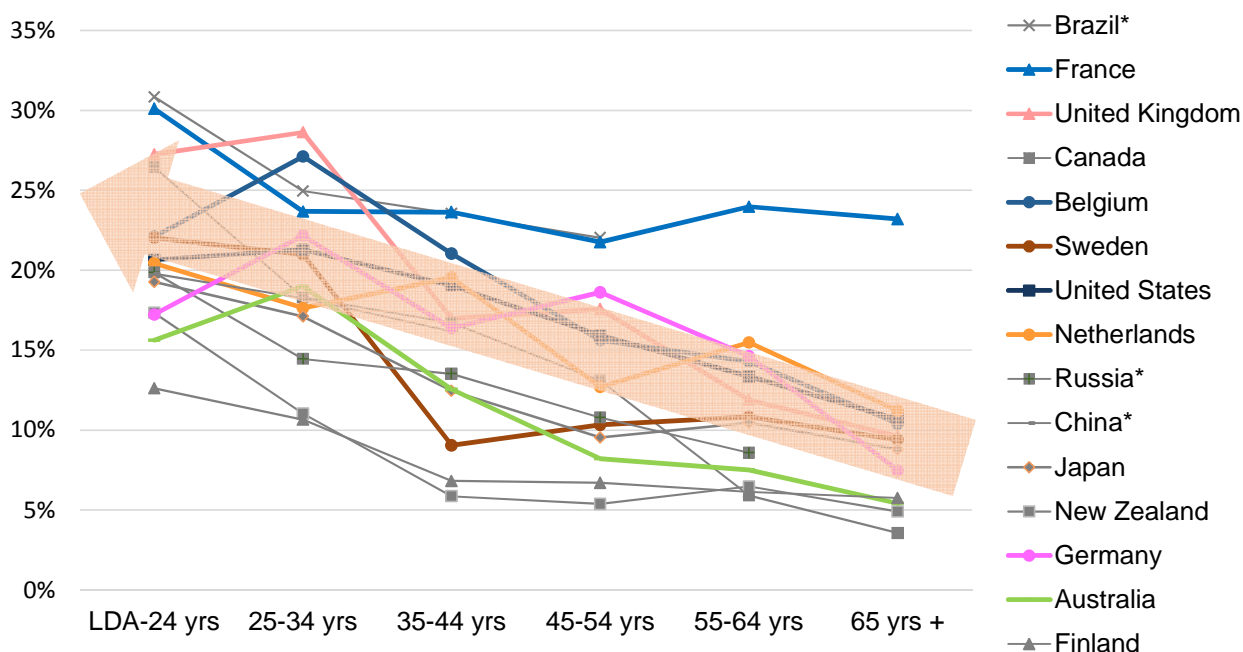
Another way to examine rosé wine consumption is to carry out consumer surveys that are representative of a country's population (according to age, gender, geography, etc.). This data is based on self-reporting and may contain biases. However, this method makes it possible to provide an indicator for countries without further information, or provides an additional source to a panel on a country. Furthermore, this data offers the possibility of analysing the populations in question, and is comparable over time.

Rosé wines' share of "self-reported" total still wine consumption was measured as having increased since 2007 in many countries⁸. Consumers have indeed reported that they are increasingly favouring rosé wines in their wine consumption.

⁸ CIVP-WINE INTELLIGENCE, Vinitrac®, 2014

Rosé wine share of total still wine consumption by age

% of rosé wine consumed as reported by still wine consumers



Source: Various sources, preparation by OIV-CIVP, 2015

Wine Intelligence, CIVP Survey, Vinitrac© 2014, n>700 conso. de vin tranquille sur tous les marchés

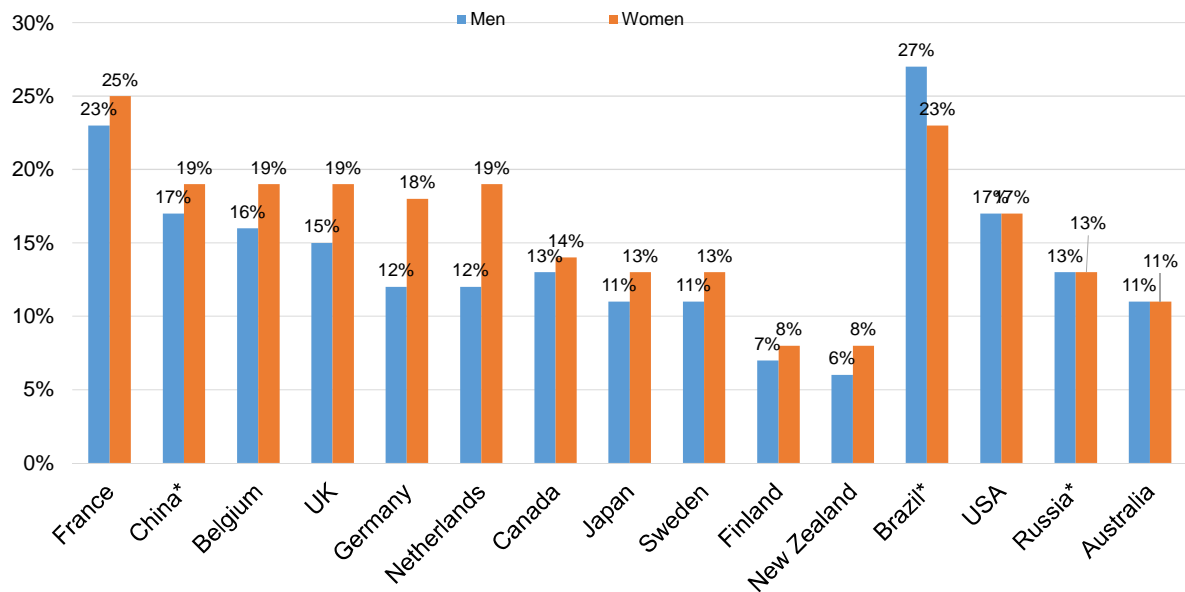
* : for the surveyed population. Base=All wine consump.

This growth has primarily been driven by the youngest population segment of legal drinking age, for which self-reported rosé wine consumption was highest in terms of "intensity" (volume per resident of legal drinking age). Rosé wines' share of total still wine consumption is on average 10% higher in this age group. This phenomenon can be seen in the majority of countries included in the study (Germany, Australia, Belgium, Canada, the United States, Finland, Japan, New Zealand, the Netherlands, the United Kingdom, Sweden, Russia, Brazil and China). In France, this phenomenon exists, but is less marked, and rosé wine consumption is more transgenerational.

In most countries, women report that they consume more rosé wine (in proportion to their total still wine consumption) than men. In Germany and in the Netherlands, the difference has reached 6%.

However, some countries are exceptions to this trend. In the United States, Russia and even Australia, men report that they consume the same proportion of rosé wine as women. In Brazil, the proportion of rosé wine consumed is actually higher for men than for women – by 4%.

Rosé wine share of total still wine consumption by gender
% of rosé wine consumed as reported by still wine consumers



Source: Various sources, preparation by OIV-CIVP, 2015
 Wine Intelligence, CIVP Survey, Vinitrac® 2014, n>700 conso. de vin tranquille sur tous les marchés
 *: for the surveyed population. Base=All wine consump.

When is rosé drunk?

Rosé consumption is often seasonal: in France, 35% of rosé is sold through large retail outlets in summer, compared with 15% in winter⁹. The weather may influence consumption in the short term: temperature, amount of sunshine, etc. Rosé wine thus falls under "weather-sensitive" consumption.

Although rosé's seasonality is marked in France, it is less so in the United Kingdom, for example. In the UK, we can see in particular that that rosé's pink hue – the colour of love – has led to a consumption spike for rosé wines for Valentine's Day, around 14 February¹⁰.

Trade

Exports

Since 2002, **global still rosé wine exports have risen**, stimulated by high demand from major consumer countries, especially non-producer countries such as the United Kingdom, the Netherlands and Belgium. The volumes of rosé wines traded have grown by 2.7 mhl since 2002 to reach **9.8 mhl in 2014 (+37%)**.

⁹ CIVP, based on the IRI (Information Resources, Inc.) distributor panel

¹⁰ Idem.



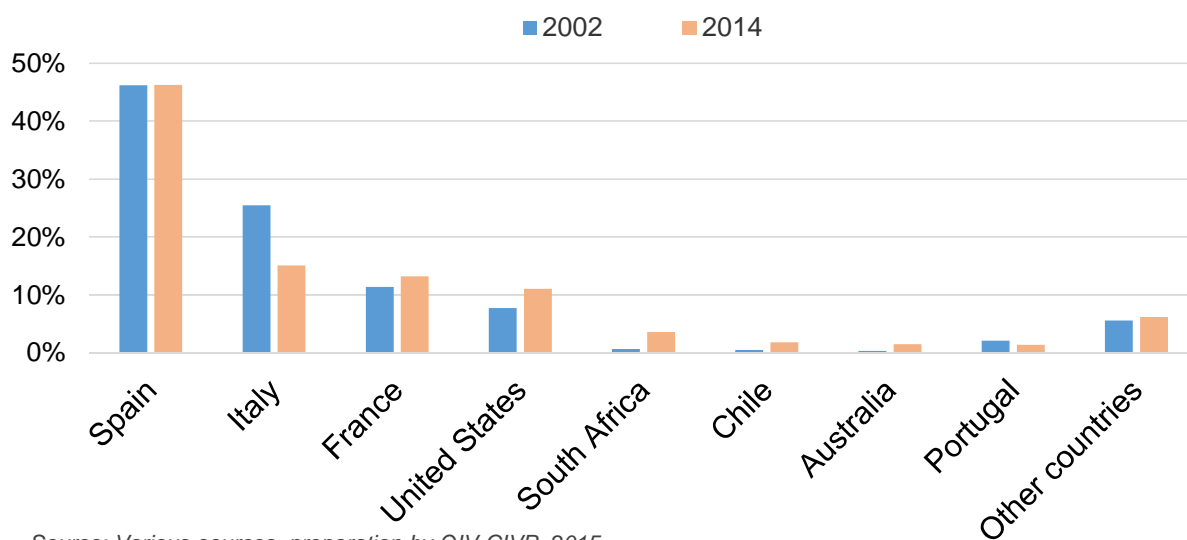
Source: Various sources, preparation by OIV-CIVP, 2015

The **main exporter countries** of rosé wines are **Spain** with 46.3% in terms of volume, followed by **Italy**, the **United States** and **France** with comparable volumes (between 1.1 and 1.5 mhl exported in 2014). These four countries export, in terms of volume, more than 80% of rosé wines in the world.

The market shares of the biggest exporters have increased over the past ten years, with the United States and South Africa in particular occupying an increasingly significant place in global trade.

The main rosé wine exporters

as a % of the total volume of rosé wine exported worldwide



Source: Various sources, preparation by OIV-CIVP, 2015

Imports

World still rosé wine imports in 2014 were evaluated at 9.6 mhl, an increase of 1.2 mhl compared with 2013.

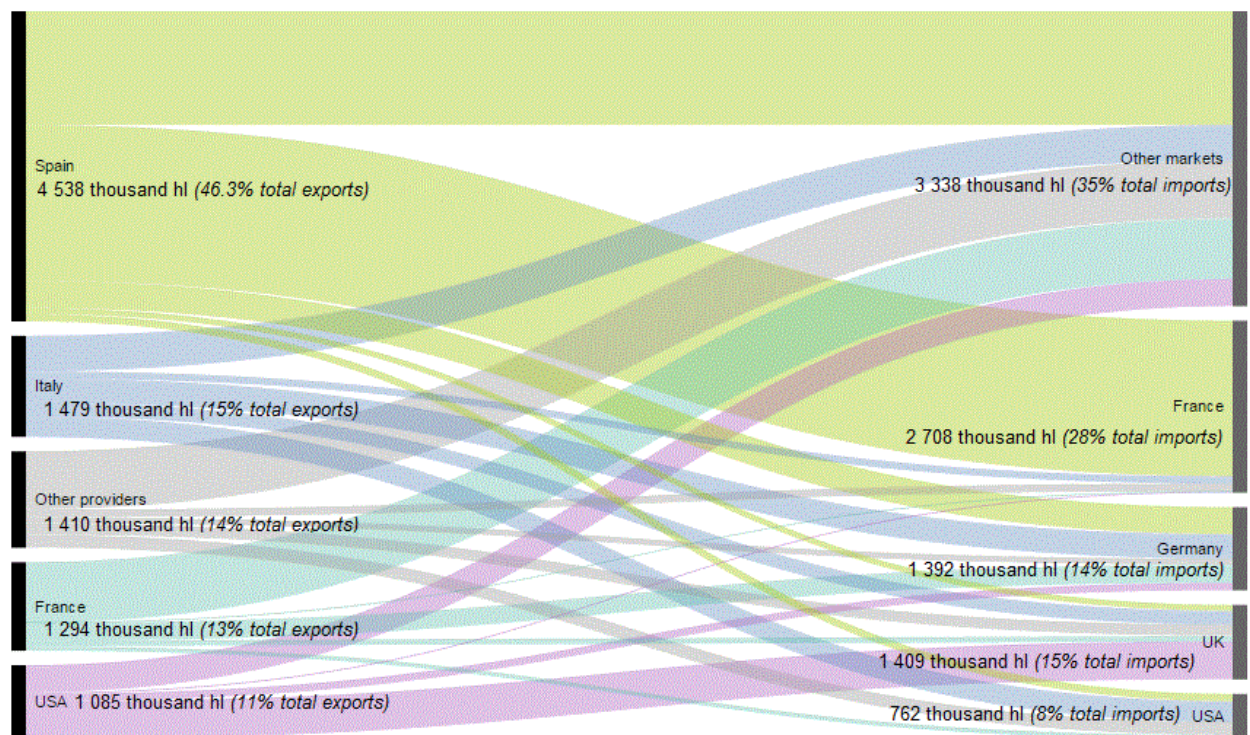
The four leading global importers account for 65% of total rosé wine imports; after France with 28%, the United Kingdom and Germany each import 15% of the total and the United States 8%.

More than 80% of world rosé wine imports are into non-producer European countries, except for France. France is indeed a big producer and exporter, but is also the number-one importer.

Switzerland has imported stable volumes of rosé wines for ten years and is the only significant market where imports have not risen.

Trade flows in terms of volume in 2014

Data for the top four exporters/producers and the four biggest importers/consumers



Source: various sources, preparation by OIV-CIVP, 2015

Trade flows for rosé wines are either in large volumes at low prices, often in bulk (particularly from Spain and South Africa and destined for France, for use in wine-based aperitifs in particular), or consist of upscale products (particularly from France and destined for the United States and the United Kingdom).

Part of the low-end "value product" trade varies greatly from one year to the next in terms of origin. The breakdown of these wines by colour into rosé wine, on the one hand, and white wine that may subsequently be coloured (especially for the production of wine-based aperitifs), on the other hand, also varies.

IV. Sources – Bibliography

The data published in this report is provided by the Rosé Wine Economic Observatory for the global industry in Provence and the questionnaires submitted to OIV Member States have been added to the database of the *Observatoire économique des marchés internationaux des vins rosés*.

OIV Focus: The sparkling wine market, 2014

Commission Regulation (EC) No. 606/2009 laying down certain detailed rules for implementing Council Regulation (EC) No. 479/2008

CIVP - WINE INTELLIGENCE, Vinitrac® (2014). *n>700 consommation de vin tranquille sur tous les marchés*

International Organisation of Vine and Wine

The International Organisation of Vine and Wine is an intergovernmental organisation of a scientific and technical nature, of recognised competence for its works concerning vines, wine and wine-based beverages, table grapes, dried grapes and other vine-based products. The OIV has 46 Member Countries around the world.

Rosé Wine Economic Observatory in Provence

Created by the Provence Wine Council as part of its economy department, the Rosé Wine Economic Observatory offers an overview of the economy of the rosé market: analysis of figures on rosé wine production, consumption and world trade; typology of products; typology of consumers; distribution channel analysis; pricing analysis; packaging analysis; etc. This Observatory was established in Provence, the leading region for PDO-quality rosés in the world, where rosé wine is a speciality and constitutes more than 80% of production. The Observatory draws, in part, on the work of the *Observatoire économique des marchés internationaux des vins rosés*. This study is led and co-financed by the CIVP and FranceAgriMer; Agrex Consulting acted as service provider between 2010-2013 and AbsoConseil has fulfilled that role since 2014. The study collects and analyses data on rosé wine across 42 countries, particularly through panels, customs statistics and studies co-financed by the CNIV (National Committee of Inter-Professional Wine Organisations) and France AgriMer.

The professionals in Provence therefore have legitimate standing to operate such an Observatory. In addition to internal strategic uses, it contributes to the sharing of knowledge, which includes this OIV-CIVP focus on rosé wines.

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