INDUSTRY REPORT 2021-2022

WINEGB
WINES OF GREAT BRITAIN

WineGB Trade Survey Results

Introduction

Change is a constant partner to our industry. This can be so clearly seen by the difference in growing conditions between 2022 and 2021. Last year we were looking at potentially needing to chaptalize still wines above the norm, this year we are wondering whether some acid adjustments would be useful. Of course, climate change, as illustrated in the recent report by Alistair Nesbitt and Steve Dorling, is having, and will continue to have an impact on the quality and styles of wine that we produce.

The growth of the English and Welsh wine sector is another constant over the past few years. Sales have increased by nearly 70% over the past two years and the number of vines planted each year has averaged more than 1.6m recently. There seems no deceleration in the pace of innovation, product development and consumer engagement.

A key factor in the shape of the industry which perhaps was not foreseen pre-pandemic is the stratospheric rise in the importance of wine tourism and the direct-to-consumer sales channel. WineGB's annual survey points to an overall increase of 265% in the DTC channel in the past 2 years, representing 57% of all sales in 2021.

The growing importance of cellar door looks set to continue, with a recent VisitBritain survey suggesting 42% of inbound tourists would enjoy a visit to a winery. With international travel opening up, this will dovetail well with exposure in overseas markets.

WineGB continues to pursue its ambitious programme of activity, looking to ensure the best possible platform for our industry to be successful. One key initiative this autumn is the launch of an industry wide consultation to review the current PDO/PGI schemes and to ensure they are fit for purpose for a modern, quality focused and innovative production. We must have a scheme which protects and informs the consumer whilst equally adding value to producers.

We are also continuing our drive on sustainability, wine tourism, exports, product excellence and industry leadership; there are more details included in this document.

The past 12 months has delivered a stronger and fitter wine production sector, one which is in a more robust place to confront the challenging economic times in which we live.

Simon Thorpe MW
CEO, WineGB

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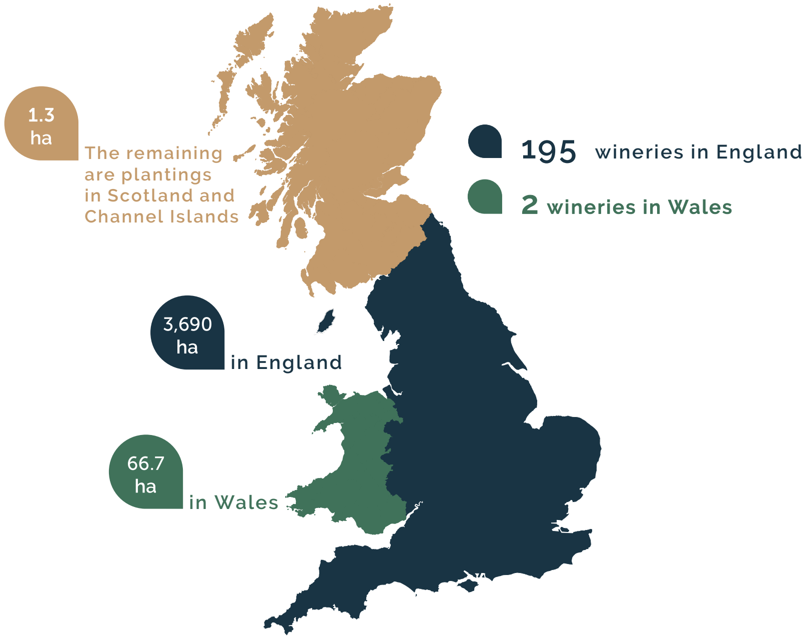
Credits

- **Wine Intelligence Ltd** conducts an annual survey of UK growers/producers on behalf of Wines of Great Britain.
- We are also grateful to **Wine Standards** who produce the official record of varietal planning and vintage production for DEFRA.
- The information on the number of vineyards, wineries, hectarage, varietals and plantings are suppled by **Wine Standards** (Food Standards Agency) 2022.

Planting & Production

▶ Vineyards & Wineries (in 2022)

897 vineyards | **197** wineries



Hectarage & Plantings

▶ Hectarage

3,758* hectares under vine in UK

UP 70% in 5 years

Hectarage has more than doubled in just eight years and more than quadrupled since 2000.

* This figure does NOT include the plantings from 2022. Estimated plantings for 2022 are 1.4 - 2m vines, equating to between 300-440ha which would bring total ha to over 4000

▶ Vineyard plantings by decade

1980's	1990's	2000's	2010's	2020's (2020 & 2021)
211 ha	150 ha	683 ha	2,200 ha	753 ha

NB: All figures are rounded to the nearest whole number. We do not have a breakdown between England/Wales. These figures show that 59% of today's vine hectarage was planted in the 2010s.

Plantings by counties

Most popular varieties by county

Top 10 Pinot Noir		Top 10 Chardonnay		Top 10 Bacchus		Top 10 Pinot Meunier	
Counties	(ha)	Counties	(ha)	Counties	(ha)	Counties	(ha)
Kent	250	Kent	441	Kent	85	Kent	91
West Sussex	218	Hampshire	203	Essex	45	West Sussex	79
East Sussex	216	West Sussex	195	West Sussex	19	East Sussex	52
Essex	104	East Sussex	129	East Sussex	15	Hampshire	37
Hampshire	94	Essex	68	Norfolk	15	Essex	18
Surrey	29	Surrey	24	Suffolk	11	Dorset	11
Dorset	27	Dorset	22	Surrey	11	Surrey	6
Devon	21	Oxfordshire	13	Devon	9	Berkshire	4
Suffolk	16	Berkshire	12	Gloucestershire	9	Gloucestershire	4
Berkshire	14	Devon	9	Hampshire	7	Suffolk	3

Most planted grape varieties by region

Top five most planted varieties in the Midlands and North – Midlands, North East, North West, Scotland, Northern Ireland (ha)	
Solaris	24
Seyval Blanc	20
Rondo	16
Pinot Noir	13
Phoenix	7

Top five most planted varieties in the East – Norfolk, Suffolk, Essex, Hertfordshire, Bedfordshire and Cambridgeshire (ha)	
Pinot Noir	118
Chardonnay	74
Bacchus	62
Pinot Meunier	20
Pinot Blanc	15

Top five most planted varieties in the Thames and Chilterns – Bedfordshire, Buckinghamshire, Oxfordshire (ha)	
Pinot Noir	32
Chardonnay	31
Pinot Meunier	9
Bacchus	7
Ortega	3

Top five most planted varieties in the South West – Cornwall, Devon, Somerset, Avon, Dorset, Worcestershire, Gloucestershire, Herefordshire, Isles of Scilly, Channel Islands (ha)	
Pinot Noir	92
Chardonnay	52
Seyval Blanc	37
Bacchus	34
Madeleine Angevine	24

Top five most planted varieties in the South East – East Sussex, Kent, London, Surrey, West Sussex (ha)	
Chardonnay	789
Pinot Noir	715
Pinot Meunier	227
Bacchus	132
Solaris	43

Top five most planted varieties in Wessex – Hampshire, Isle of Wight, Wiltshire (ha)	
Chardonnay	210
Pinot Noir	105
Pinot Meunier	40
Seyval Blanc	11
Bacchus	11

Top five most planted varieties in Wales (ha)	
Chardonnay	11
Seyval Blanc	11
Pinot Noir	10
Solaris	6
Rondo	6

Most planted grape varieties in England and Wales

Top 10 varieties	(ha)
Chardonnay	1,179
Pinot Noir (This includes 63ha of Frühburgunder / Pinot Noir Précoce)	1,164
Pinot Meunier (These three make up 71% of total plantings)	327
Bacchus	264
Seyval Blanc	117
Solaris	93
Reichensteiner	69
Rondo	60
Pinot Gris	56
Müller-Thurgau	46

In the past five years, plantings of Chardonnay, Pinot Noir and Pinot Meunier have amounted to 1,343ha out of total plantings of 1,646ha, which equates to 82% of all plantings.

Wine Production

▶ Volumes produced

2017-2021 production by style (sparkling/still)

	Btls (m)	Sparkling	Still
2017	5.31	68%	32%
2018	13.10	69%	31%
2019	10.48	72%	28%
2020	8.80	64%	36%
2021	8.95	68%	32%

▶ 2021 production - breakdown by style:

SPARKLING	STILL
81% White 19% Rosé 98% Traditional Method 1% Charmat / Tank method 1% Other	68% White 17% Rosé 14% Red

NB: breakdown by colour style has only been released from 2021 vintage

Employment & Skills
in the GB wine industry

- Some 10,318 Full-time employee equivalents (FTEs) are now working in the GB wine sector representing a growth of just over 12% on 2020.

41% Female

59% Male

Ongoing growth in rural employment

- Britain's wine industry is contributing to the rural economy by creating prospects for a workforce with a wide range of skills and age groups. Many of the roles available in the industry, from viticulture to winery, administration, tourism and hospitality are supported by the training and upskilling opportunities now increasingly available and reaching out to a wider demographic.
- A significant proportion of producers in Britain want more training to expand and develop their vineyard businesses. WineGB works closely with Plumpton College in East Sussex which remains the leader in this field, offering an extensive curriculum of viticulture and winemaking courses, as well as business, marketing and hospitality, embracing a spectrum of options from Masters, BScs and specialist apprenticeship courses.
- We continue to work with Central and Local Government to see how we can broaden the scope of training and employment opportunities. Apprenticeships remain very much on our agenda, and we are being generously supported by The Vintners' Company who sponsor an apprentice through work experience and training at Plumpton. We are pursuing new avenues to explore how we might develop these opportunities further.

Sales & Distribution

Sales in 2021 (vol)

ESTIMATED NUMBER OF BOTTLES SOLD

2020 — 7.1 million bottles

2021 — 9.3 million bottles

- In 2021 sales rose by 31% on the previous year
- Sales in 2020 rose by 30% on the previous year (7.1m bottles in 2020 - 5.5m bottles in 2019)
- Growth in overall sales 2019 to 2021 = 69%

Distribution of bottles of wine sold by style

Sparkling wine

63% of total btls. sold = 5.86m btls.

(vs 64% in 2020)

Still wine

37% of total btls. sold = 3.44m btls.

(vs 36% in 2020)

Distribution Channels – UK

	2021	2020
Cellar Door	38%	28%
Website	19%	22%
Multiple retailers	13%	13%
Indies	12%	15%
On Trade	14%	18%
Export	4%	4%

Direct to Consumer (DTC) - which includes cellar door sales and vineyard online sales - continue to grow significantly as figures over the last three years illustrate, making this the most important distribution channel and now represents over 50% of all sales

WineGB DTC sales split

	2021		2020		2019	
Total Sales (btls)	**9.3 m**		**7.1 m**		**5.5 m**	
Cellar Door split	3.5 m	38%	2.0 m	28%	1.6 m	29%
Online	1.8 m	19%	1.6 m	22%	0.4 m	7%
Total DTC	5.3 m	57%	3.6 m	50%	2.0 m	36%

Growth in Cellar Door sales 2019 to 2021 **+ 219%**
Growth in Online sales 2019 to 2021 **+ 450%**
Growth in overall DTC sales 2019 to 2021 **+ 265%**

- **Multiple off trade** reported growth in sales in 2021 and whilst the market share is static, volume has grown by 31%.
- **Independent retailers** show a small drop in share, although in volume sales this still represents a slight increase in overall volume sales year on year.
- **On trade**, as anticipated, saw a reduction in share, given the still challenging trading conditions in 2021. Again, volume showed a small increase.

Export

- Exports accounted for 4% of all sales in 2021, shipped to 30 export markets. The core export markets in 2021, which still remain, are Scandinavia, Japan and USA. Key market growth has come from Scandinavia, with Norway the largest market, which grew by 85% in 2021.
- Sparkling wine exports rose by 33%, while there was a 501% growth in shipments of still wine
- Still wine now represents 17% of total exports.

Top 10 Export Markets

1. Norway
2. USA
3. Sweden
4. Japan
5. Hong Kong
6. Germany
7. Finland
8. Switzerland
9. Denmark
10. Netherlands

Strategic Plan

Overview 2021 to 2025

In 2021 WineGB set out five strategic pillars which encompass its vision for the industry over the next five years. These are driven by our core mission:

To establish Great Britain as a sustainable wine region of world renown, recognised and celebrated for the quality of its wines and visitor experiences.

Our progress thus far is outlined below:

WINE EXCELLENCE

R&D | CPD | Training | Education | Career Opportunities

This year WineGB is launching an industry wide consultation to review the current PDO/PGI schemes, to ensure they are fit for purpose for the current and future production and range of wines from Britain.

WineGB has teamed up with WSET to offer members and their employees opportunities to enhance their knowledge through their extensive range of courses. WineGB continues to provide webinars to its members, covering viticulture, winemaking, sustainability, business and marketing.

WineGB is working with Plumpton College and The Drinks Trust on their retraining programme 'Entry into Wine', short courses designed to provide job seekers and career changers with introductory knowledge and sector engagement, bringing potential opportunities for employment in the UK wine industry. Thanks to The Drinks Trust those otherwise unable to afford such training are provided support.

SUSTAINABILITY

Environmental | Social | Economic | Continual Improvement

SWGB now has 83 members and covers 77 of the country's vineyards which account for around 55% of the hectarage under vine. In the next 3 years we are looking to increase its reach to as much of our production as possible, and how to add in social and governance elements to the scheme.

Today there are some 35 fully accredited wines are now released, which can bear the SWGB label.

We continue to build consumer awareness of the scheme and ensure that wine consumers understand we are committed custodians of the land and resources we use.

LEADERSHIP

Market growth | Reputation | Insights | Diversity | Partnerships

Market Growth: As part of its trade development focus, WineGB has hosted a One Day Wine School this year and last showcasing WineGB Awards top winners and bringing in winemakers to talk in-depth about the wines and forge closer relationships with the sommeliers and the restaurants in which they work.

Diversity, equality and inclusion: WineGB is committed to taking a proactive approach towards diversity, equality and inclusion and to become a leading example of an inclusive industry, expanding its reach to prospective employees, visitors and wine consumers in presently underrepresented groups. Earlier this year WineGB's online DE&I seminar brought in leading experts to provide greater insight to members. A series of instructional guidelines has been published to members.

Government: We continue to work closely with relevant Government agencies and departments to ensure that current industry issues are heard – these include the Excise Duty Review, small producers' relief and labour issues. This year we brought together representatives from DEFRA, DIT and Wine Standards to a round table to update them on developments and open up conversation on areas of common interest. Our dialogue with the Wines of Great Britain All Party Parliamentary Group (APPG) ensures that our industry has a voice in Westminster.

EXPORT

Excellence | Collaboration | Growth | Awareness | Producer Community

WineGB and exporting members returned to ProWein this year, and next year will see the highest ever number of producers exhibiting, reinforcing the export ambitions of member producers. Other export initiatives this year included an inbound visit of East Coast USA sommeliers and influencers and three producers visiting Nantucket. Buyers from the Scandinavian monopolies are visiting our trade tasting this year.

The Department for International Trade (DIT) and the Government's GREAT campaign have supported all of these initiatives, underpinned also by the message from the Foreign Secretary that all Heads of Mission should serve British food and drink. Our export activity will also enhance our inbound tourism ambitions within the key markets.

TOURISM

Regional Collaboration | Opportunity | Best Practice | Funding | Visitor Experience

Wine tourism in the industry is expanding exponentially and has the potential to bring significant financial benefit to businesses and the rural economy alike. A recent VisitBritain survey suggests 42% of inbound tourists would enjoy a visit to a winery, opening considerable opportunities for vineyards.

This year WineGB is completing a comprehensive strategy to support the needs of producers and wine tourism clusters. WineGB is working with VisitBritain to develop further opportunities for this sector of the industry. VisitBritain are developing a wine tourism workshop later in the year to provide further support to producers as they grow this side of their business.

WINEGB

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GOLD PATRONS

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