



VDP. DIE PRÄDIKATSWEINGÜTER

## **VDP.Prädikatsweingüter: Situation Report 2021**

### **A look back at another wine year in a state of exceptional circumstances**

**People who work in the wine industry learn very quickly that this profession requires a lot of trust in nature as well as patience with the ripening process in the cellar. The last two years have shown that many things change even in what is actually a very steady (wine) world. After the "first shock" at the beginning of the pandemic, the 200 VDP.Estates are now experiencing an upswing in new export channels and rising export figures. But top German wines are also very popular "at home". This is shown by the latest economic figures of the VDP.**

**Mainz** | The wine year 2021 was characterised by two different key aspects. On the one hand, the increasingly open gastronomy and rising export figures gave reason to hope that distribution channels that had temporarily disappeared could be strengthened and expanded once again. This year's figures cautiously suggest that almost all VDP members have succeeded in compensating for the circumstances of the pandemic years and the associated change in consumer behaviour with creativity and flexibility.

On the other hand, some winegrowers had to deal with the devastating effects of the floods in the Ahr valley in addition to weather-related challenges. Thanks to the cohesion of the industry and the overwhelming solidarity, the first steps towards a hopeful reconstruction of the Ahr Valley were quickly initiated. Here, the VDP is helping to close gaps in coverage for all winegrowers in the Ahr Valley, in particular through the fundraising campaign "Der VDP.Adler hilft".

#### **The Vintage**

Compared to the three previous years, a delayed budbreak was observed in 2021 due to the cool spring, which also resulted in a later flowering of the vines. The warm and humid weather in summer not only led to an enormous growth spurt of the leaf walls, but at the same time also increased the infection pressure from the fungal diseases Oidium and Peronospora. In order to counteract the fungal pressure, the winegrowers entered a labour-intensive period of plant protection, which presented organic wineries in particular with sometimes great, but not insurmountable challenges. Precision, manual labour and many extra hours of detailed work steps were necessary to avoid major losses. Due to the late budding and the associated late harvest, especially in the VDP.GROSSE LAGE® and VDP.ERSTE LAGE® classification levels, the grapes had to be picked carefully and selectively in order to harvest the grapes at the optimal time of ripeness and, above all, healthy. Drought and lower temperatures not only led to a relatively long harvest period, but also to must weights that were significantly below the previous year's. The harvest and the entire year 2021 will be remembered for a long time.

*"It is difficult to make a general statement for all wineries because the local weather conditions were too different. In many cases, this led to greater yield losses - especially on wineries working organically - but did not affect the quality and character of the vintage. Here we expect fine, elegant, wines with longevity. A "cool vintage" that wine fans all over the world will continue to enjoy for a very long time!"*  
Hansjörg Rebholz, VDP.Weingut Ökonomierat Rebholz, Pfalz

*"The 2021 vintage is the most dramatic and emotional we have ever had. The relief after the last grape has been picked is immeasurable. Without the solidarity, help and support of so many, we would not have managed all this. This has given us courage and strength to persevere."*

Meike Näkel, VDP.Weingut Meyer-Näkel, Ahr

*"Looking back, we can say with satisfaction that we were able to harvest a very gracious vintage in 2021. In the summer, we would probably have signed everything, would we have known what fascinating and characterful wines awaited us at the end of the year as a reward for the sacrificial vineyard work. The weather conditions during the season challenged winemakers, staff, machinery and nature to and sometimes beyond their limits. I am convinced that the wines obtained from this year will still shine full of energy and youthful aromatics long after the efforts and the hard road to a successful harvest have been forgotten."*

Johannes Hasselbach, VDP.Weingut Gunderloch, Rheinhessen

## **Economic Report**

The economic data of the VDP wineries are always surveyed in spring and average values or projections are formed. In addition to the questions about turnover and business development, the price trends of the various levels of the VDP classification, the development of exports and also the various sales channels from specialised trade to direct sales were queried.

### **Germany**

79% of VDP wines were sold domestically in 2021. Almost all VDP wineries have ex winery sales, but there are enormous differences here, from 3% to 80% of sales; on average, however, ex winery sales are 35%.

Meanwhile, 82% of the wineries have their own web shop, through which they sell 13% of their wines. 75% of the VDP wineries work with external online retailers and market an average of 10% of their total sales through them per winery, whereby special fillings of the VDP wineries in the entry-level range often play a role here.

Gastronomy and stationary specialised trade have always been important business partners for almost all VDP wineries. The specialised trade, supported by high-quality wines and good concepts, continues to be of great importance, which is reflected in the stable sales figures of 25%. Due to Corona, cooperation with gastronomy was slowed down, but the share has now recovered to 17%.

During the Corona pandemic, the food retail sector has optimised the quality of its assortments. This is also reflected in the sales of the VDP wineries operating in the food retail sector, which increased by 2% to a total of 10%. Sales via discount stores remain negligible at less than 1%.

### **Export**

Exports are starting to recover after declining in the past two years under political circumstances (Brexit, US punitive tariffs) as well as the pandemic. 21% of VDP wines were sent abroad last year, an increase of 3%. The increasing international awareness of Germany's top wines is also reflected analogously in the diversity of export markets. The VDP.eagle on the neck of the bottle is regarded throughout the world as a clear symbol of quality in the bottle.

For the VDP winegrowers, the most important export markets are Scandinavia, above all Denmark, as well as the USA and China. The Netherlands and Switzerland are also important export markets. Japan is also seen as an opportunity market that seems to be recovering from the economic difficulties of the past few years. With regard to the Asian export market, some doubts are expressed as to whether the positive market development can be continued.

The export countries to which the VDP wineries attach greater importance in the future are unusual. Here, for example, Eastern Europe with the Baltic states was mentioned, whereby the survey of the data was carried out before the war in Ukraine broke out. Other countries, such as Guatemala, South Africa, Vietnam or Mexico, are considered to have opportunities as new German export countries. This shows: Due to the climatic conditions and the special terroir, German wines are sought after and in demand worldwide as "cool climate" wines. This underlines the uniqueness and the character of origin that is also the focus of the VDP wineries.

### **Price level**

The VDP.GUTSWEIN offers an introduction to the VDP.wineworld and provides a first insight into the style of the respective VDP.winery. If one considers the average price for a bottle of German wine in general, which is currently around 3.69 Euros, the appreciation for artisan wines, such as VDP.GUTSWEIN, which currently has an average price of 10 euros, becomes clear. 60% of the bottles sold in the VDP last year belong to the entry-level segment of the VDP.Classifikation.

The next level of the VDP.Classifikation, VDP.ORTSWEIN, takes up just under 18% of the bottles sold. With an average price of 13.50 Euros per bottle, they represent a high-quality and attractively priced middle tier between the VDP.GUTSWEIN and the wines from specific sites. The average price for VDP.ERSTE LAGE® wines achieved last year was 19.50 Euros. For the Top of the range of single-vineyard wines, VDP.GROSSE LAGE®, enthusiasts spent an average of 36 euros. The demand and success for VDP.GROSSES GEWÄCHS® wines, which on average is usually still somewhat higher than the average for Prädikat wines, explains the upscale price level.

Thus, the percentage distribution of sales among the four classification levels is increasingly approaching the ideal of a pyramid and documents the appreciation of the motto "The narrower the appellation of origin, the higher the quality".

"We feel that behaviour of wine buyers is changing. We have the impression that consumers are buying wines of higher quality but less frequently. It is good to see that regionality and sustainability are also becoming much more important," says Steffen Christmann, President of the VDP.

### **Facts & Figures 2021 (Projections)**

#### Total sales in 2021 (in 0.75 fl.)

Total VDP approx. 33 million bottles

Per winery approx. 168,368 bottles

#### Vineyard area (1 ha = 2,47 acres)

Total VDP approx. 5.621 ha (approx. 5.5% of the German vineyard area)

per winery approx. 28 ha

#### Staff structure in the VDP

Ø 10 employees, 3 temporary workers

2 of 3 wineries train apprentices (Ø 2 apprentices)

On average, a winery employs about 14 seasonal workers (manual labour)

#### Turnover volume in 2021

Total VDP approx. 444 million euros

Per winery approx. 2.24 million euros

#### Yield in 2021 ø

50 hl/ha (2017 vintage)

71 hl/ha (2018 vintage)

52 hl/ha (2019 vintage)

55 hl/ha (2020 vintage)

53 hl/ha (vintage 2021)

#### Bottle prices in 2021 (0.75l) ø

(Average price for a bottle of German wine: 3.69 € per litre)

VDP.GUTSWEIN 10,00 € (60%)

VDP.ORTSWEIN 13,50 € (18%)

VDP.ERSTE LAGE® 19,50 € (13%)

VDP.GROSSE LAGE® 36,00 € (8%)

#### Sales ø

Domestic 79% (2020: 83%)

Export 21% (2020: 17%)

#### Export trends Top 3

1. Scandinavia (Nr1 Denmark)
2. USA
3. China

#### Organic viticulture

- 35% of the VDP vineyards are cultivated organically  
=> Slightly more than one third of the VDP wineries are already working organically, with a strong upward trend (many are in the three-year conversion phase).
- One fifth of the German organic winegrowing area is managed by the VDP.
- 15 VDP wineries work biodynamically (7.6% of the VDP vineyard area, 427.5 ha in total).

#### Sustainable viticulture

- 36 wineries are sustainably managed and certified (= 1,702 ha)
- 30 % of the VDP vineyard area is sustainably certified
- At the 2021 general meeting, all VDP members decided to be sustainably certified by 2025.

#### VDP.Prädikatsweingüter

*The VDP (Verband Deutscher Prädikatsweingüter) is the world's oldest association of fine wine estates and home to 200 of Germany's most talented winegrowers. Across diverse regions and philosophies, all share one common thread: a tireless dedication to the timeless ideal of handcrafted wines that express their origins. Bottles as inimitable as their makers. Joined under a symbol revered the world over: the VDP.Eagle.*

If you have any questions, please contact:

**VDP.Die Prädikatsweingüter**

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