

The Role of Spain in the International Bulk Wine Industry

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Some questions

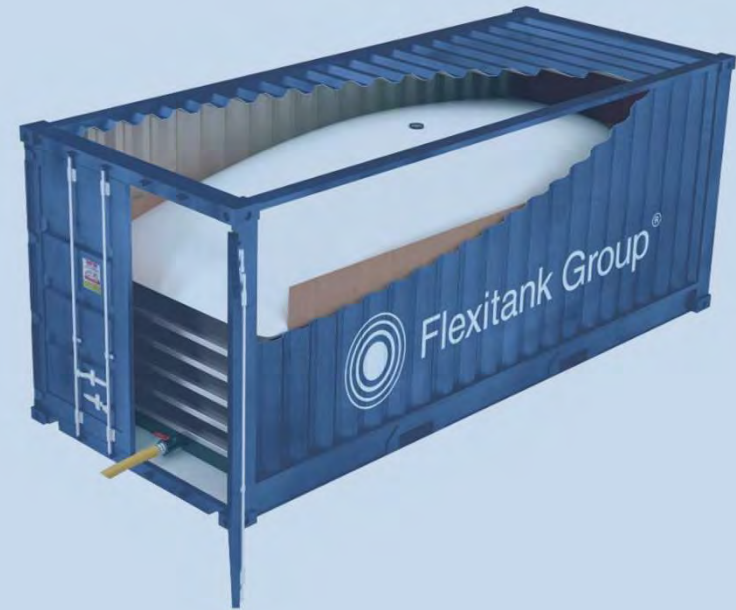
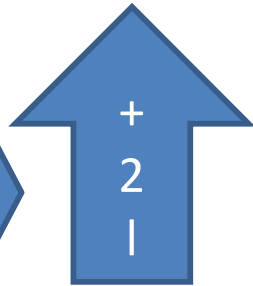
- 1 What does “bulk” mean
- 2 What does “bulk” represent in international wine trade
- 3 Top sellers of wine in bulk
- 4 Top markets for wine in bulk
- 5 “Bulk” & “bulk”; the different markets for wine in bulk
- 6 The role of Spain in the world bulk market
- 7 The future ahead

What does “bulk” mean?

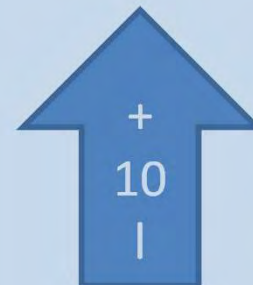
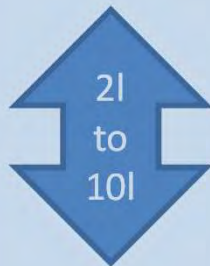


What does “bulk” mean?

Up to
2017



Since
2017



What does “bulk” mean?

We need to understand the tools available.

Harmonized Commodity Description and Coding Systems (HS) The Harmonized System is an international nomenclature for the classification of products. It allows participating countries to classify traded goods on a common basis for customs purposes. At the international level, the Harmonized System (HS) for classifying goods is a six-digit code system

22: Beverages

2204: Wines and must

2204 10:
Sparkling
wines

2204 21:
Bottle non-sparkling
wine (up to 2 litres)

2204 22:
BiB (wines in
containers
between 2 and
10 l)

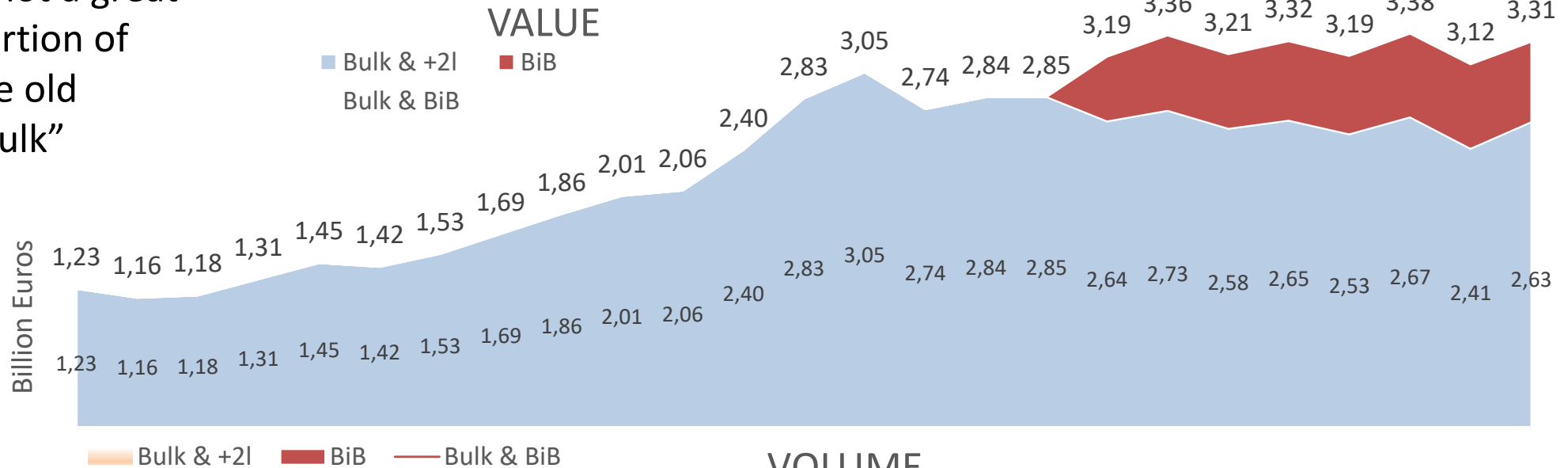
2204 30:
Must

2204 29:
“Bulk” (wines in
containers of more than
10 l)

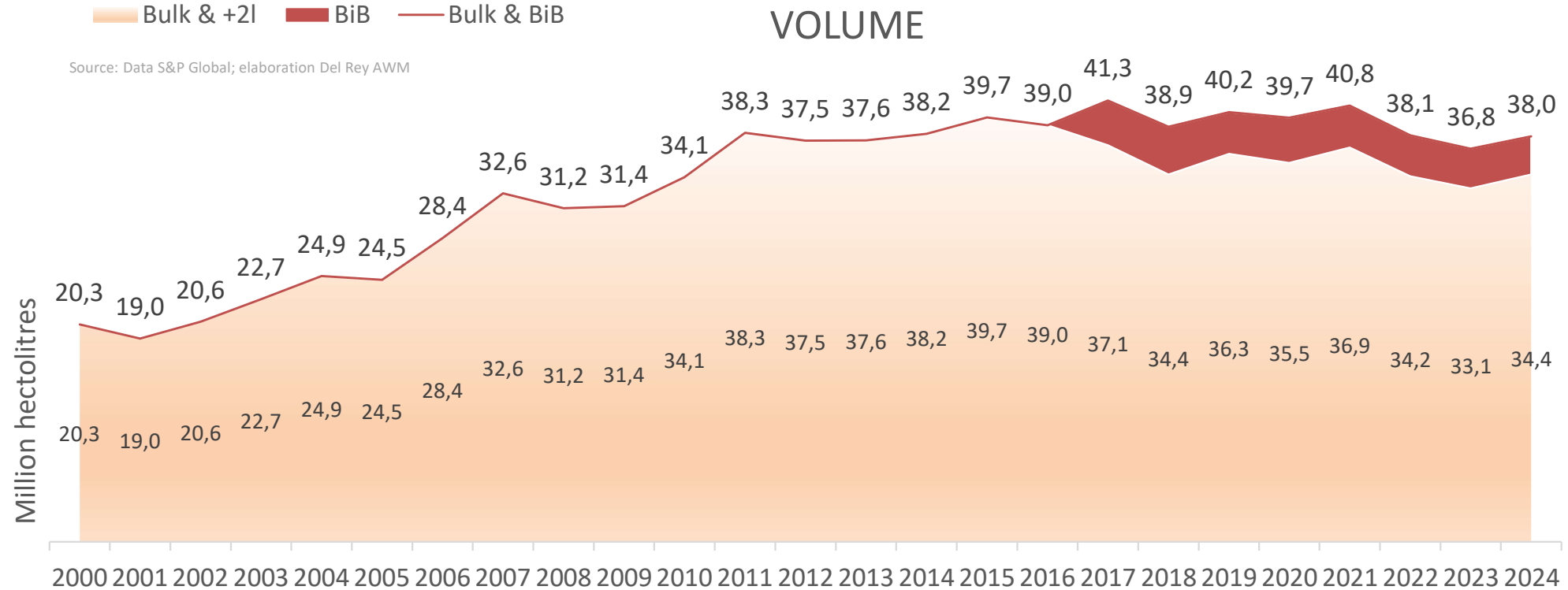
What does “bulk” mean?

Although BiB
is not a great
portion of
the old
“bulk”

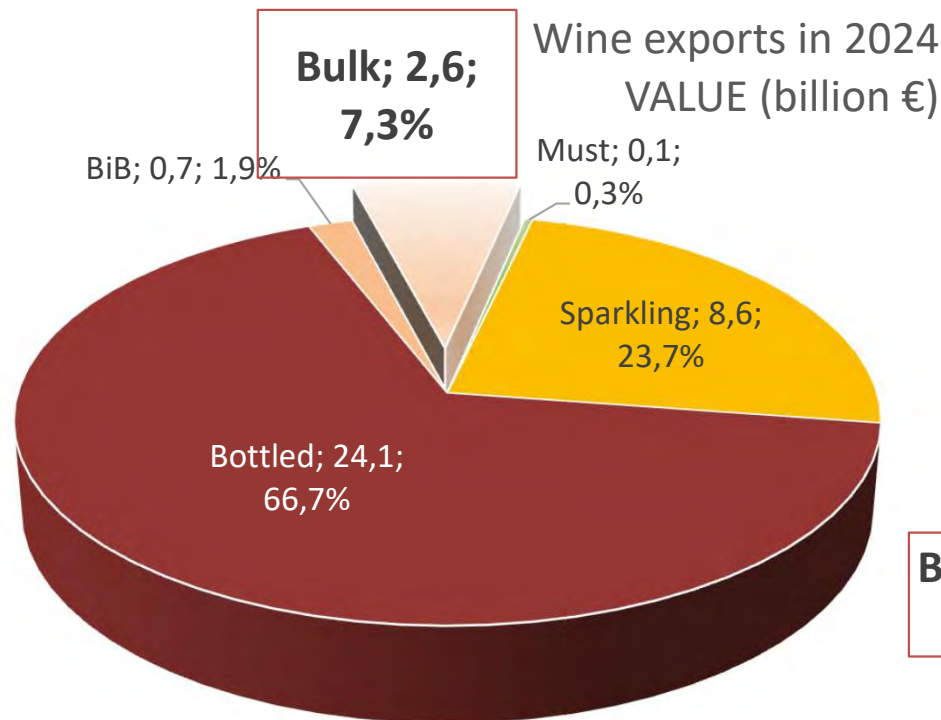
Bulk and BiB World exports



Source: Data S&P Global; elaboration Del Rey AWM



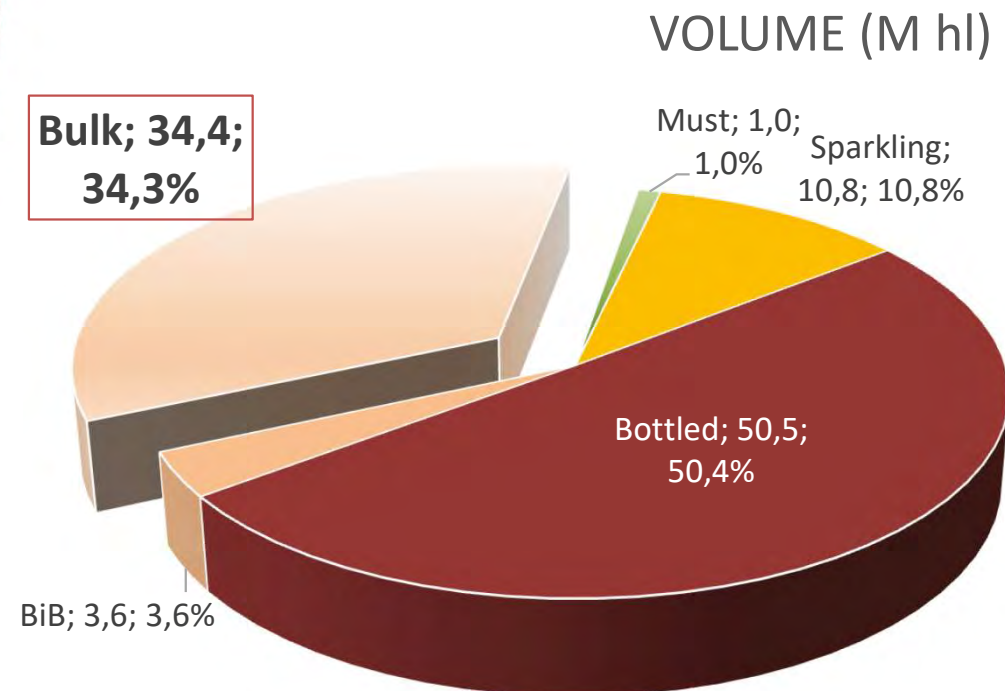
What does “bulk” represent in international wine trade?



Source: Data S&P Global; elaboration Del Rey AWM

... about one-third of total wines, and above 34 million hectolitres.

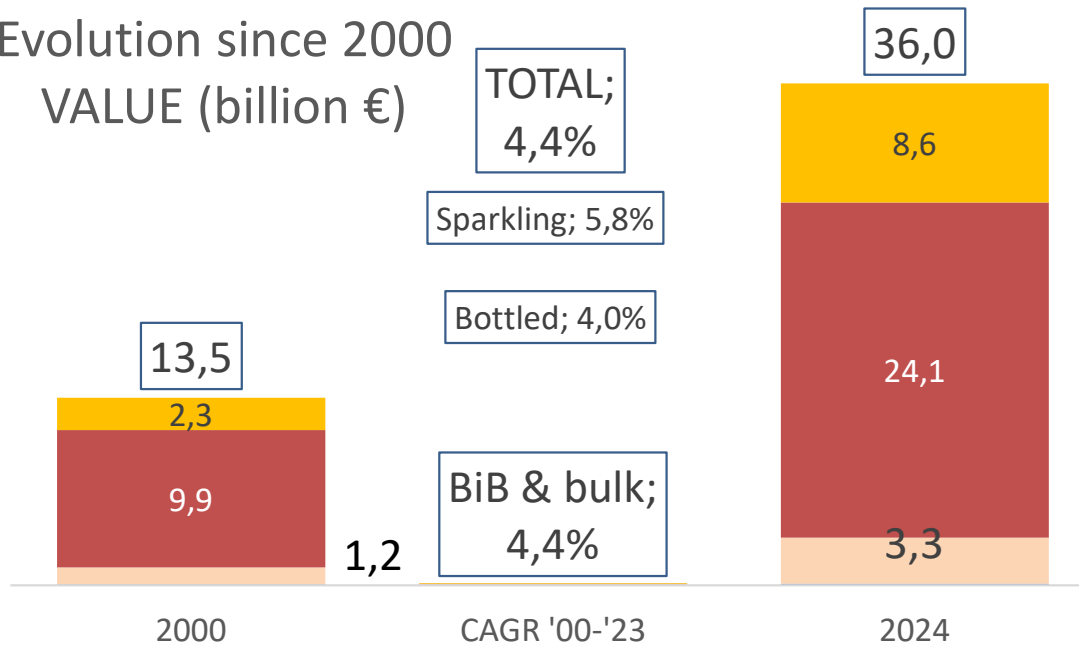
In 2024, bulk wine (+10l containers) accounted for 2.6 billion Euros, equivalent to 7,3% of total wine exports (6.5% in 2023), but...



What does “bulk” represent in international wine trade?

... and how has it evolved?

Evolution since 2000
VALUE (billion €)

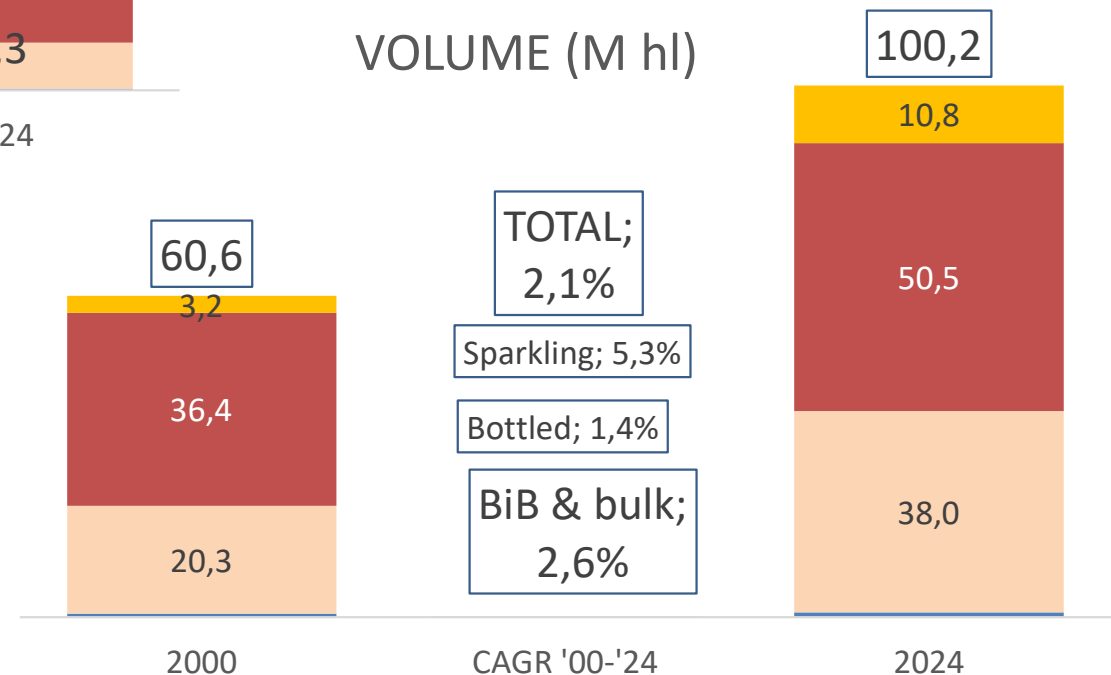


Bulk – with BiB for long term comparisons – is still a small part of total value but has grown since 2000 faster than bottled wines.

Source: Data S&P Global; elaboration Del Rey AWM

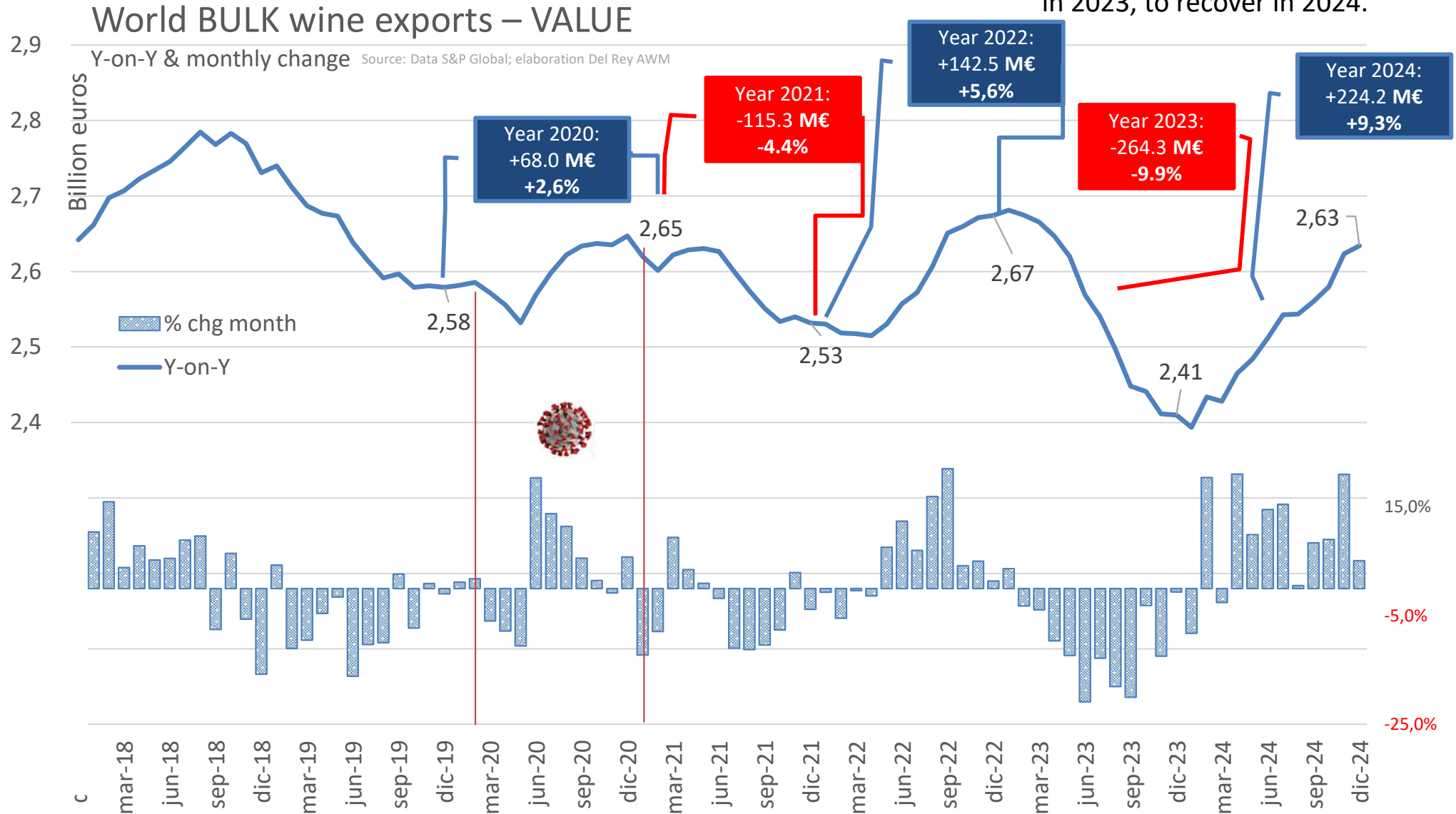
In volume, bulk & BiB have grown at a pace 1.2 point faster than bottled wines (2.6% per year as compared to 1.4%)

VOLUME (M hl)



In more recent times...

Bulk was expected to decrease in a year 2020 preceded by a relatively short crop... but did not. It was expected to increase in the phase of recovery ... and it did not. It grew strongly in 2022 in Euros. But it fall even more stronger again in 2023, to recover in 2024.

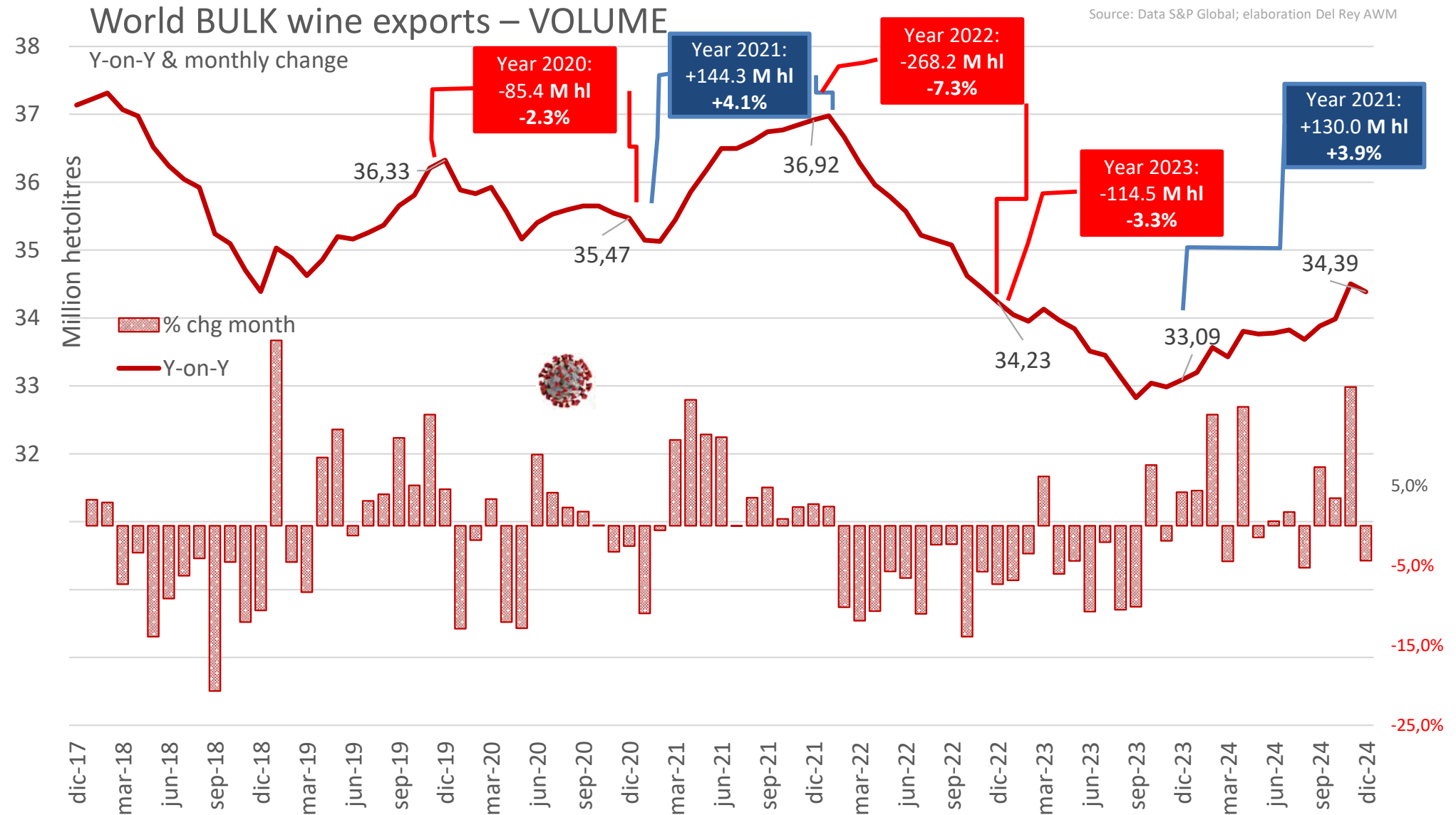


In more recent times...

Bulk exports did recover in VOLUME terms during 2021, therefore decreasing significantly its average prices (-9%).

But came down again in 2022 and 2023 due to short crops, high prices & uncertainty.

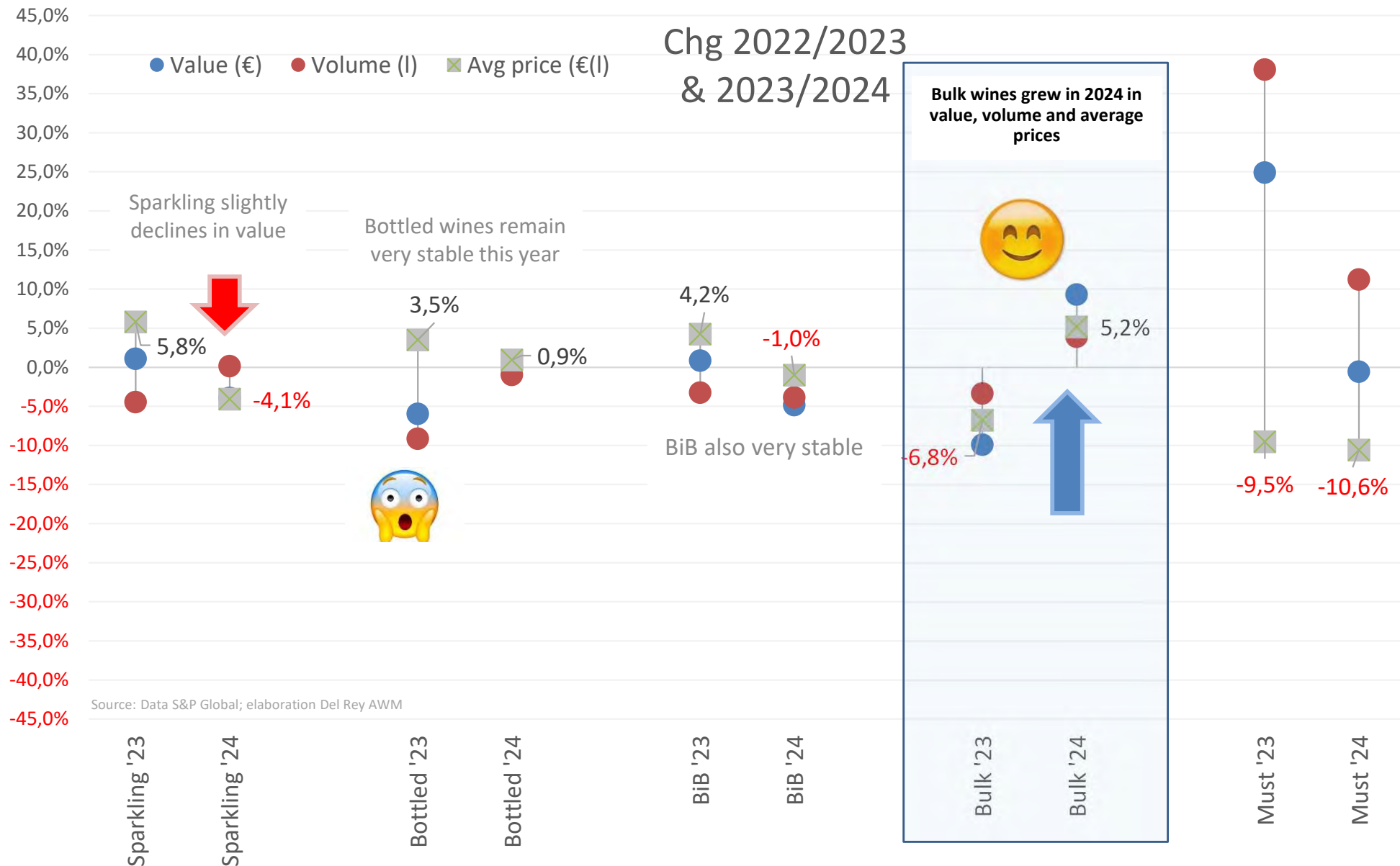
To recover in 2024



Compared to other categories of wine this year

Things in 2024 improved as compared to 2023

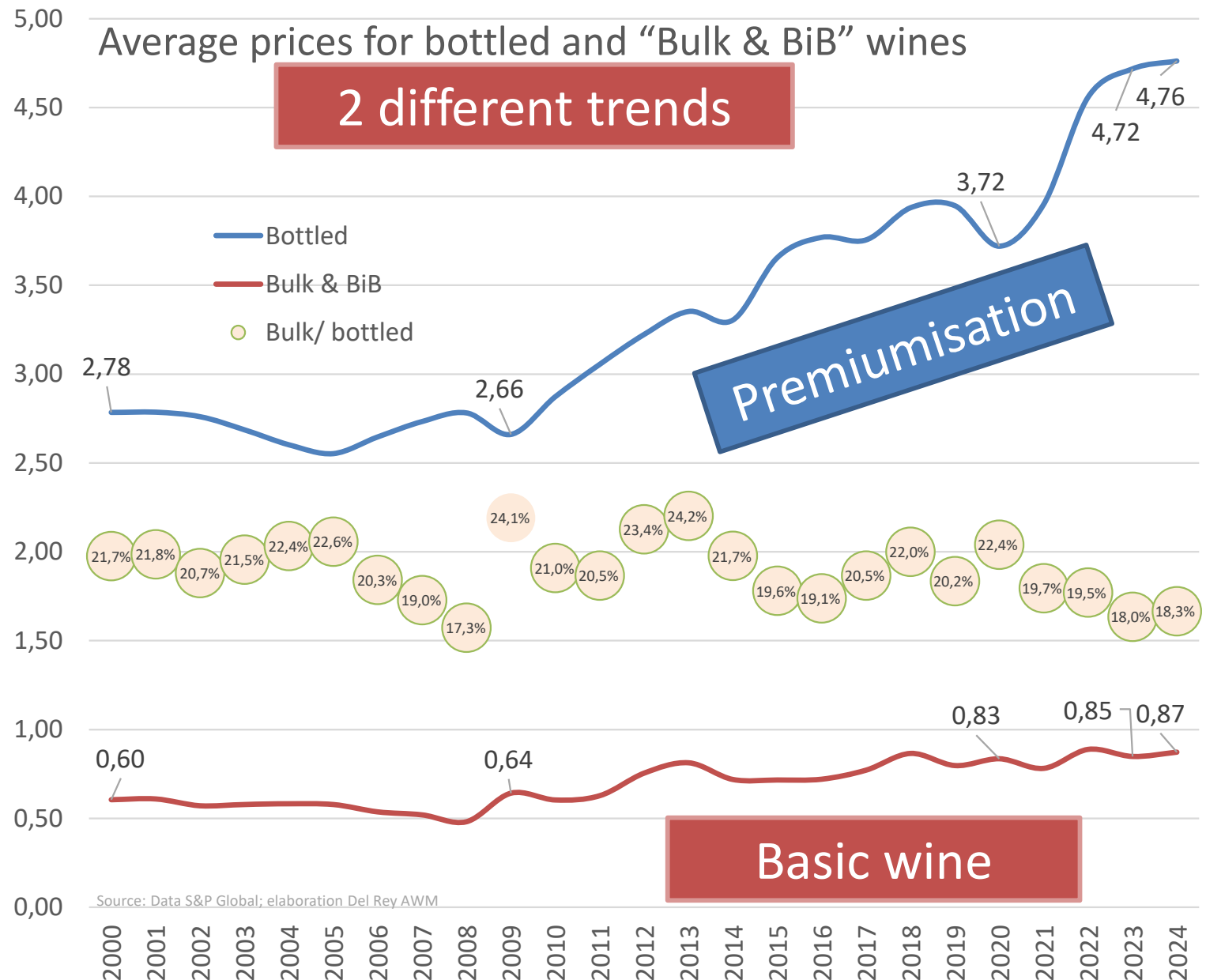
Chg 2022/2023
& 2023/2024



With average prices...

Actually, bulk evolves quite differently from bottled wines, also in terms of average prices:

- well below prices of bottled wines (less than 20%)
- Increasing at a lower pace
- With certain variability depending on yearly crops
- And with a recent (since 2009) trend upwards.





With average prices...

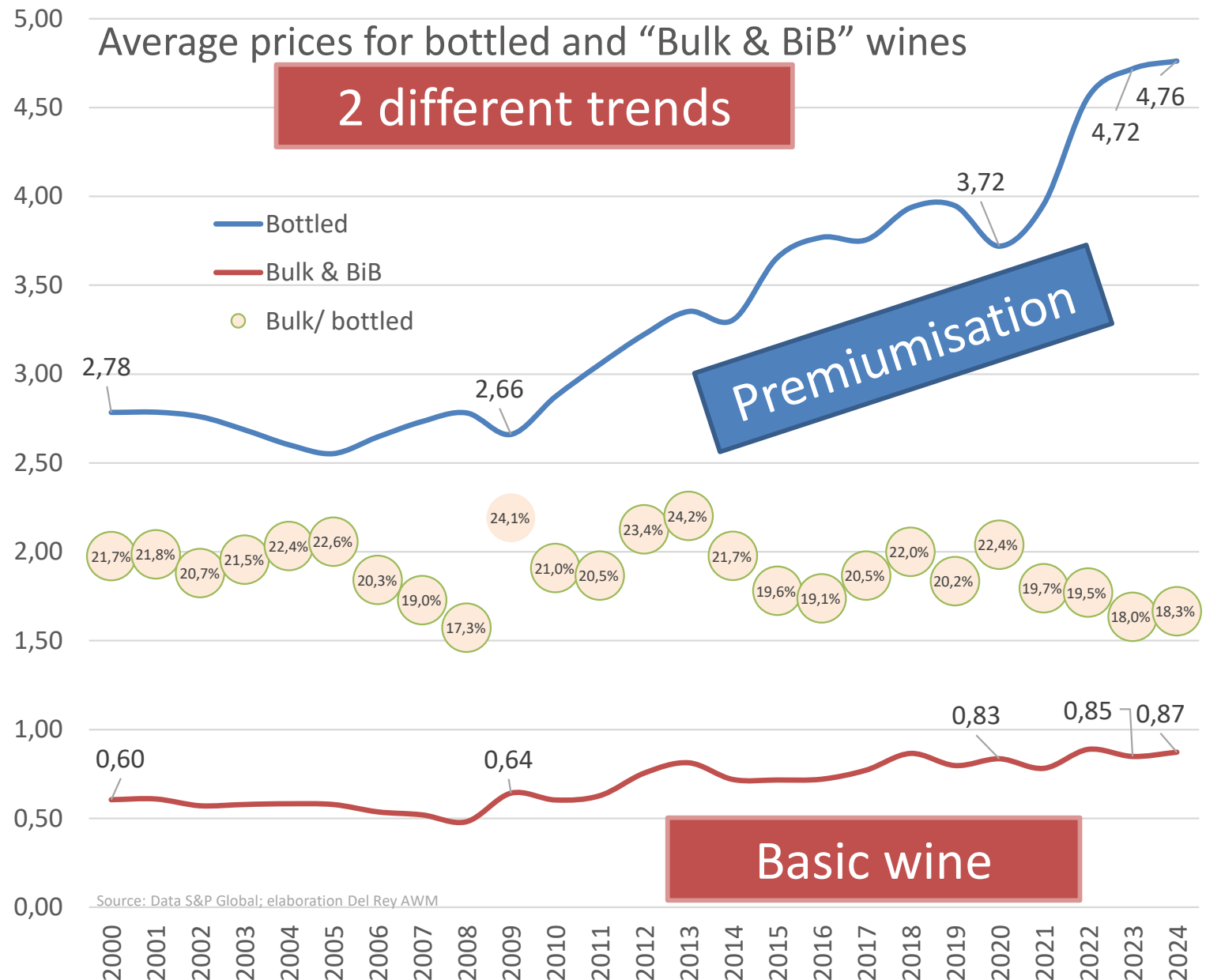
Are we facing an increasing dichotomy between

i) the upper, premium wine segment

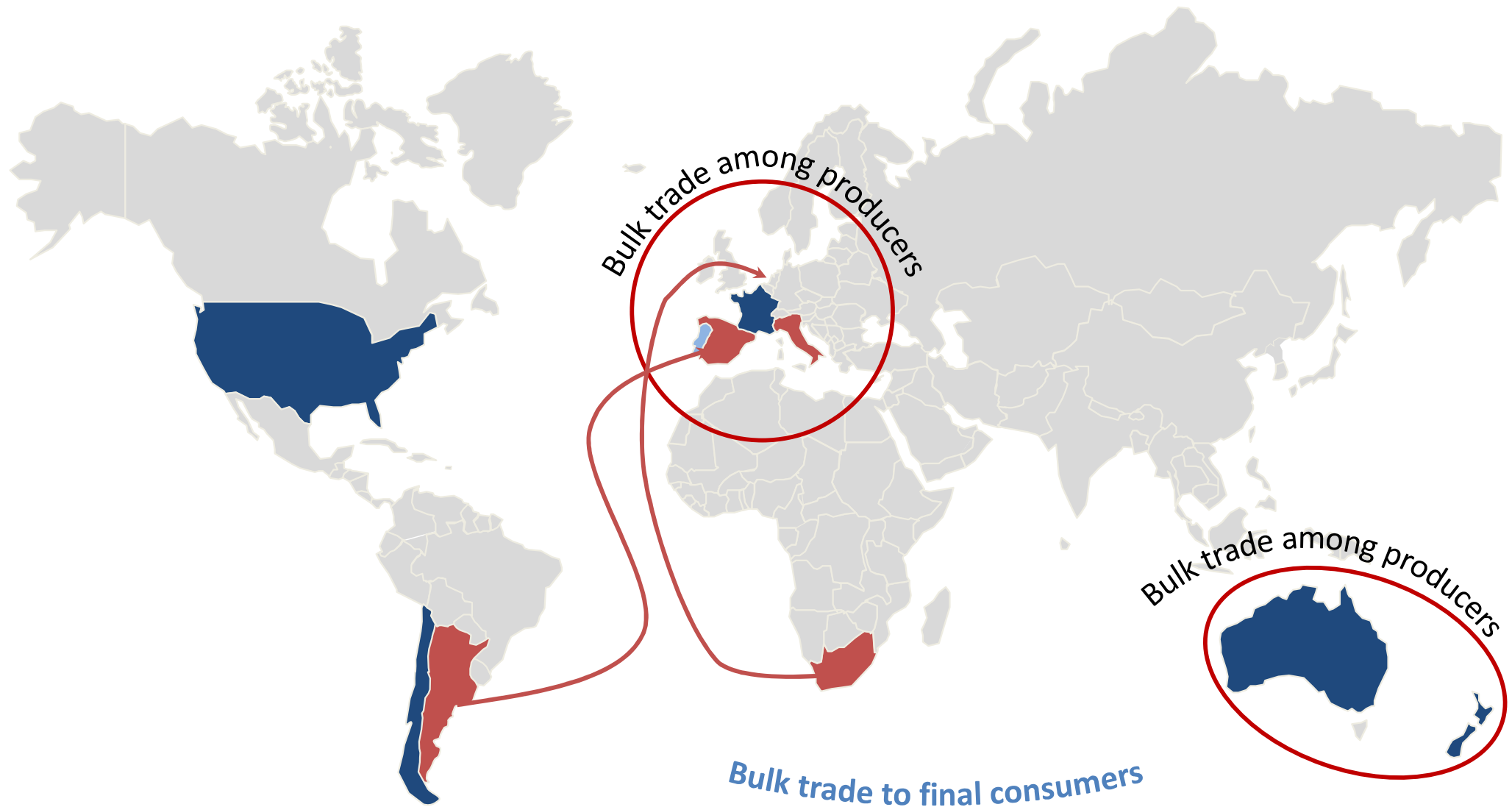
Versus

i) The lower, entry level, popular wine?

If so, what should the strategies be at each segment?



Bulk & bulk: two different markets




Source: Data S&P Global; elaboration Del Rey AWM

Top sellers of wine in bulk

There is “bulk” and “bulk” (2024)

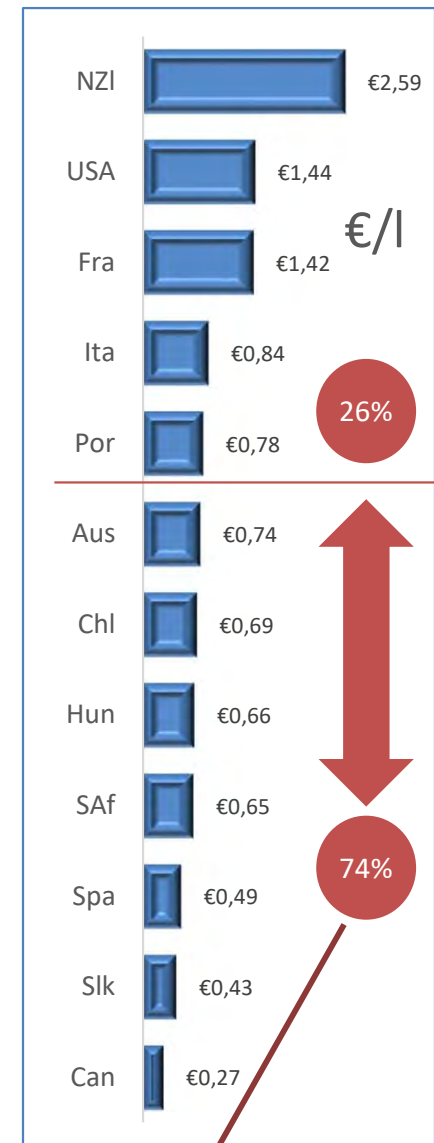
Source: Data S&P Global; elaboration Del Rey AWM

Because within “bulk” –real “bulk”, apart from BiB – there are at least TWO very different categories...
... With Spain, together with, South Africa, Hungary and Canada, clearly lying in the bottom category, and almost 3/4 of total volume below world average price.



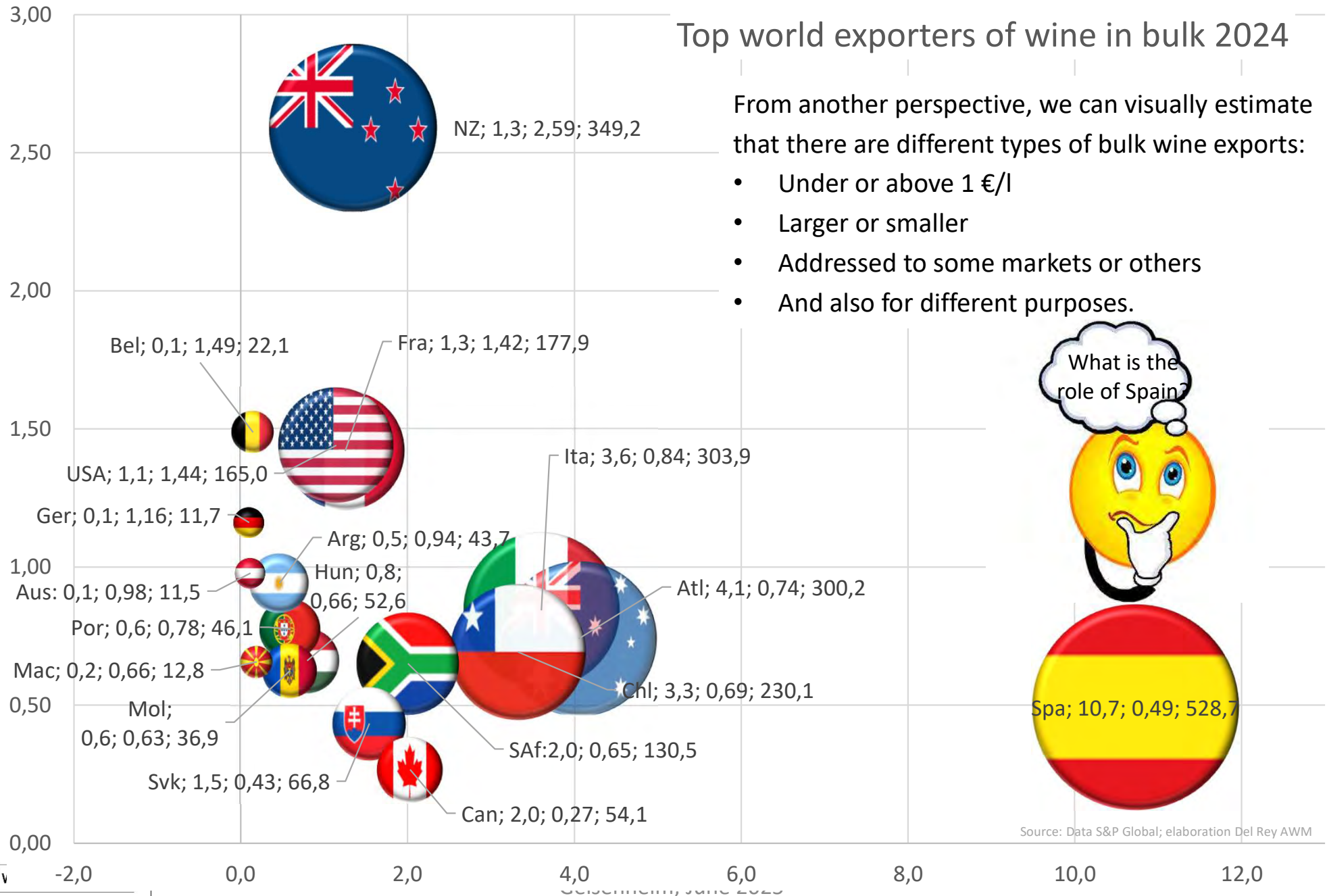
COUNTRY	M€	MI	€/l
Spain	528,7	1.072,8	0,49 €
New Zeal.	349,2	134,8	2,59 €
Italy	303,9	360,4	0,84 €
Australia	300,2	405,4	0,74 €
Chile	230,1	332,1	0,69 €
France	177,9	125,2	1,42 €
USA	165,0	114,5	1,44 €
S. África	130,5	200,5	0,65 €
Others	448,7	692,8	0,65 €
TOTAL	2.634,1	3.438,7	0,77 €

Ordered by price



World total
volume

Top sellers of wine in bulk



Top sellers of wine in bulk - value

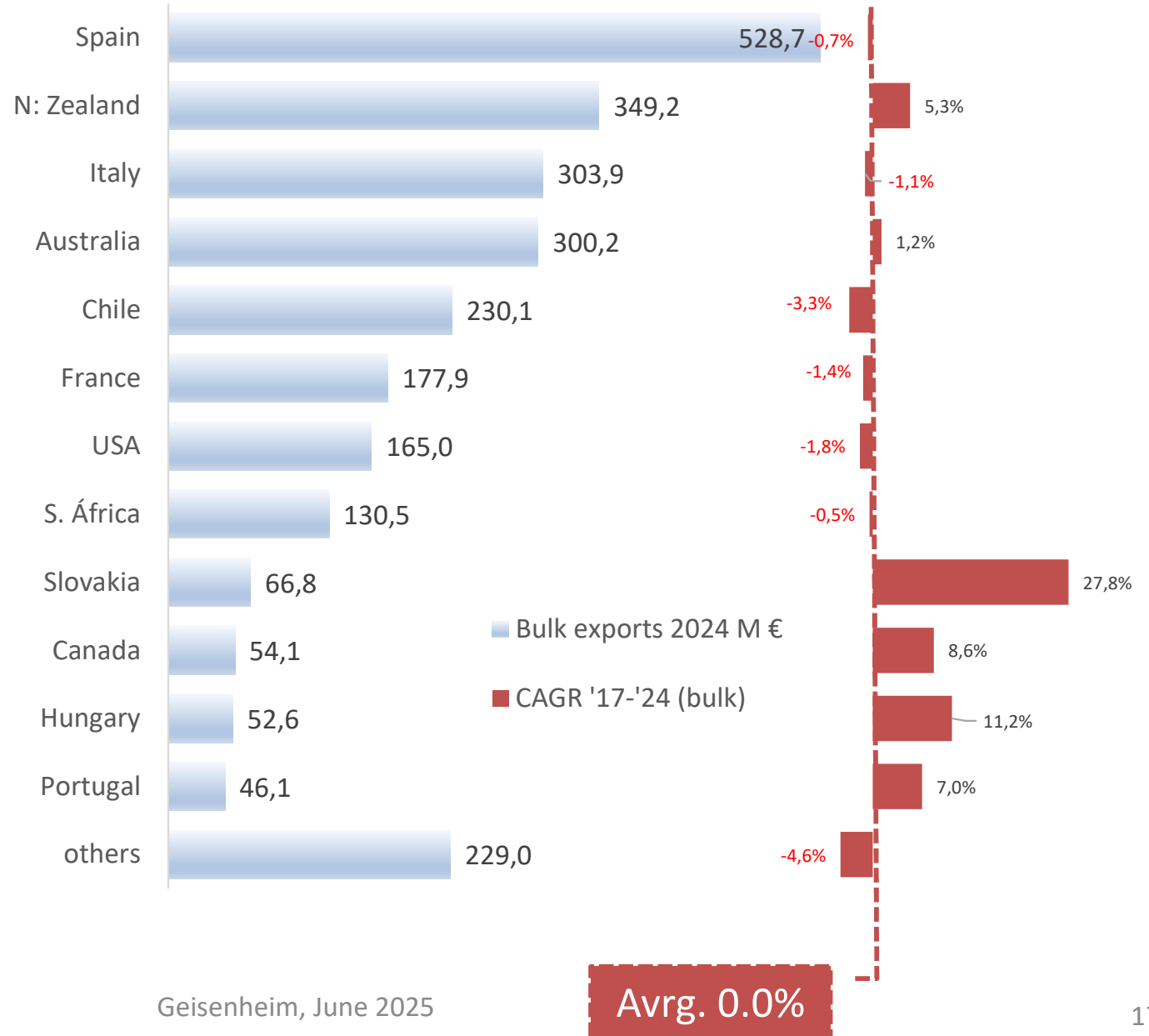
Before going into the segmentation of the world bulk market...

Top 7 sellers account for 78% of total exports in Euros.

But, surprisingly, the ones with fastest growth along the last 7 years have been New Zealand, Canada, Hungary and Portugal, besides the strong growth recently obtained by Slovakia.

Top EXporters of wine in bulk 2024 **VALUE** & CAGR '17-'24

Source: Data S&P Global; elaboration Del Rey AWM



Top sellers of wine in bulk - volume

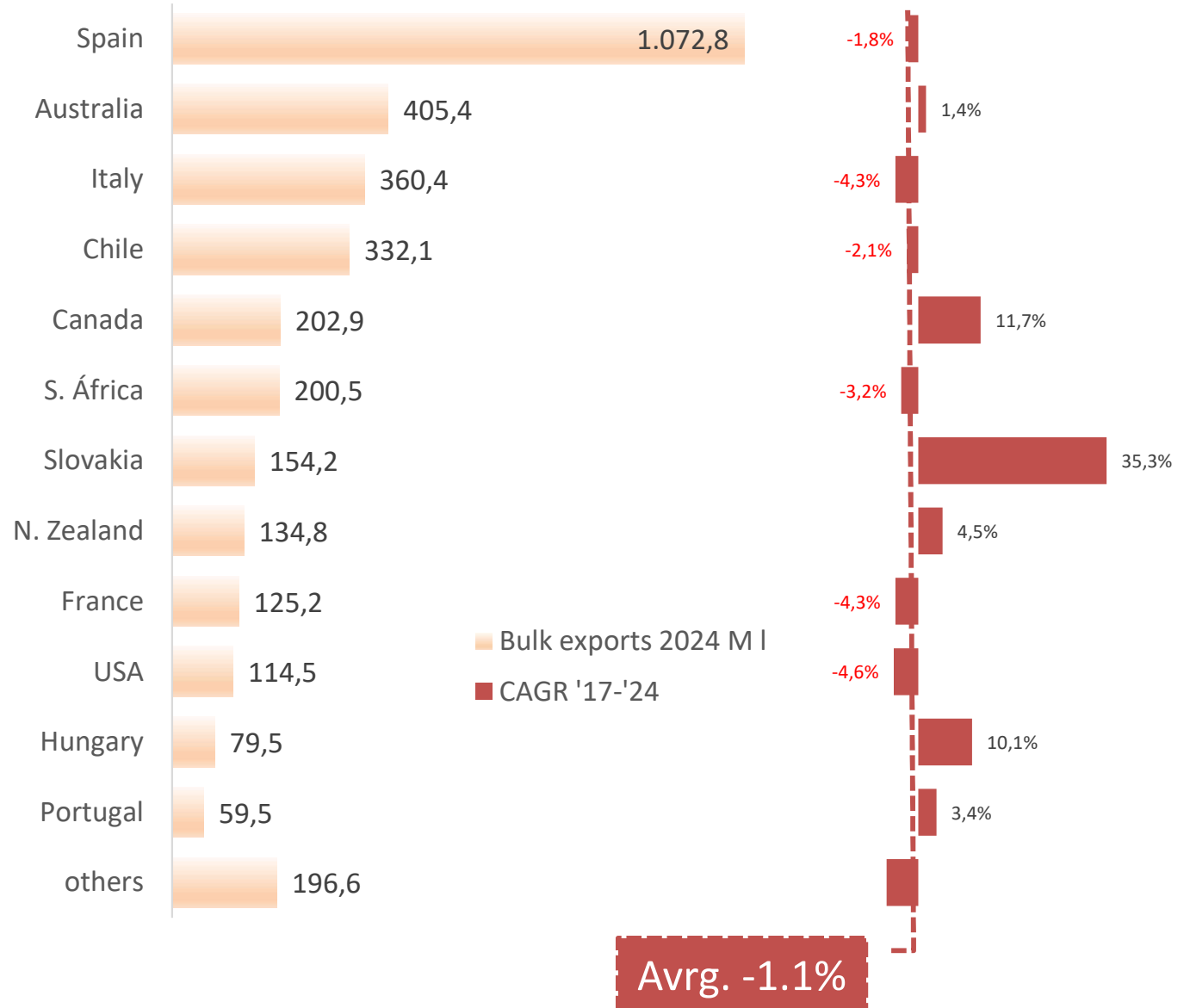
In terms of volume, concentration is similar.

The largest exporters in Euros are not necessarily the same and in the same order as the ones in volume.

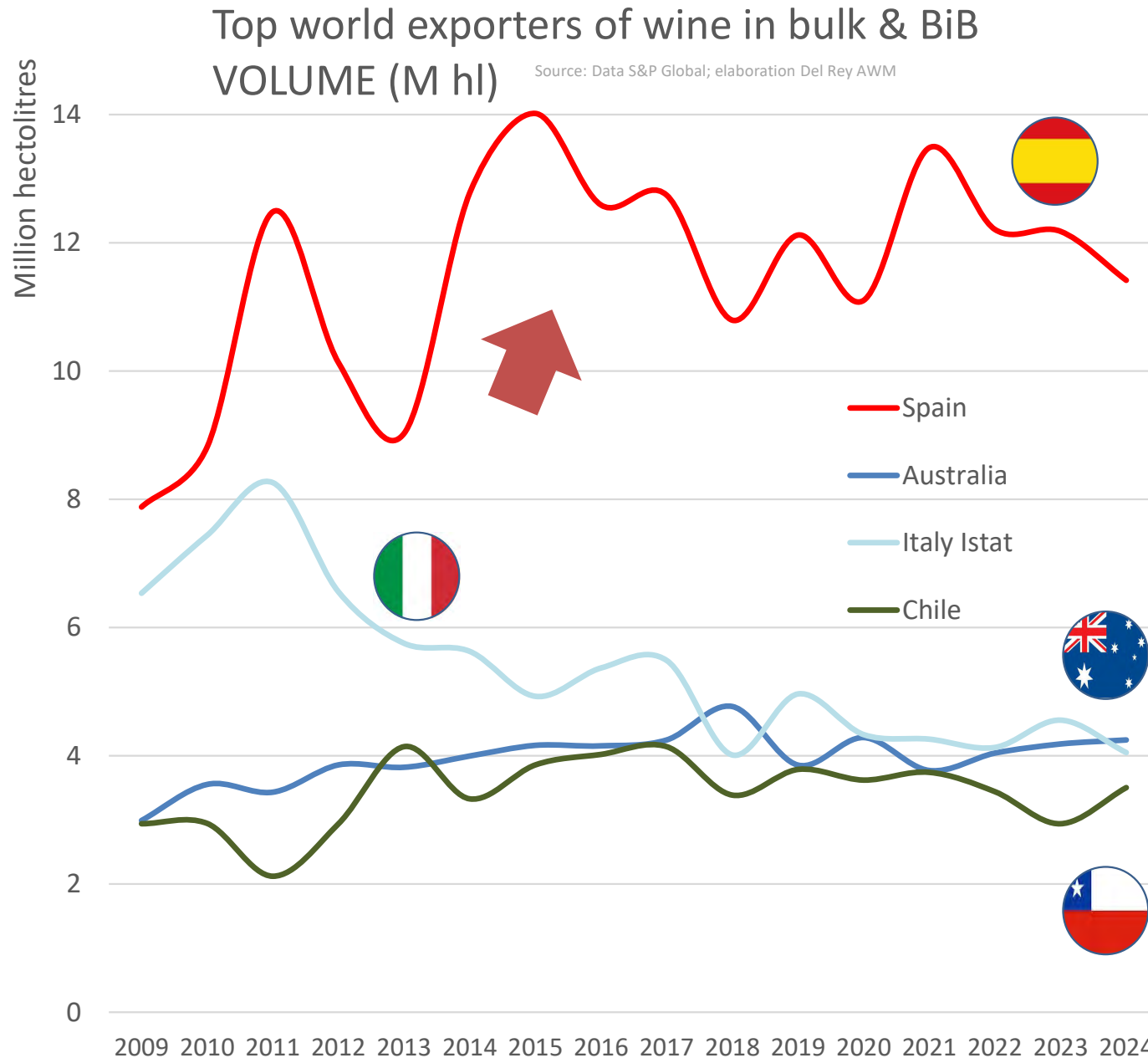
- Spain is well above all others (close to 1/3 of total)
 - While New Zealand is clearly less important in litres than in Euros, despite strong growth
- Again, exporters with the greatest growth rates are Canada (to the US), Hungary, New Zealand, at the top end of prices, and Portugal, with Slovakia performing much better than the rest.

Top EXporters of wine in bulk 2024 **VOLUME** & CAGR '17-'24

Source: Data S&P Global; elaboration Del Rey AWM



Top sellers of wine in bulk - recent evolution



Among top World producers...

Spain surpassed Italy in 2002 and replaced her as top supplier to France.

Between 2009 and 2011, larger amounts of wines in bulk had to be shipped away ...

Italy looks clearly moving out from bulk as other wines become more popular and profitable.

Australia & Chile, mostly to final destinations grew consistently until 2015, to later remain more stable.

Who buys wine in bulk and why?

Top buyers of wine in bulk - value

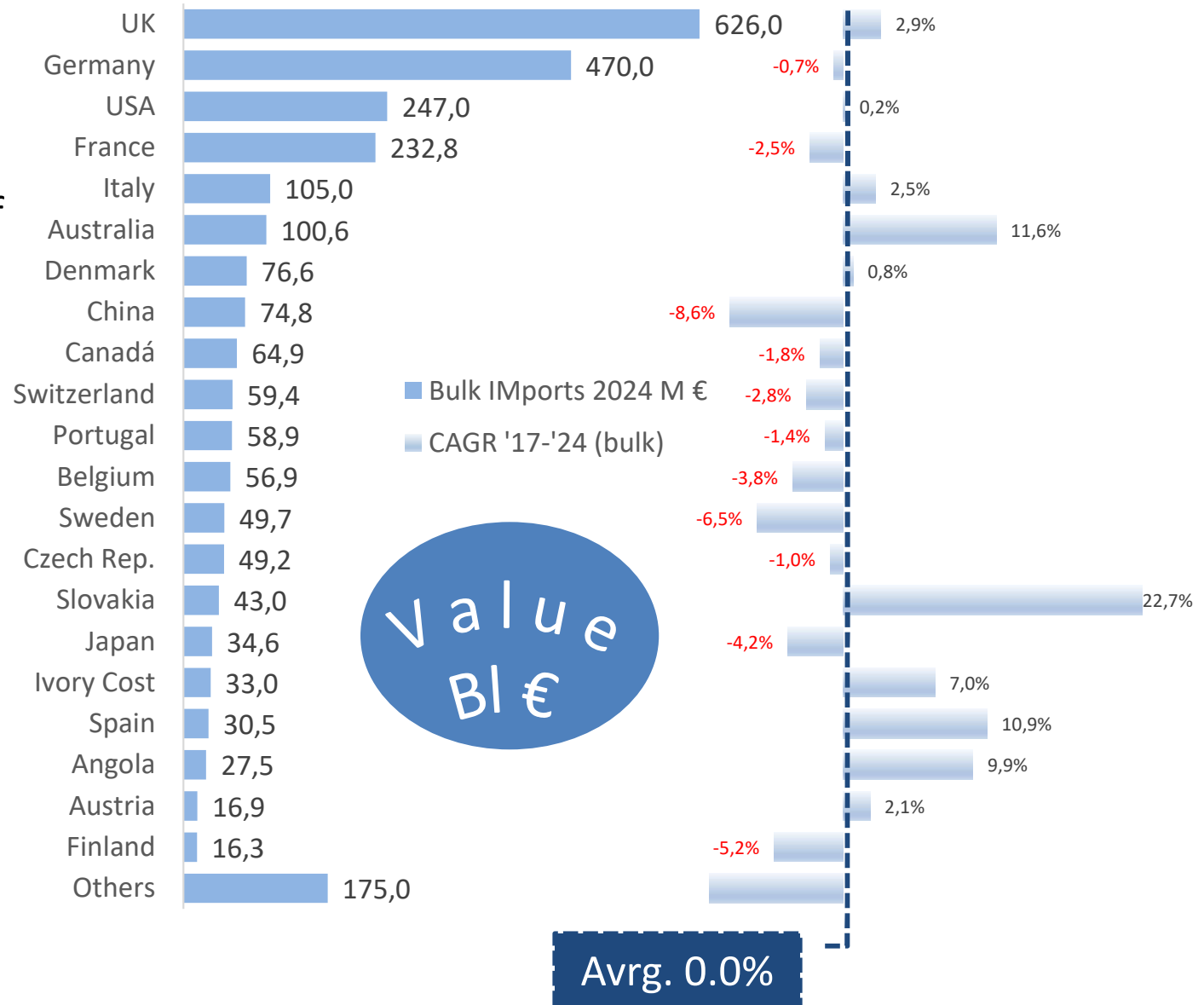
Among bulk wine **Im**porters
(changing perspective):

In value terms (€),

- ❖ UK, Germany, USA and France account for 59.5% of total world imports
- ❖ However, Australia shows the largest increase per year since 2017, after the special case of Slovakia, together with the USA and followed by Spain, Angola and Ivory Coast.
- ❖ Other destinations like China, Sweden, Canada and Switzerland decreased during these years.

Top IMporters of wine in bulk 2024 & CAGR '17-'24

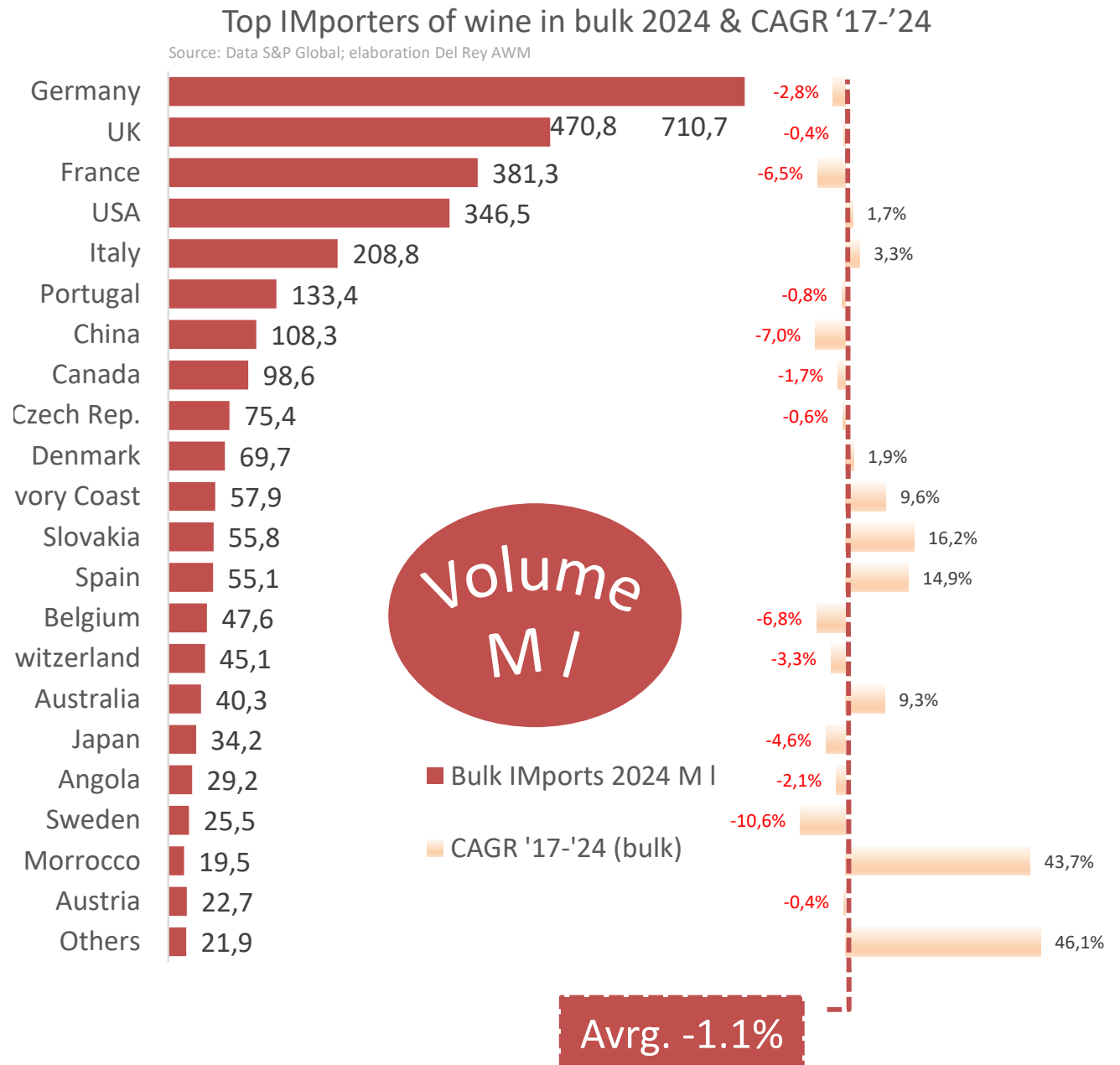
Source: Data S&P Global; elaboration Del Rey AWM



Top buyers of wine in bulk - volume

In terms of volume,

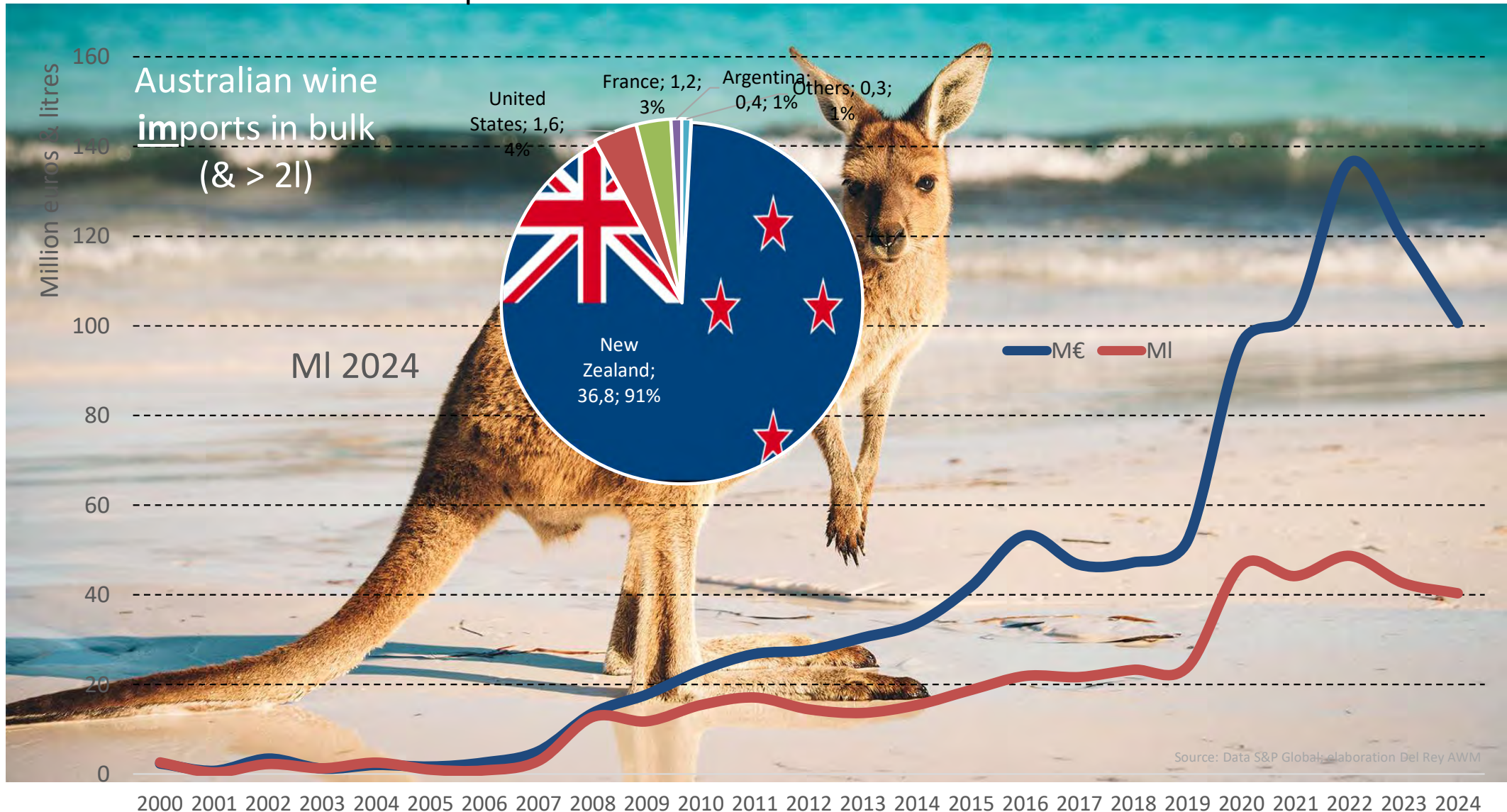
- ❖ Germany is the major bulk importer, buying more than 7 million hectolitres in 2024
- ❖ Together, all 4 largest importers account for more than 59.4% to total purchase of wine in bulk
- ❖ In this variable category, USA and Italy show the strongest growth among top importers, but Morocco, Slovakia and Spain also show high rates.
- ❖ On the negative side, France, Germany and China decreased their exports of wine in bulk significantly along these years.



Why Australia?

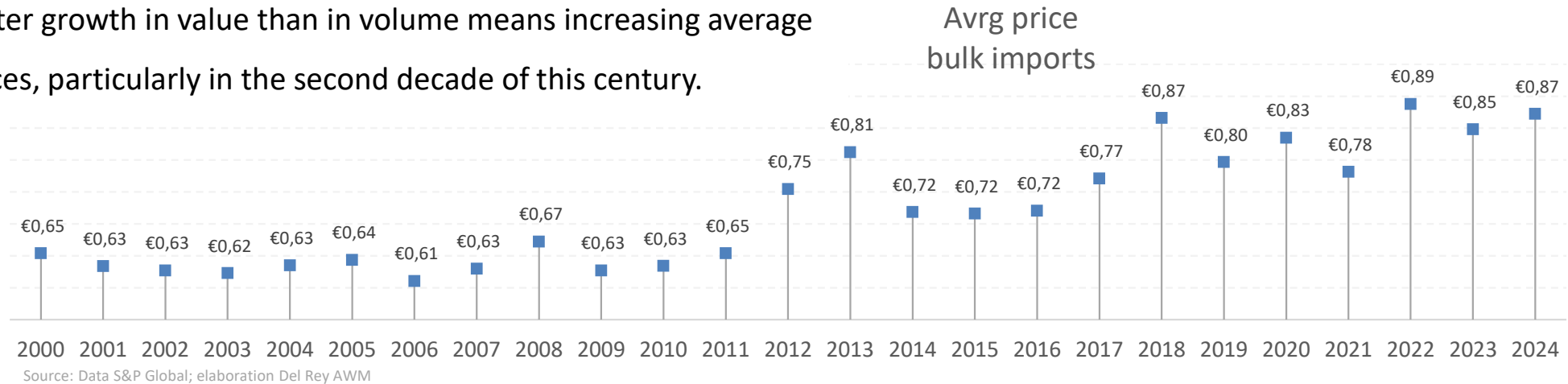
What has happened
with Australia?

Why and when has it increased its
purchase of bulk wine?



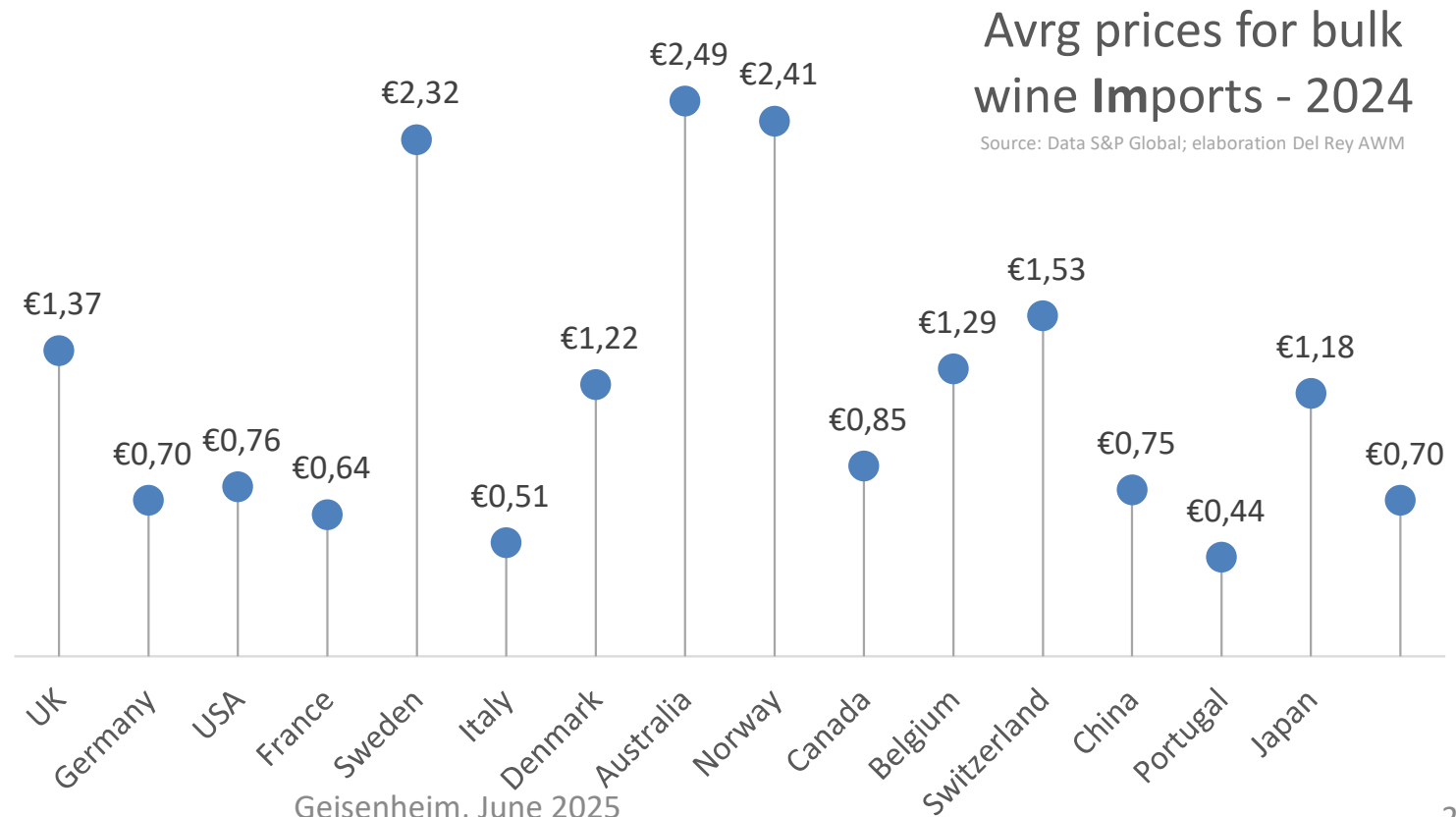
Top buyers of wine in bulk - prices

Faster growth in value than in volume means increasing average prices, particularly in the second decade of this century.



But, showing different clients for different types of wine, at different average prices, probably for different purposes.

- With Australia bottling form NZ Norway and Sweden at the top.
- While producing countries at the bottom.



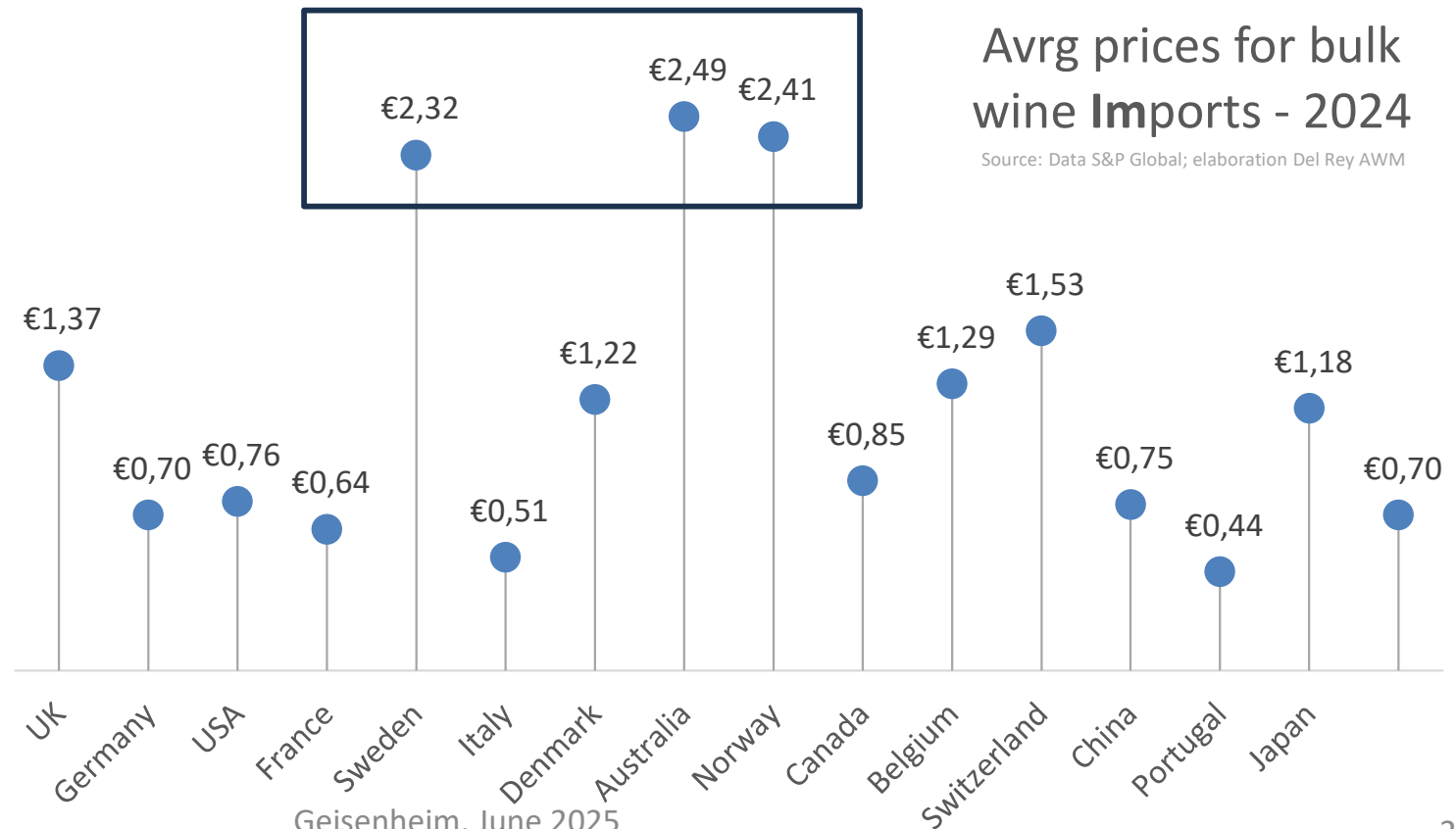
Top buyers of wine in bulk - prices



There are “quality wines” shipped in bulk

But, showing different clients for different types of wine, at different average prices, probably for different purposes.

- With Australia ^{bottling} form NZ Norway and Sweden at the top.
- While producing countries at the bottom.



Geisenheim, June 2025

What do they all do with
this wine imported in bulk?



Different bulk markets

3 examples of “far-away” suppliers:

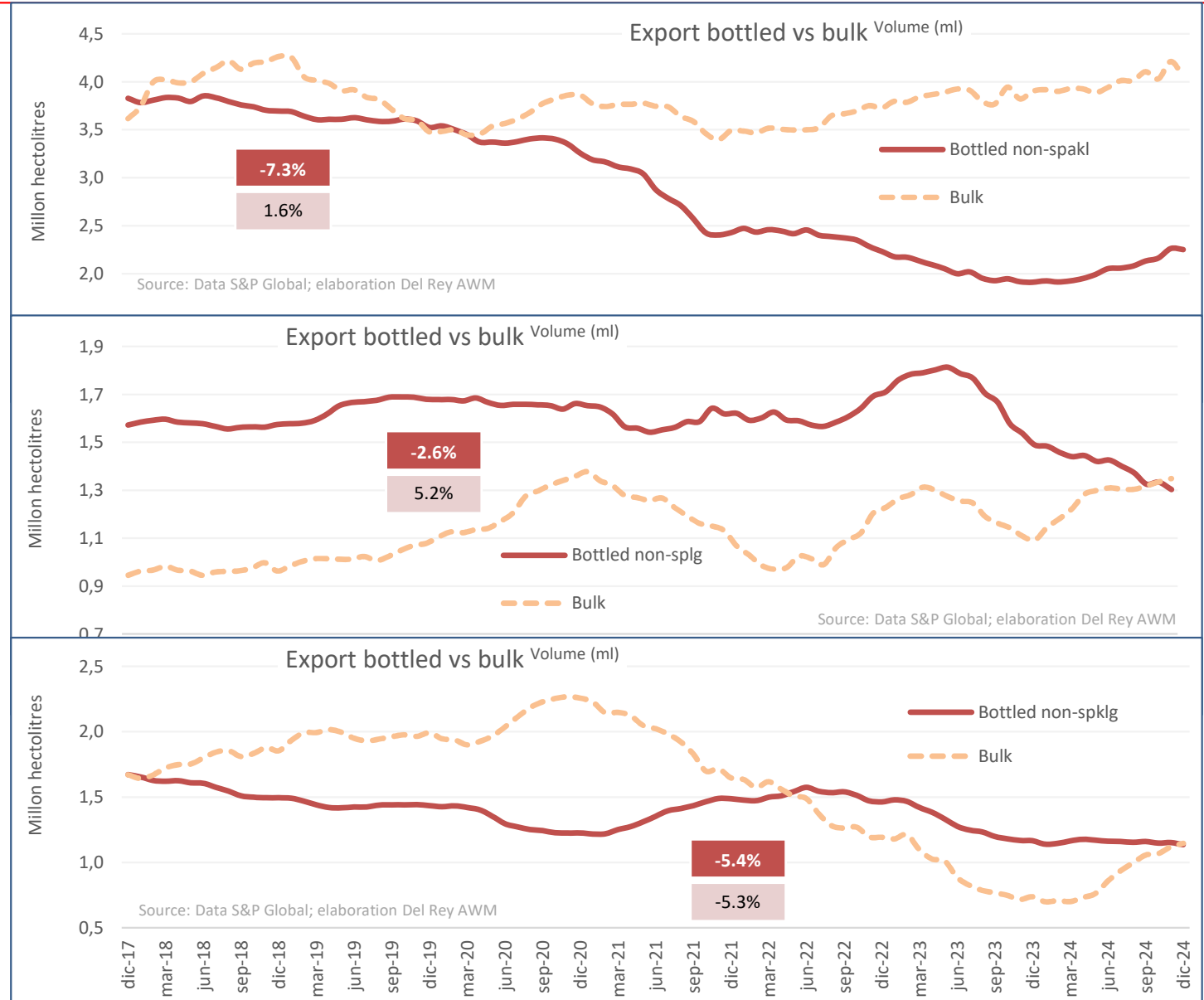
Some producers of quality wines export more bulk than bottled wines:

- ❖ Australia’s bulk exports have increased since 2017 at an annual rate of 1.6%, particularly since the end of 2021, while its exports of bottled wines decreased.
- ❖ New Zealand (most expensive bulk exports among top producers) has increased bulk at the expense of bottled sales, surpassing the latter at the end of last year.
- ❖ USA’s wine exports in bulk decreased sharply between 2020 and beginning of 2024 but have grown thereafter.

Australia

New Zealand

United States of A



Chg. CAGR '17 to '24

Bottled

Bulk

Different bulk markets

Australia

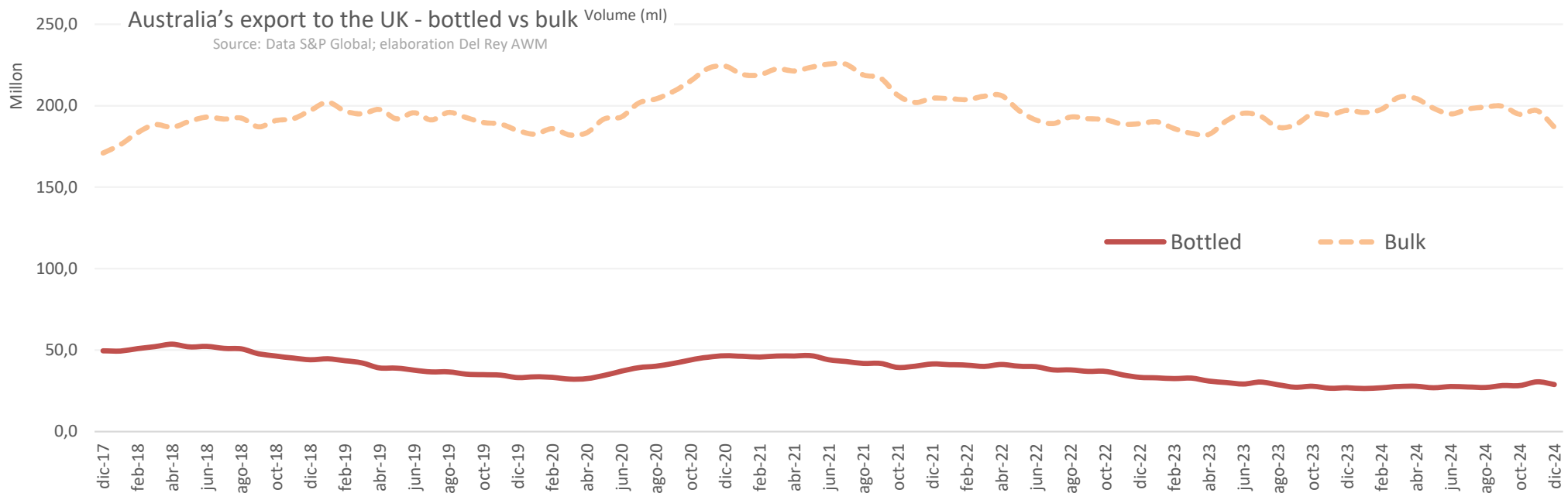
Del Rey
AWM



UK is the top market for Australian wines in bulk, with almost half of total shipments, despite sharp growth of China after ending special tariffs.

For many years now, bulk exports from Australia to the UK clearly outpaced shipments of bottled wines.

Market	Million litres	% share
UK	186.8	46.1%
USA	47.2	11.7%
China	47.1	11.6%
Canada	41.0	10.1%
Denmark	19.4	4.8%



Different bulk markets

New Zealand

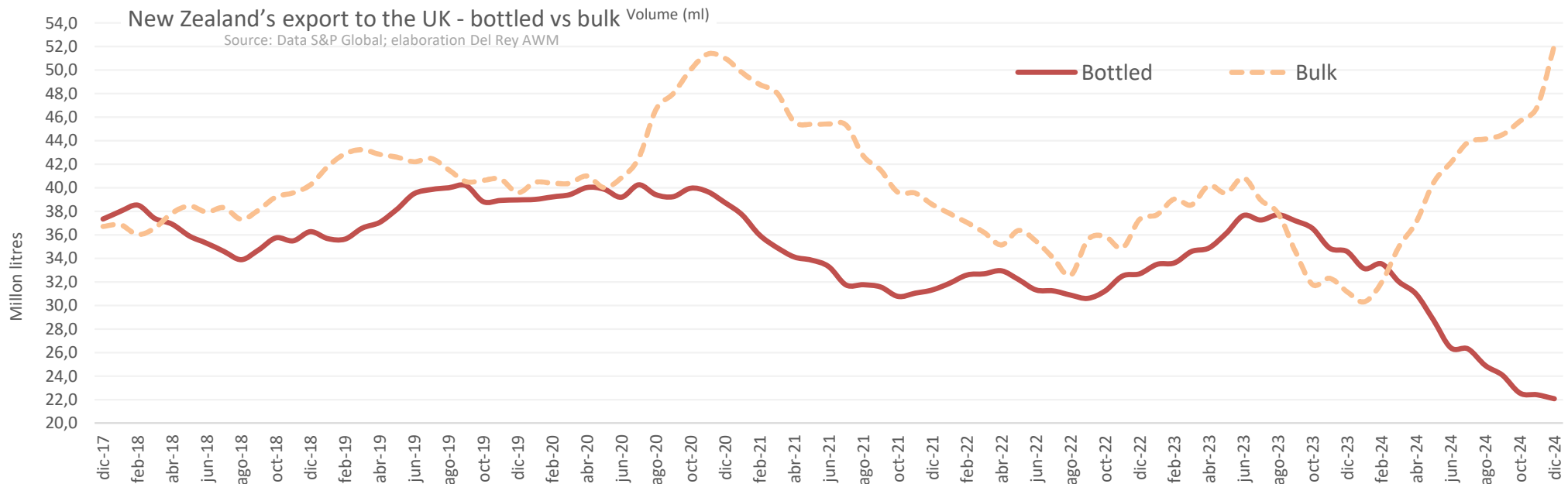
Del Rey
AWM



Top 5 markets for New Zealand's bulk wine (Australia & UK, probably combined)

Rather than being bottled in Australia for later re-shipment to the UK as final destination, now direct bulk sales to the UK have overpassed exports to Australia, surged in 2024 and compensate decline sales of bottled wines.

Market	Million litres	% share
UK	52.1	38.6%
Australia	36.6	27.1%
USA	28.5	21.1%
Germany	8.7	6.4%
France	3.3	2.4%



Different bulk markets

United States of America

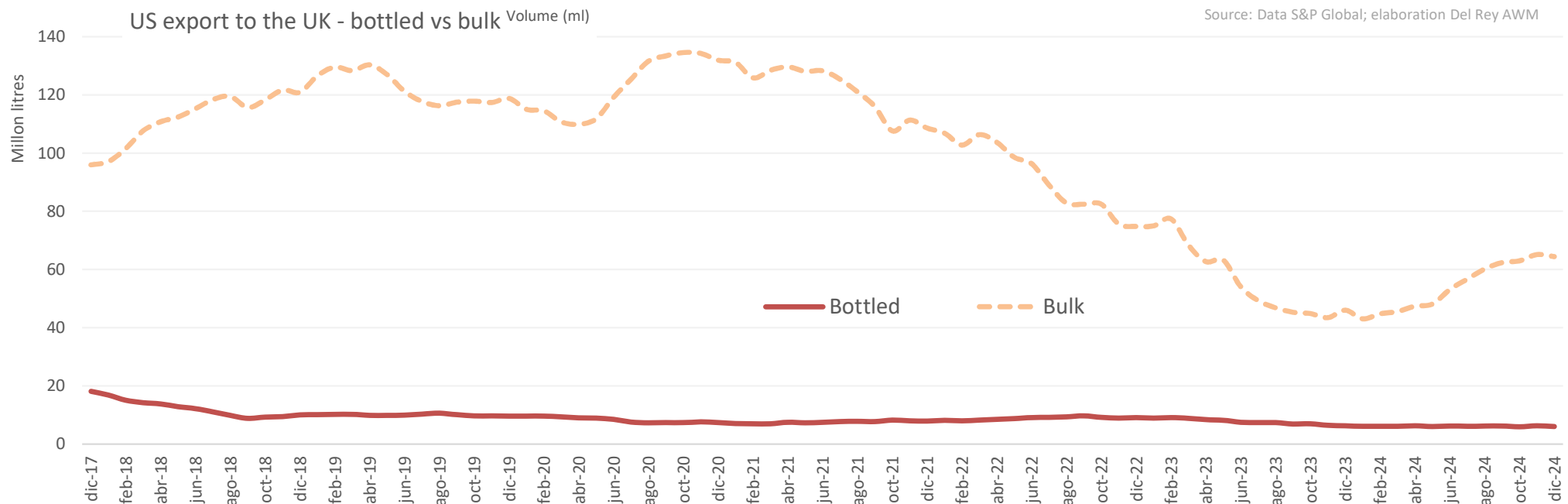
Del Rey
AWM



Top 5 markets for the US bulk wine

Despite declining between 2020 and the end of 2023, bulk export from the US to the UK are much higher than bottled wine.

Market	Million litres	% share
UK	64.4	56.2%
Germany	11.7	10.2%
France	8.3	7.3%
Denmark	7.9	6.9%
Canada	7.6	6.6%



Different bulk markets - buyers

What is happening
in the UK market?

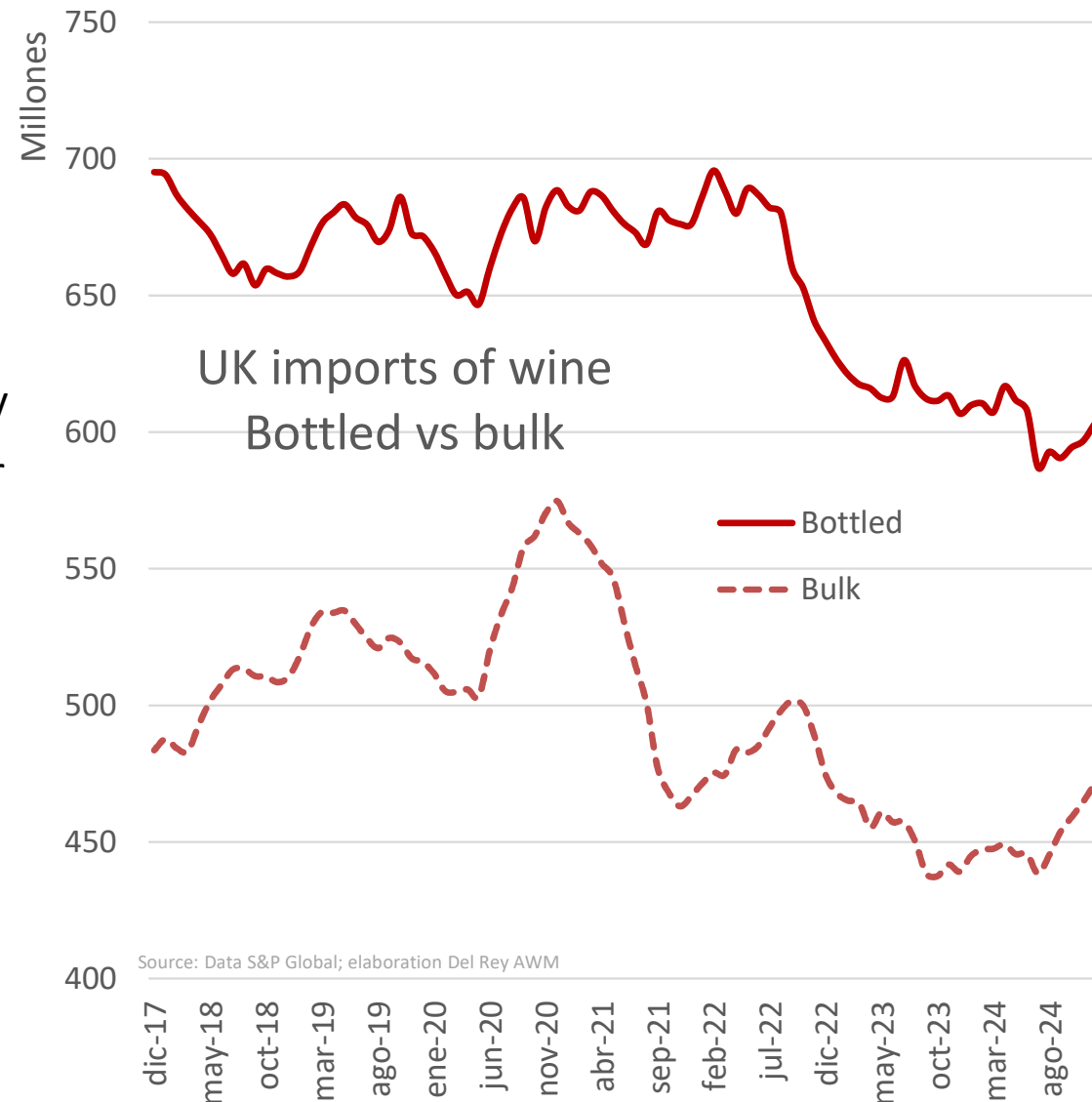


Imports in bulk in the UK increased considerably up to 2021, for local distribution -and re-export?-, particularly since mid 2020. They declined thereafter and seem to recover in 2024.

Accolade Park,
by...

(Carlyle →
Vidrala)

Greencroft, by...



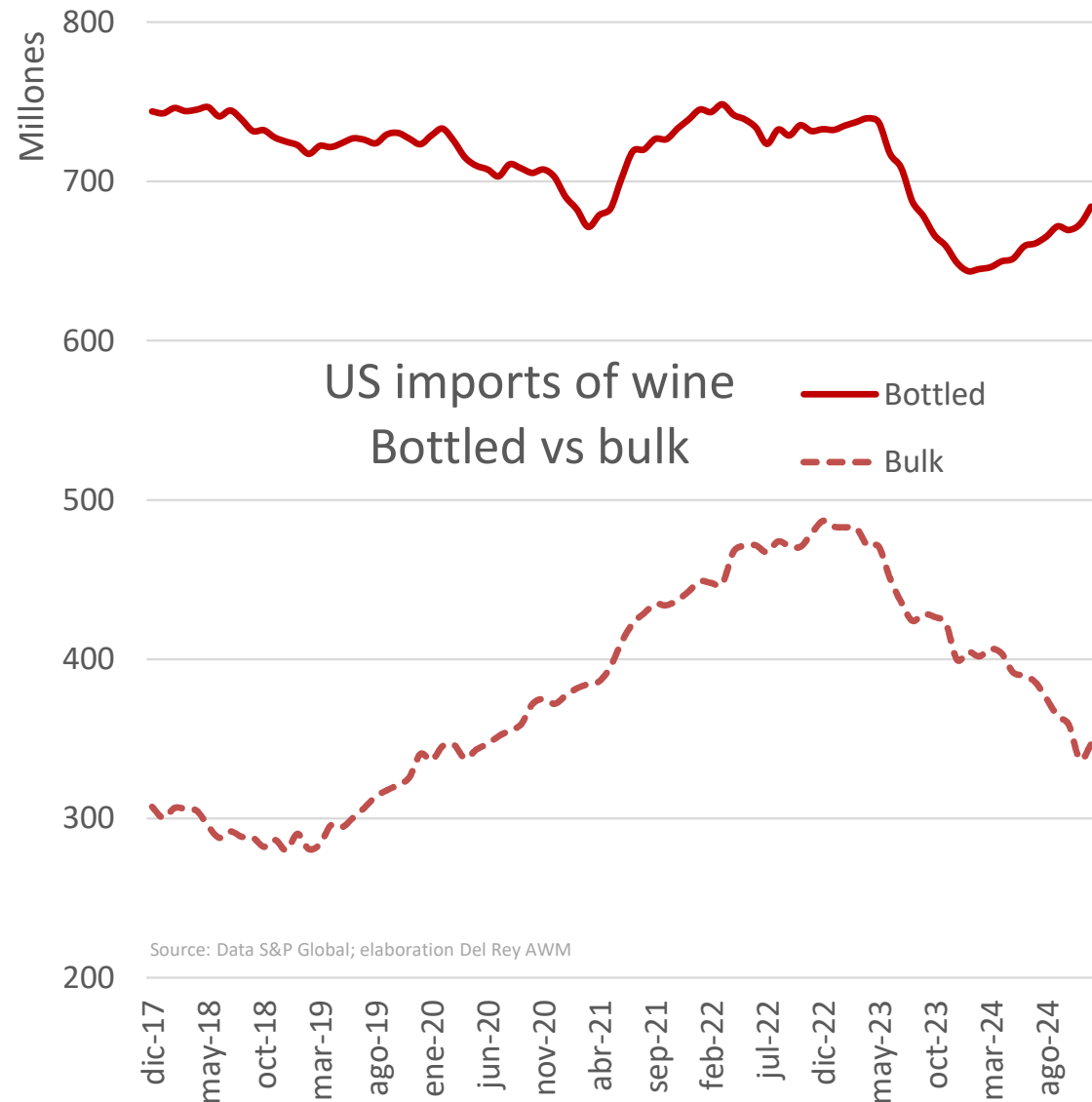
NOTE: What one country officially declares as IMPORTS has very little to do with what the rest of the world declares as EXPORTS to that same country.

Different bulk markets - buyers

What is happening
in the US market?



Also in the US, bulk wine imports had been increasing at the expense of bottled wines, particularly since the beginning of 2019 and up to mid-2023, to a certain extent influenced by tariffs on bottled one to certain EU producers in Octubre 2019. Since then, however imports of wines in bulk have decreased sharply.



For local distribution

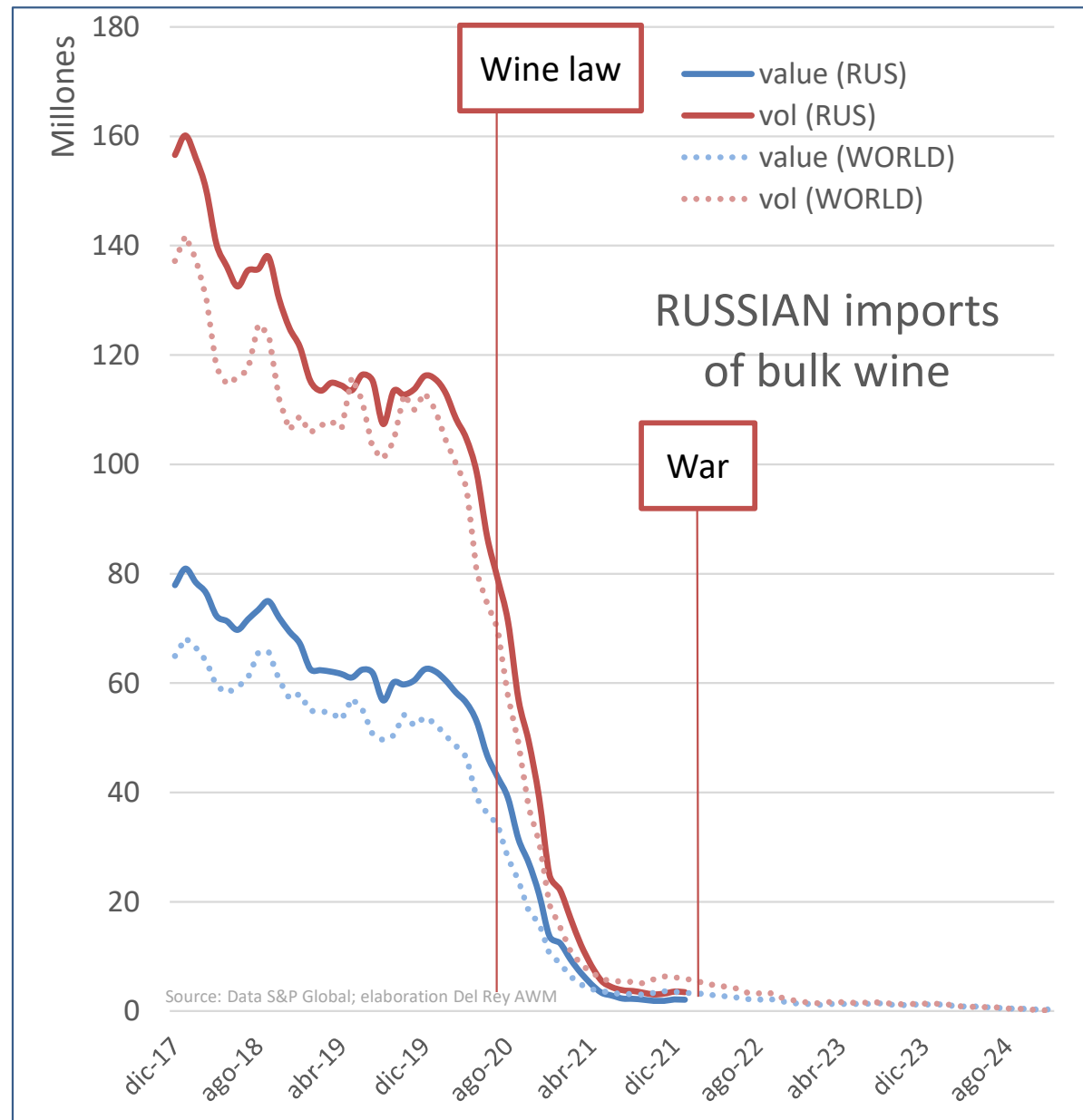
Different bulk markets - buyers

While in
Russia...



Bulk imports were prohibited
by the 2020 new Russian wine
law.

Russia does not give trade
figures since January 2022, but
we can analyse what the world
says it exports to Russia...
... which is very little.



Different bulk markets - buyers

While in
Germany...



Bulk imports have normally been much bigger than bottled ones (in VOLUME), showing greater variability than the latter.

Elaboration of sekt?

Distribution:

- Local
- International



Examples of “distributing countries” - GERMANY

Share of German and foreign still wines in export 2023

3.3 million hl export



Imports & exports 2024
Total wines

2024



Source: Weinmarktbilanz 2021

Different bulk markets - buyers

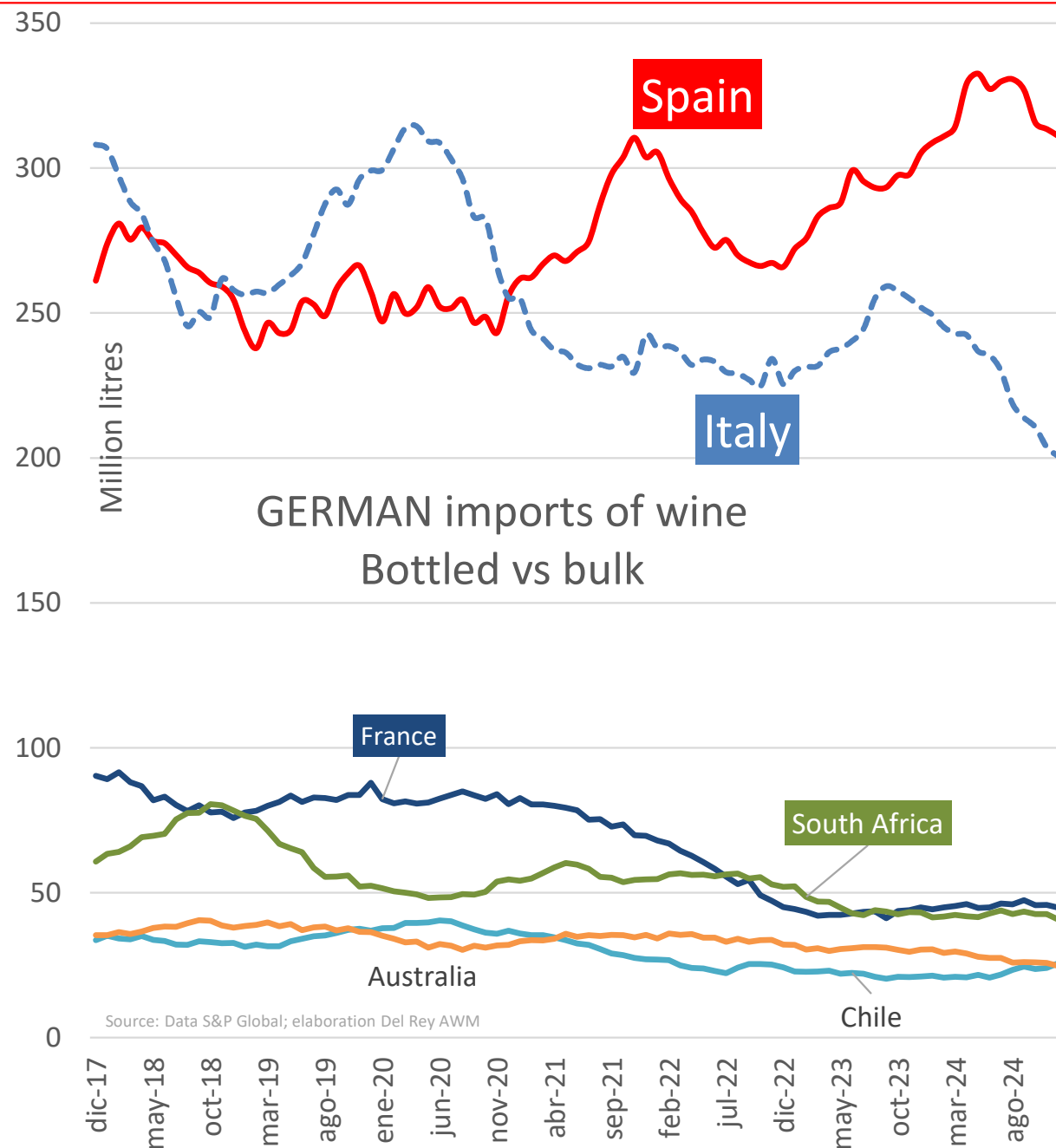
While in
Germany...



Where does Germany get its
bulk wine from?

Spain surpassed Italy as top
supplier of wine in bulk by the
end of 2020. Both account for a
total of 71.5% of global German
imports.

Besides this two big producers,
other suppliers to Germany in
bulk include France, South
Africa, Australia and Chile.



Examples of “distributing countries” - BELGIUM

About half of the wine entering Belgium is re-exported since 2021, basically to the UK, although Ukraine has also entered in the top 7 markets in 2024.

However, this re-exported wine does not originally come in bulk (only 57 M€ n 2024, mainly from the US, France and South Africa), but bottled.

Wine exports from Belgium

Total wine & must – VALUE – Y-o-Y evolution

Million euros

600
500
400
300
200
100
0

Source: Data S&P Global; elaboration Del Rey AWM

dic-11 abr-12 ago-12 dic-12 abr-13 ago-13 dic-13 abr-14 ago-14 dic-14 abr-15 ago-15 dic-15 abr-16 ago-16 dic-16 abr-17 ago-17 dic-17 abr-18 ago-18 dic-18 abr-19 ago-19 dic-19 abr-20 ago-20 dic-20 abr-21 ago-21 dic-21 abr-22 ago-22 dic-22 abr-23 ago-23 dic-23 abr-24 ago-24 dic-24

176

540

591

571



Spain - Different bulk markets

On a completely different sub-category of bulk wines...

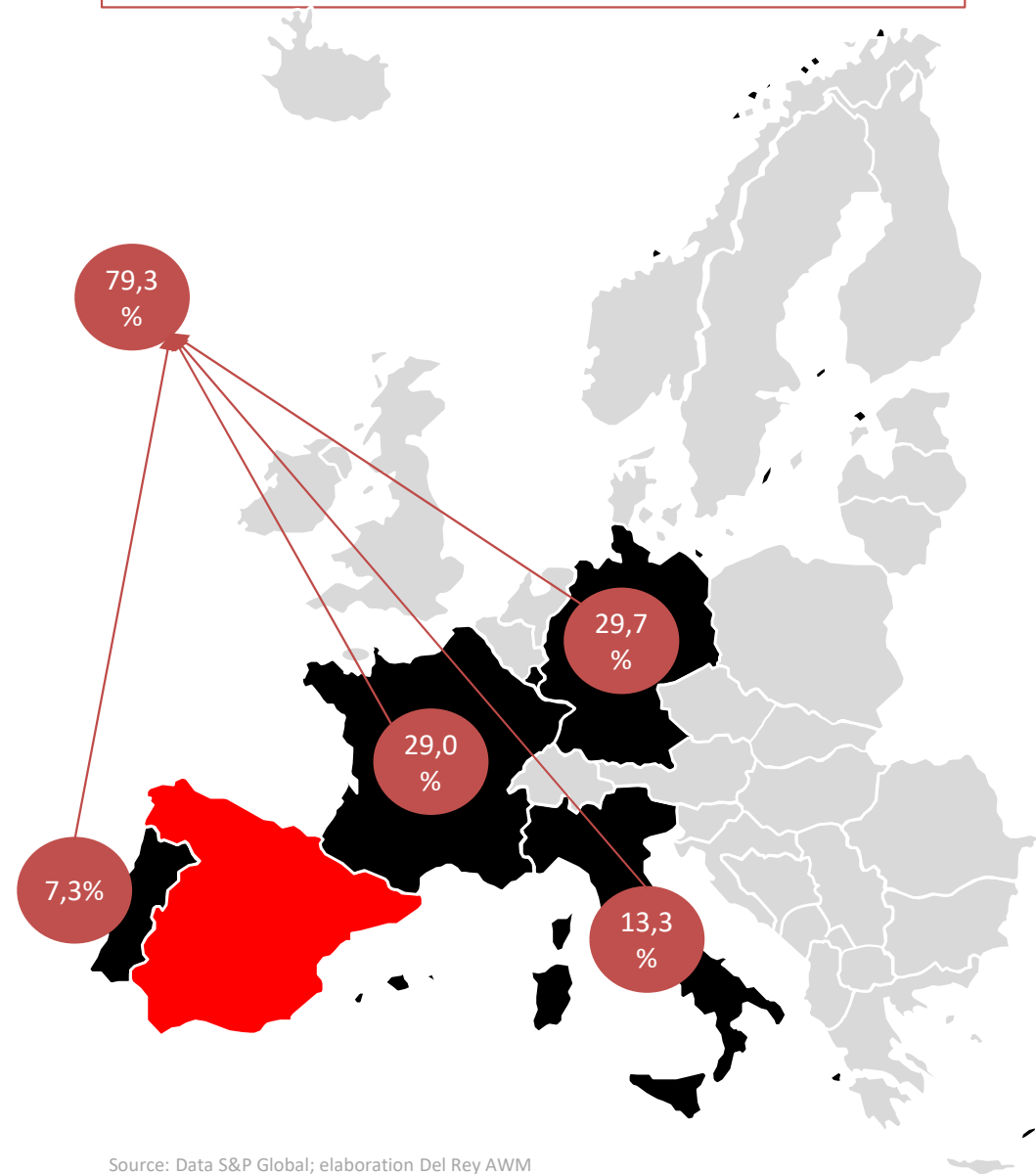


What we sell is completely different

... Spanish wine exports in bulk focus primarily on producing and exporting countries, with her four largest clients accounting for 79,3% of total sales ²⁰²⁴.

Re-export

Elaboration process



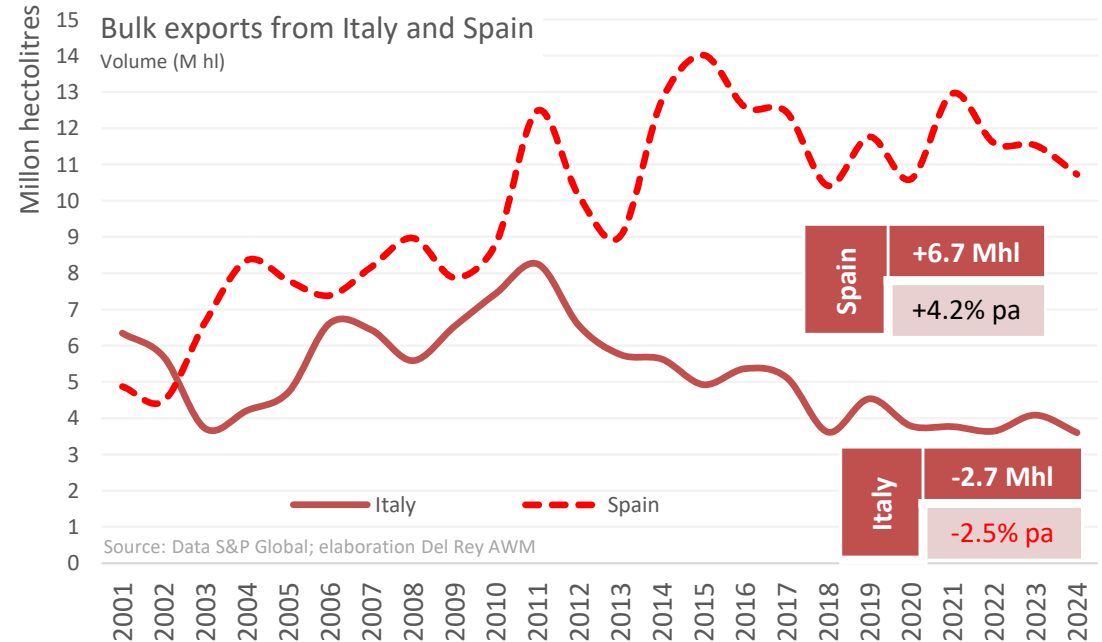
Source: Data S&P Global; elaboration Del Rey AWM

Different bulk markets

As it used to be the case for Italian bulk exports...



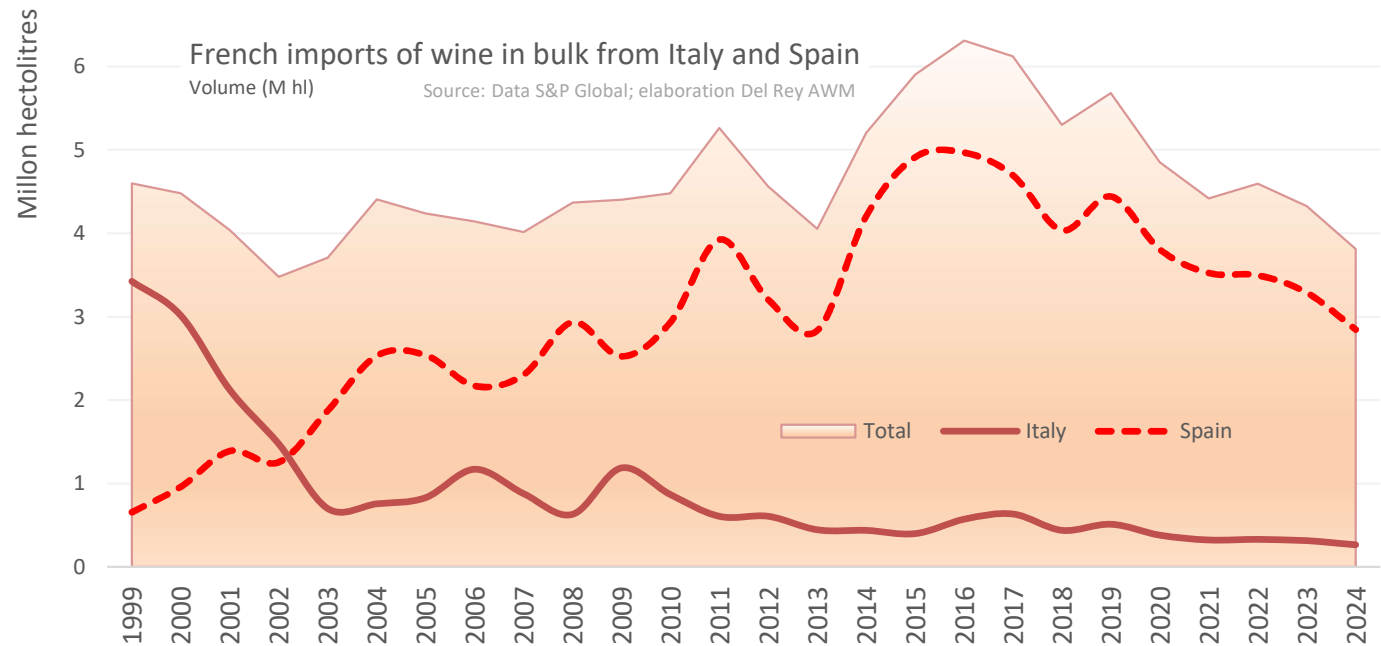
... particularly sent to France and Germany,
... almost disappeared in France
... but remaining in the German market.



Because countries like France have always needed imported wine in bulk



France steadily buys around 4 to 6 million hectolitres of imported bulk wine (down to 3.8 M hl in 2024) but has completely changed supplier since the beginning of the century.

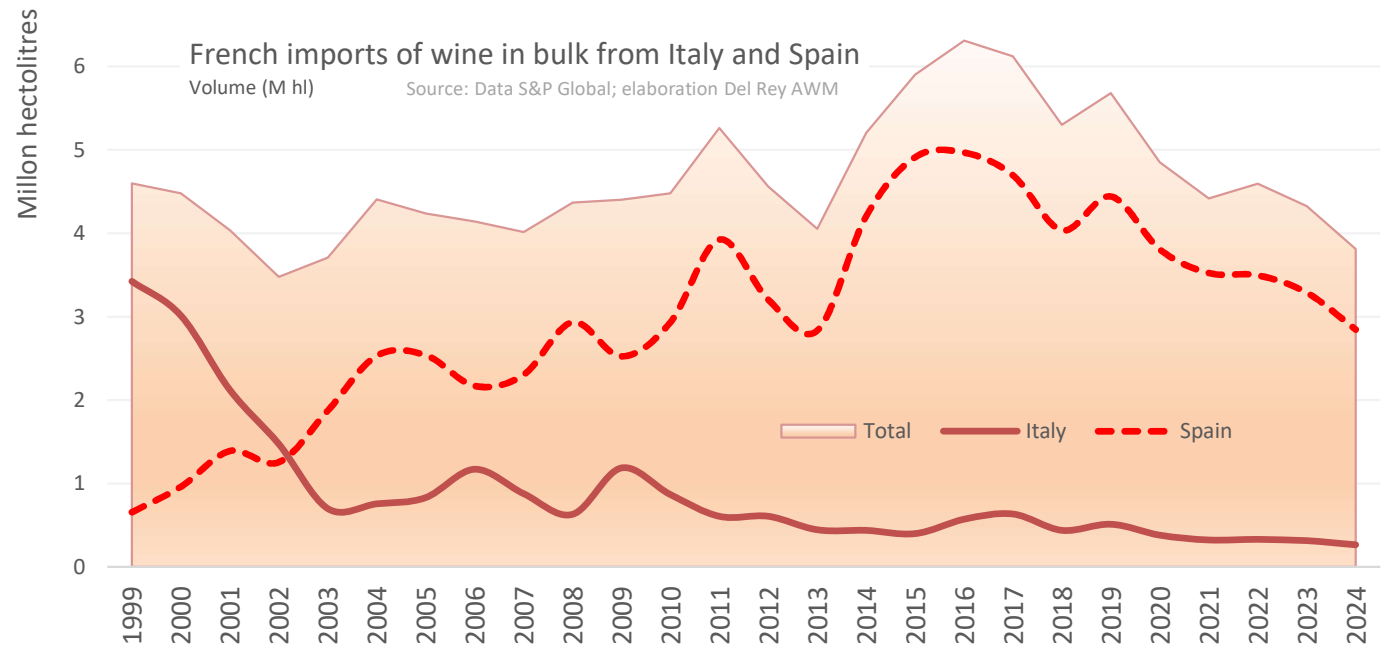


POINT FOR THE DEBATE:

If France does normally import quite a lot of wine in bulk, why is it considering public distillation to avoid surplus and proposing subsidised grubbing-up schemes?



France steadily buys around 4 to 6 million hectolitres of imported bulk wine (down to 3.8 M hl in 2024) but has completely changed supplier since the beginning of the century.



Summarizing

Two completely different “bulk” markets for wine
Not easy to differentiate and sometimes overlapped

For distribution

- ❖ Higher average price
- ❖ To final destinations (or partial re-export) (UK, US, Germany...)
- ❖ From “new world” producers
- ❖ To local bottling facilities
- ❖ Either under the exporter’s brand or the retailer’s
- ❖ Two benefits:
 - ❖ Economic efficiency
 - ❖ Environmental

Tending to increase



For elaboration

- ❖ Lower average price
- ❖ To other wine producers (France, Italy, Portugal, Germany...)
- ❖ From other European producers or Latin American or from South Africa
- ❖ Mainly to wine producing and exporting companies
- ❖ Normally under the buyer’s brand
- ❖ Partially re-exported or for local bottom consumption



Tending to decrease

While looking at the international markets for wine in bulk, we have already seen that:

1. Spain is, by large, the leader of the category
2. But its role has been particularly significant – and concentrated – in one of the two big markets for bulk wine: the low-price segment for sales among producers.

MAP OF EUROPE



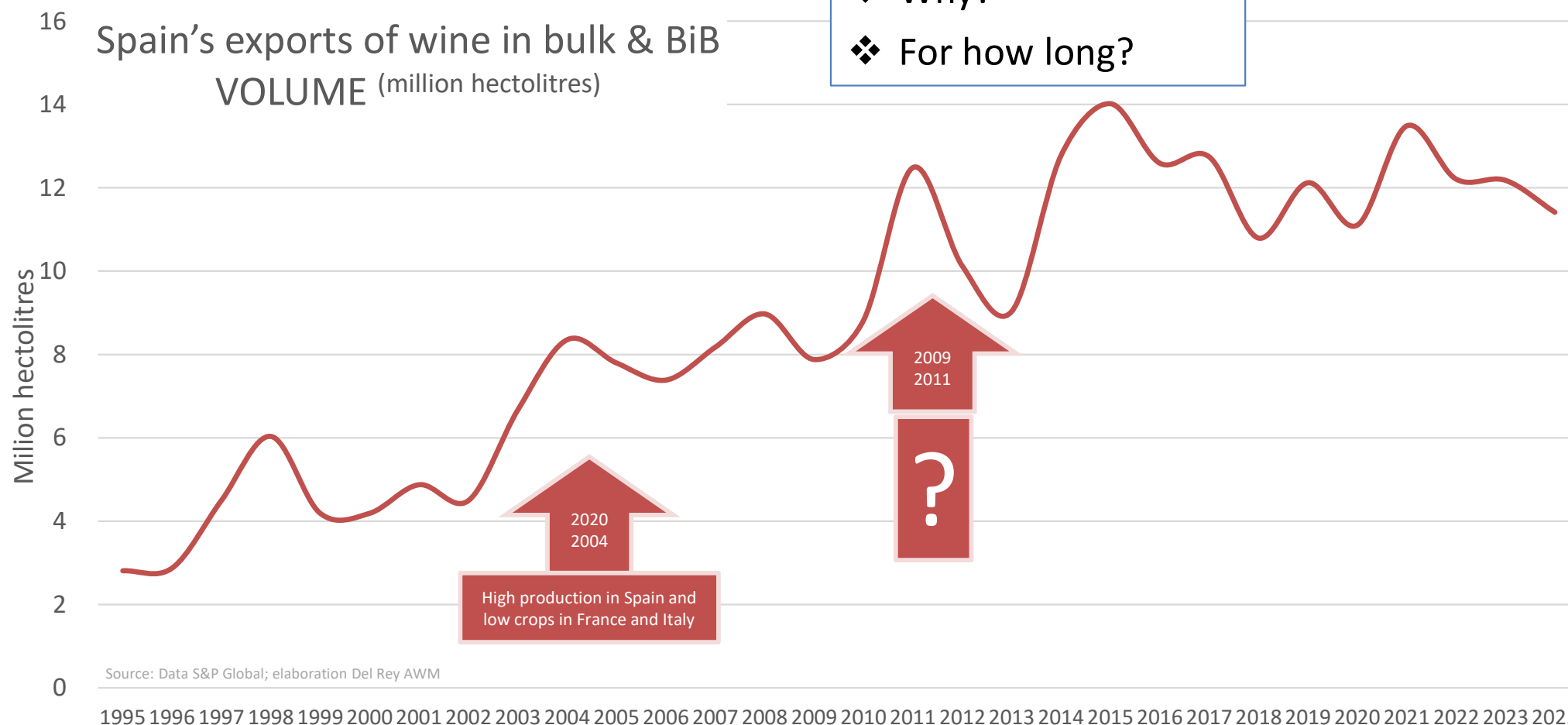
The role of Spain

We have already seen the position of Spain in the world bulk market:

- ❖ Largest world exporter in both volume – more clearly – and value
- ❖ With the lowest world price – except for temporary sales from Argentina and, sometimes, from South Africa and Canada
- ❖ Particularly to other producing countries

The questions are:

- ❖ Why?
- ❖ For how long?





Why? The hypothesis

What has happened?

- ❖ Spain – as many other wine producing countries before – had a strong domestic consumption and, therefore, limited need to export
- ❖ Change of EU regulation in 2009, eliminating subsidies to distillations in 2011 deeply affected regions where distillation was a large percent (up to 30%) of total production → from +9 Mhl to 3 Mhl
- ❖ The alternatives were:
 - ❖ Producing less wine to compensate less distillation
 - ❖ Increasing wine sales in the domestic market
 - ❖ Increasing exports
- ❖ Production did not decrease; it rather grew to historic records
- ❖ Domestic consumption is inelastic → does not increase despite the volume available
- ❖ ... leading to urgent need to export large amounts of previous distilled wines
- ❖ But international trade and distribution is not easy, nor quick, to implement
- ❖ ... what made Spain the world's large exporter of cheap wines to other exporters
- ❖ And will remain this way until two big changes take place:
 - ❖ Gaining experience in international trade → expand distribution nets
 - ❖ Move wines from lower to higher quality levels → in larger, more visible, amounts
- ❖ At the same time, larger amounts of quality wines are produced and exported and ready to be discovered

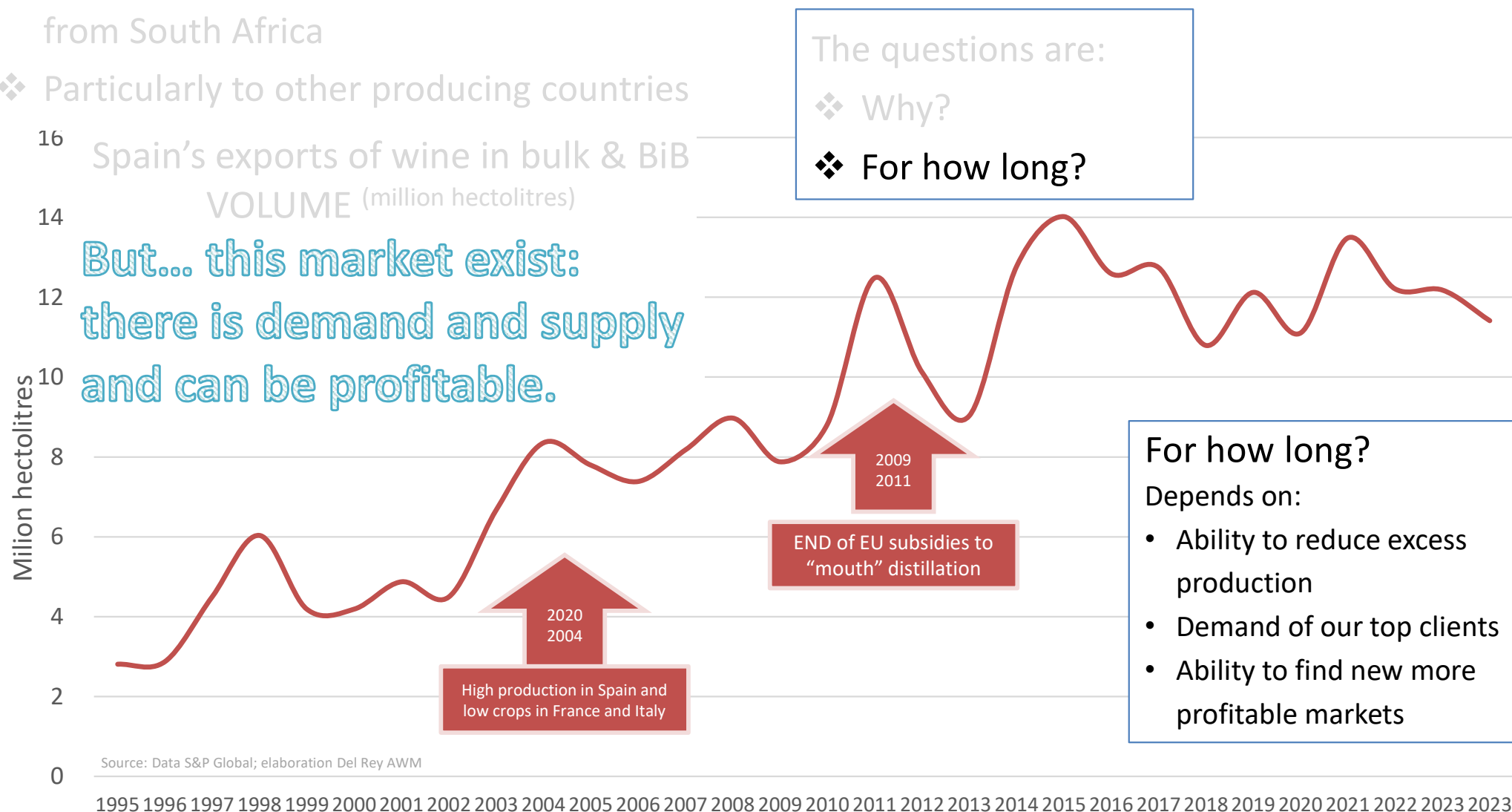
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Spain's exports of wine in bulk & BiB
VOLUME (million hectolitres)

But... this market exist:
there is demand and supply
and can be profitable.



For how long?

Depends on:

- Ability to reduce excess production
- Demand of our top clients
- Ability to find new more profitable markets

But... this market exist:
there is demand and supply
and can be profitable.

ANOTHER POINT FOR THE DEBATE:

How can a business like Spanish
wine trade in bulk, at the low
prices at which it is done, be
profitable?



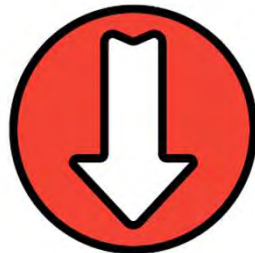
So...

Wine bulk trade is divided
into two big subcategories

Bulk trade among
producers

Bulk trade to
final consumers

Tending to



Due to

More profitable markets

Environmental concerns


Economic efficiency

Requirements from
distribution


Market trends



Wine in bulk will continue to be important and even more important than today



Environment is a key argument as well as economic efficiency for wines coming from far-away producers



Wine in bulk among producers will depend on (i) each one's production and (ii) ability to sell directly to final markets



My suggestion:

- To understand the markets, their characteristics and trends
- To improve the commercial activity and structure (people... moving)
- To adjust production to **market needs** in volume and characteristics

Commercials also serve as
antennas from the market

Wine in bulk among producers will depend on (i) each one's production and (ii) ability to sell directly to final markets



Three final considerations

Bulk ≠ bad quality wine

Shipments are not necessarily direct

Distribution is key

(the ability to get to the final client)



Thank you

Danke
Gracias



International Trade for Wine in Bulk

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...and also at:

www.worldbulkwine.com

Rafael del Rey

Analysts of Wine
Markets (AWM)

Q&A

Do you have any questions?

Questions for discussion

- How the supply of bulk wine can shift in the future?
- How the demand for bulk wine can shift in the future?
 - Environmental concerns
 - Economic efficiency
 - Distribution and brands (owner's vs. distributor)
- How the future dynamics can impact Spain's position in the bulk wine market?