

Business report of the VDP Prädikatsweingüter 2018: Success with sure instinct

In 2018 Germany's exceptional winegrowers once again recorded rising sales and a saturated increase in exports: one quarter has already switched completely to organic ...

Mainz | Last year, the VDP estates demonstrated a great deal of sensitivity in various areas. On the one hand, the sunny, very dry 2018 picture book summer demanded a lot of sensitivity to determine the right harvest time and to preserve the freshness of the wine. At the same time it was necessary to bring the 2017 vintage, which was very good in terms of quality but quite rare due to very small harvest quantities, onto the market.

The VDP wineries passed both tasks with flying colours: At 53 percent, more than half of the wineries report increased sales, while another third can look back on stable sales figures. All in all, the members of the association were able to achieve an increase in turnover of four percent.

At the same time, wine journalists are already full of praise for the 2018 vintage. This weekend, trade visitors to the world's largest trade fair for top German wines, the VDP Weinbörse in Mainz, will be able to get an even more comprehensive picture of the vintage. A total of 186 of the 196 wineries of the VDP will for the first time present the entire portfolio of the 2018 vintage from VDP.GUTSWEIN to VDP.ORTSWEIN to wines from VDP.ERSTER LAGE® and VDP.GROSSER LAGE®. Only the 2018 VDP.GROSSEN GEWÄCHSE® wines are missing - they will not be on the market until September.

"The 2018 wine year was another year that demanded everything from the VDP winegrowers. For the VDP estates, the importance of the optimal harvest day is increasingly coming to the fore. Start early, read out the vineyards perfectly and then harvest the ripe grapes quickly in a second and third pass. This sure instinct was particularly important in 2018 and was rewarded with precise, fresh wines that reflect the taste of the vineyard," says Steffen Christmann, President of the VDP.

In the run-up to the VDP Weinbörse, the VDP, as every spring, asked for the latest economic data from its wineries from the previous year and calculated average values. In addition to questions about turnover and business development, the survey also looked at price trends in the various stages of the VDP classification, the development of exports, as well as the various sales channels from specialist retailers to direct sales and attitudes towards organic cultivation.



Read the results in detail here:

Domestic

The Germans themselves are the biggest fans of the VDP estates. Three quarters of their turnover is generated by the top wineries in Germany. Gastronomy and specialized trade are particularly important here in order to be present at the customer. All VDP wineries that took part in the survey sell their wines in restaurants and wine bars, among other places. 96 percent of the winegrowers can also be found on the shelves of specialist retailers and retailers. After all, 35 percent and thus the largest part of the turnover are generated by the winegrowers through direct sales from the winery. The specialist and retail trade together account for around a quarter of the turnover of the VDP wineries, while the gastronomy sector ranks third with around a fifth.

The VDP winegrowers see future prospects particularly in online trade, especially in their own online shops. The majority of wineries (57 percent) report rising sales there. VDP winegrowers are also very positive about the trend in upmarket food retailing to place more emphasis on the premium segment in the wine sector. In recent years, for example, professionally managed wine departments with regional offers and wineries from the premium segment have introduced individual markets managed by merchants - more than half of the VDP. Wineries expect sales to increase in such markets.

Export

Meanwhile, a quarter of the VDP wines sold are sent abroad. This is because worldwide interest in top German wines is on the rise - the VDP eagle on the bottleneck is considered a clear symbol of quality in the bottle. 80 percent of VDP members report an increase in exports last year. Turnover in foreign business rose by an average of six percent.

The VDP winegrowers most frequently export their wines to the USA, the Netherlands and Scandinavia. Denmark, Sweden and Norway are considered by the VDP winegrowers to be clear growth markets. At 41 percent, the number of VDP wineries supplying top German wines to the USA, Benelux and Scandinavia is stable at a high level. On the other hand, slightly declining export figures are expected for Belgium and Great Britain - also due to the market uncertainties caused by Brexit.

VDP.average prices

The VDP.GUTSWEIN is still the driving force of many VDP.Wineries. At an average price of 10 euros, wine lovers in this segment will find mostly accessible wines to be drunk young, which already express the individuality of the winegrower in style and style. Since they are often a kind of first contact to the wine drinker by the attractive price structure, they are also considered as visiting card of the VDP wine estates. Last year the winegrowers sold more bottles of their VDP.GUTSWEINEN than of all other classification levels combined.



At the same time, the top dry wines of the wineries, the VDP.GROSSEN GEWÄCHSE®, maintain their legendary reputation. The fans of upscale wines spent an average of 32.50 euros on these unmistakable wines from Germany's best vineyards. The average price for the VDP.ERSTE LAGE® last year was 17 euros, for VDP.ORTSWEINE the winegrowers were able to achieve an average of 13 euros.

Innovation

In 2018, the VDP wineries once again proved their ability to face the future. More than a quarter of the companies surveyed are now eco-certified - significantly more than the national average. In Germany, around eight percent of the vineyard area is organically cultivated. Almost half of the organic VDP winegrowers are members of another sustainable association such as Ecovin and Naturland or the biodynamic associations Demeter, Respekt or Renaissance des Appellations. But the other VDP companies also follow high ecological and sustainability standards in their daily work and belong to organisations such as Fair & Green.

It should come as no surprise that a total of 87 percent of VDP winegrowers are particularly motivated by the improvement of wine quality. After all, the continuous improvement of wine quality is one of the VDP's top priorities. Two thirds also cite idealistic reasons, such as responsibility towards the next generation as a driving force.

In addition to the ecological aspects of winegrowing, the topic of sparkling wine has also become significantly more important for top winegrowers. Meanwhile, 79 percent of the wineries produce their own sparkling wine.

Thus the VDP winegrowers have not only occasions for the VDP wine exchange, but also the suitable sparkling wine to toast to the economically successful year 2018.

VDP: The Prädikat Wine Estates

196 VDP estates have imposed strict quality standards and standards on themselves - from the grape to the cellar. The VDP grape eagle on each bottle capsule is the quality promise and seal of approval. It stands for terroir-stamped and handcrafted winemaking.



VDP.DIE PRÄDIKATSWEINGÜTER

General Sales Structure 2018

(These are projected and not absolute figures)

<p><u>BALANCE IN YEAR 2018 (in 0,75 bottles)</u></p> <p>Total VDP ca. 29 Mio. Flaschen</p> <p>Per producer ca. 150.000 Flaschen</p>	<p><u>VINEYARD AREA</u></p> <p>Total VDP ca. 5.000 ha</p> <p>Per producer ca. 26 ha</p>								
<p><u>AVERAGE SALES</u></p> <p>Domestic 75 % (2017: 76%)</p> <p>Export 25 % (2017: 24 %)</p>	<p>Yield in average:</p> <p>52 hl/ha (vintage 2014)</p> <p>54 hl/ha (vintage 2015)</p> <p>56 hl/ha (vintage 2016)</p> <p>50 hl/ha (vintage 2017)</p> <p>71 hl/ha (vintage 2018)</p>								
	<p><u>EXPORT-TRENDS</u></p> <ul style="list-style-type: none"> • Benelux, USA Scandinavia: established, important for many years • Strongest growth momentum in China • Decline expected in Great Britain 								
<p><u>SALES VOLUME IN 2018</u></p> <p>Total VDP ca. 350 Mio. Euro</p> <p>Per producer ca. 1,78 Mio. Euro</p> <p>Average estate size: 10 employees</p>	<p><u>PRICE PER BOTTLE IN 2018</u></p> <p>(average)</p> <table> <tr> <td>VDP.GUTSWEIN</td> <td>10,00 €</td> </tr> <tr> <td>VDP.ORTSWEIN</td> <td>12,80 €</td> </tr> <tr> <td>VDP.ERSTE LAGE</td> <td>17,00 €</td> </tr> <tr> <td>VDP.GROSSE LAGE</td> <td>32,50 €</td> </tr> </table>	VDP.GUTSWEIN	10,00 €	VDP.ORTSWEIN	12,80 €	VDP.ERSTE LAGE	17,00 €	VDP.GROSSE LAGE	32,50 €
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