Autumn 2026 Budget
WineGB submission

Executive Summary

The English and Welsh wine sector requires greater support to realise its full potential. We need to level the playing field with established 3rd country wine importers in order to double the domestic wine sector's market share both in the UK and globally and ensure a sustainable and profitable industry.

Pre-Brexit, the sector had access to CAP funding, Structural Funds and other European support programmes that helped businesses invest, expand and pursue export opportunities. Today, there is almost no comparable support available. Add to this the sector is facing the emergence of a domestic "wine lake" as rapid growth in vineyard plantings and strong harvests have begun to outpace demand for English and Welsh wines.

Without levelling the playing field with wine importers, we cannot realise the potential and put at risk this burgeoning sector.

The absence of meaningful government assistance places our sector at a considerable competitive disadvantage compared with wine producers in other countries. While the industry continues to grow and invest, progress has slowed, partly due to the impact of increased business taxation and other measures introduced in the 2024 Budget. As a result, resources that might otherwise have been directed towards expansion and innovation are being directed to absorbing these additional costs.

We urge the Government to work in partnership with the sector to support both domestic growth in all postcodes, including rural ones and export development. By recognising the economic potential of English and Welsh wine and providing targeted support, the Government can help our sector secure its long-term success and strengthen its international competitiveness.

The Government should:

1. **introduce a Wine Tourism Relief** which will reduce duty costs on local and tourism-related sales. This is needed to assist producers grow sustainably, enhance their offerings, and contributing more significantly to rural economies and the national hospitality landscape
2. **cut excise duty on wine** or, at minimum, **avoiding further increases** in this budget. Recent changes to the UK's excise regime have increased costs, dampened demand, and reduced revenue

3. **adapt the Small Producer Relief scheme** by aligning it with the realities of the wine category rather than trying to apply criteria that benefit other alcohol beverage categories to it

Who are we?

WineGB is the trade association for the English and Welsh wine industry and represents the majority of the UK's productive vineyard area. There are over 1,150 vineyards, 280 wineries, just over 4,800+ hectares under vine of which close to 3,750 is in active production. Vineyards are represented across the whole of the nation from Cornwall to Yorkshire, Wales to the Isle of Wright and large parts of the South East[1].

The industry is made up predominantly of small producers, with two-thirds making fewer than 10,000 bottles annually and selling directly to consumers through cellar doors, websites, and local outlets. The largest 25 producers account for over 80% of domestic wine sales and are driving expansion through investment in marketing and distribution. Collaboration across the sector, between large and small producers, has been key to raising awareness and building both domestic and international demand.

The sector has seen growth in predominantly rural postcodes in the past twenty years. We have had an increase of 510% in land used for wine since 2005. There has been an increase in sales since 2018 by 200% to 9.1 million bottles sold. There was growth in sales between 2023 and 2024 of 3% with that lower than expected figure a reflection of a contracting hospitality sector.

The steady increases in production, sales and growth are despite our country being a 'cool climate' wine producer which means fluctuating weather impacting yields. To support continued growth in rural postcodes, a coordinated approach between the sector and Government to develop domestic sales, tourism, and exports is essential. Continued growth will support rural communities by creating skilled, sustainable, and increasingly high-tech jobs.

Economic Contributions and Potential

Our sector makes a significant contribution to the Exchequer despite its small size. Excise duty collected on wine has increased year on year since 2018 as sales have increased, going from £8.97 million paid on 3.4 million bottles sold that year to £25.21 million[2] collected on 9.1 million bottles in 2025. This represents a 160% increase in six years. VAT and employment taxes (PAYE and business NICs) are also paid which in 2024/5 accounted for £45.83 million and £44.94 million respectively taking the total tax gathered by the state from the domestic English and Welsh wine sector to just over **£115** million in 2024.

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[1] WineGB has a depth and breadth of reach and membership which is represented by seven regional associations. Where we have a regional association, we have active, productive vineyards contributing to the local, regional and national economy.

[2] Estimated, using the new duty rates introduced on 1.2 2025 (£2.77 per ABV 12.5%. bottle)

Producing premium wines and sparkling wines in Britain comes with significantly higher costs than those faced by long-established producers. These include:

- higher labour costs, in particular for smaller vineyards (most grapes are hand-picked which requires seasonal workers. The cost of employing seasonal workers, including the bureaucracy, is higher than most businesses can afford)
- the world's third highest duty rates, bar Finland and Ireland, and the highest for a country with a domestic wine sector
- no grant support compared to competitors in other European countries who have access to support for their vineyards, wineries, cellar door, export, education and research
- higher equipment prices as most of it must be imported from continental Europe
- delayed return on investment and cashflow issues for most sparkling wine production because capital and money are tied up in stock much of which is in storage
- individual brands needing to allocate significant marketing spend to build awareness in the UK against established, imported competition
- substantial start-up funding required to access new countries all of which is carried by the companies themselves.

Yields in England and Wales remain 30–50% lower than in longer established regions like France, Spain, and Australia, making each bunch of grapes more expensive to harvest and process. This puts UK producers at a competitive disadvantage, especially when compared to regions like Champagne and Crémant-producing areas in France, where yields are substantially higher.

In addition to lower yields, UK wine producers are investing heavily in infrastructure, machinery, marketing, and distribution to build new markets from scratch. These costs limit their ability to scale and compete globally.

The number of employees in the sector is rapidly increasing, and we now have 3,300 full-time equivalent roles, up from 2,300 roles in 2023 an increase of more than 40% in 2024. Recruitment in hospitality has seen the biggest increase. There has been an even larger jump in recruitment in seasonal temporary positions with a 56% increase to 13,000 people in 2024 from 8,300 part-time or seasonal positions in 2023.

By 2028, 90% of WineGB members expect to increase the number of full-time employees by an additional 21% positions, and by 2040 modelling suggests a sector employing 30,000 jobs.

Despite the obvious and clear potential to contribute to the economy's growth over the next five to ten years, our sector and broader agriculture, agri-foods and beverages were not identified in the Industrial Strategy as growth sectors. We seek Government support for both domestic growth in rural postcodes and export-led growth, especially in sparkling wines. Looking to other wine-producing nations, we urge the Government to recognise what we are trying to do and to back our future development. So how can the Government help? It can:

1. Introduce a Wine Tourism Relief on Cellar door sales

The UK vineyard and winery sector is a rural growth sector with remarkable acceleration in the past six years. However, it is being impacted by a contracting hospitality sector and suppressed economy. We need to Back British Vineyards with a specific intervention to help our sector build its business resilience.

Wine Tourism Relief (WTR) can be that intervention and can help unlock rural business potential. It is WTO compliant and focuses on supporting local and tourism-driven sales by easing financial barriers associated with duty on a wine business' domestically produced wines sold on-site via the 'cellar door'.

On-site sales, both one-off and repeat, help stabilise revenue and support adjacent sales. They help provide long term confidence to businesses which in turn spur them to invest. In 2024 1.73 million bottles[3] of domestically produced UK wines were sold directly to local customers and international tourists via the cellar door. This amounts to 0.125% of the UK's total wine market[4] and about 19% of domestically produced wine market. This WTR proposal asks specifically that the excise charged on a part of these B2C sales via the cellar door should be returned to the producer to encourage investment in, and growth of their business.

This duty relief would be capped at a de minimis level, at a maximum of 50,000 75cl bottles per producer (with no cliff edge) to be applied to on-site wine sales through the cellar door. Such a relief would, we believe, reduce duty collected on cellar door sales to circa 1.4 million (from between 1.4 – 1.6 million) bottles, at a cost of approximately just £5-6 million to the Exchequer.

WTR would be a strategic move by Government to unlock the potential of the UK's wine sector. By reducing duty costs on local and tourism-related sales, it would empower producers to grow sustainably, enhance their offerings, and contribute more significantly to rural economies and the national hospitality landscape.

It would enable investment in the business that avails of it leading to the provision of high-quality jobs in a sector that employs more people than conventional farming and requires a wide array of skills beyond just those of winemakers and viticulturists. Roles such as chemists, engineers, computer technicians, marketers, hospitality and tourism specialists, as well as adjacent support services including legal, finance, and business management.

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[3] Page 18-19, WineGB Industry Report 2025 1.73 million sales from 9.1 million

[4] WineGB estimates that for the 12-month period (May 2025 to July 2025) total wine clearances are probably in a range of 1.4 to 1.6 billion (75cl) bottles (down from 1.75 billion in 2022). The 9.1 million bottles / 0.65% figure is based on the lower end of this estimate.

The money currently collected for excise duty on sales could go back to domestic vineyards and wineries and unlike a one-off grant facilitate business confidence and regular investment.

This ask of Government is not one that is intended to encourage a dropping of prices – impossible for members who have wider distribution models that require commensurate pricing. It is asked so that duty relief savings can be re-invested in on-site facilities, helping businesses expand, improve quality, and enhance their tourism offerings. It would particularly benefit micro and small independent producers, who make up a significant portion of the sector, by improving competitiveness and consumer choice.

These small wine businesses cannot avail of the existing Small Producer Relief scheme because the current ABV threshold of 8.5% effectively excludes it. Draught Duty Relief (introduced in 2022) specifically excludes the small segment of the wine market that might otherwise have availed of it.

Therefore, this WTR proposal would introduce some balance into the level of support that Government provides to different alcohol beverage categories. By reducing duty costs on local and tourism-related sales, it empowers producers to grow sustainably, enhance their offerings, and contribute more significantly to rural economies and the national hospitality landscape.

Our full WTR proposal can be found here: https://winegb.co.uk/wp-content/uploads/WTR-Wine-Tourism-Relief-Report-F.pdf

2. Cut excise duty on wine (or, at minimum, avoid further increases)

As a domestic producer we pay amongst the highest excise duty rates in the world. The UK remains just one of a few wine producing countries in the world that levies excise on domestically grown and produced products. 10 European countries apply no excise duty on domestically produced sparkling wines[5] while 15 applied none on domestically produced still wines[6]. These are huge barriers and is the reality of the 'level playing' field upon which English and Welsh wine have to compete domestically and internationally.

Given this, and the inflationary challenges both our members and the consumer are experiencing, we again ask that the Government consider a **cut in excise duty for wine** in the Autumn Budget, so it doesn't strangle UK sales. Our sector's excise duty contribution has gone from £8.97 million in 2018 to an estimated £25.21 million (using the new excise duty rates) in 2025. At the very least there should be **no new, additional duty increases** applied to our products in this budget.

[5] **Austria**, **Bulgaria**, **Croatia**, **Cyprus**, **Greece**, **Italy**, **Luxembourg**, **Portugal**, **Slovenia** and **Spain**, Irish Wine Market Report 2023, Drinks Ireland, November 2024.
[6] **Austria**, **Bulgaria**, **Croatia**, **Cyprus**, **Czechia**, **Germany**, **Greece**, **Hungary**, **Italy**, **Luxembourg**, **Portugal**, **Romania**, **Slovakia**, **Slovenia** and **Spain**, *Ibid.*

This situation seems particularly inconsistent given that the Chief Medical Officer advises consumers to monitor their alcohol intake in terms of units of alcohol, rather than alcohol by volume (ABV). Under current serving standards a:

- small 125ml glass of sparkling wine (12% ABV) contains approximately 1.5 units of alcohol.
- medium 175ml glass of sparkling wine contains approximately 2.1 units.
- pint (568ml) of beer at 4.5% ABV contains approximately 2.3 units.

The disparity becomes even more apparent when considering the amount of alcohol that can be purchased for the same amount of money. A typical bottle of domestically produced sparkling wine, retailing at around £35 (750ml, 12% ABV), contains just 9 units of alcohol. By contrast, £35 can purchase approximately 23 cans of beer or cider (440ml, 4% ABV), each containing around 1.8 units, equating to a total of 41.4 units of alcohol.

Given that the Chief Medical Officer advises consumers to track alcohol consumption in units, the current outcome appears counterintuitive. A consumer spending £35 can purchase either 9 units of alcohol in a bottle of English sparkling wine or more than 41 units through beer. In effect, the market provides access to over four times more alcohol for the same expenditure, raising legitimate concerns about whether the current framework inadvertently favours higher alcohol consumption over moderation.

3. Reduce business taxes

To repeat what we, and likely every other business in the country have said before, do not impose any more taxes on businesses. If anything, reduce business **taxes** because it is clear that they are having a significant drag on business growth.

Business taxes[7] are collectively, stifled growth in our sector and other aligned sectors, in particular hospitality, which has estimated that circa 89,000 jobs[8] have been lost. At this stage in our sector's growth, we rely on the broad hospitality sector for UK consumers to experience and try our wines. When they do they buy more, so the contraction in the sector is having a commensurate effect on people sampling /purchasing domestic wines.

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[7] Including the measures introduced in the autumn 2024 Budget which were:
- changes to employer National Insurance contributions
- increases in minimum wage (particularly impactful due to the labour-intensive nature of viticulture)
- adjustments to business rates relief for retail, hospitality, and leisure
- the proposed reforms to Inheritance Tax (IHT), specifically Agricultural Property Relief (APR) and Business Property Relief (BPR)

[8] See UKHospitality's #TAXEDOUT campaign for more detail.

Given the strength of the fundamentals of our wines, being local, high quality and novel, growth in sales has continued (+3% in 2023), albeit at a slower pace. Businesses continue to invest in building the infrastructure of their companies, but they are more cautious and the proceeds of this modest increase in sales is being used instead to pay these new taxes. In other words, the tax changes outlined in the 2024 budget continue to restrict the expansion and growth of the domestic wine sector.

4. Adapt the Small Producer Relief scheme

WineGB has repeatedly asked HM Treasury to provide equitable support to small wine producers under the **Small Producer Relief (SPR)** scheme. While SPR is designed to encourage investment and market entry for small producers, the current alcohol by volume (ABV) threshold of 8.5% effectively excludes wine producers, as standard wine typically ranges from 11% to 14.5% ABV and reduced alcohol wine ranges from 10% to 11.5% ABV. This puts small wine businesses, many of which are family-run or entrepreneurial ventures, at a significant disadvantage vis-à-vis to beer and cider producers who can avail of SPR.

The international definition of wine, set by the OIV (of which the UK is a member), requires a minimum ABV of 8.5%. Producing wine below this threshold would compromise quality, increase sugar content, and undermine consumer expectations both domestically and abroad. Adjusting SPR to have category-specific thresholds would allow small wine producers to benefit without sacrificing product integrity. This change would support the sector's growth and help sustain local economies in rural postcodes across the UK.

Most small wine producers fall well within the SPR eligibility limits for production volume and licensing. Denying them access to SPR not only disadvantages them against domestic beer and cider producers but also against international competitors, many of whom pay no wine duty at all.

We once again ask Government to level the playing field by adapting SPR so that it is category specific[9] and reflect the realities of wine production, enabling small producers to thrive and contribute to the UK's agricultural and economic landscape.

Additional actions which Government could take which would assist the growth of our sector include:

5. Recognise the necessity of export marketing funding for food and drink and become a partner

Our members 2027 export programs are being developed with the premise of no external state support and that the activations will be user paid by

[9] By category specific we mean appropriate ABV thresholds for each of beer, cider, spirits and wine. As things stand a beer with an ABV of 8% would be one of the strongest beers on the market and it is eligible. While a wine of 10% ABV (which would be one of the lightest and least alcoholic) is ineligible.

members themselves. This user pays model is a growth limiting factor in exhibiting the depth of our category's diversity, as it is only available to those producers that have budget or who can divert scarce budget away from other people and infrastructure investments. Acting on their own our members have managed to grow exports from 4% of overall sales in 2021 to roughly 9% in 2024. Our members want to do more and make their contribution to, for example, the Food & Drink Export Association's 35 X 35 campaign[10] i.e. £35 billion in food and beverage exports by 2035.

Outside of brand specific marketing, collectively producers and WineGB are spending circa £1million to represent the UK wine category. We have sought an equal partnership model with government, but over the past four years the average government cash spend has been just 1p in the pound.

By comparison wine producers in the EU have access to, in addition to national supports[11], co-funding[12] of campaigns for the promotional of agricultural products and dedicated funds under the CAP for promotion in third-country markets. Wine is a strategically important sector for the EU which accounted for roughly 7.3% of EU agri-food export value in 2024. While the EU's agri-food promotion programme does not allocate dedicated budget to alcoholic beverages, wine is still one of the largest beneficiaries of European funding. Based on previous funding rounds, wine-related campaigns are estimated to receive tens of millions of euros annually, potentially accounting for between 10% and 20% of the programme's budgets which in 2025 was €132 million and in 2026 is €205 million. The result is that public funds continue to play an important role in supporting the marketing of alcoholic beverages, particularly wine, both within the EU and in international markets.

A focused, collaborative effort, partnering WineGB and the UK Government, is needed to jumpstart and move English and Welsh wine exports to the next level. This is a very complex area for new and emerging businesses in a relatively new product category that is building international recognition from a very low base. If the UK wine sector is to grow and prosper so that it can make a meaningful contribution to the UK economy in the longer term, it needs the active support of the UK Government to make a contribution and help get it there.

The Government's **Comprehensive Spending Review (CSR)** has indicated that the departmental settlement for the Department for Business and Trade will be a +5.8% increase. This, it is expected, will be spent promoting UK

[10] See here for more information: https://www.futureoffood.org.uk/export
[11] For example, France provides wine producers with a relatively extensive package of export support, in addition to EU funding. These include support from national export promotion agencies, sector-specific support organisations (such as Business France and Team France Export) and state-backed export finance such as Bpifrance Export Support and FranceAgriMer funding.
[12] https://rea.ec.europa.eu/funding-and-grants/promotion-agricultural-products-0/calls-proposals-promotion-agricultural-products_en

produce both at home and abroad. A tiny bit of the +5.8% increase which DBT will receive between now and 2028-29 should be directed to support domestic, English wine. This could / should be deployed by grant funding, export financing, and the organisation of physical distribution in conjunction with the trade event so buyers in cities where they take place can act quickly and easily if they wish to engage with the brands that are on display.

Food and drink are real halo products to support the sales of all UK business abroad, literally fuelling conversations that make trade happen. We should be proud of our globally recognised wine and celebrate that we are on trend now, with our producers winning multiple of the most prestigious international awards No alcohol beverage category and no new wine region has established itself internationally in the last 50 or so years without this sort of Government supported approach and organisation.

6. Target support to assist train a skilled workforce

People are central to every English and Welsh wine business, from small artisanal producers to larger companies. In 2024 our sector had 3,300 full-time positions (up 40% on the previous 12 months) and 13,000 seasonal temporary positions (up 56% on the previous 12 months) in our sector. With the sector expected to grow by an additional 21% by 2028 and with modelling projecting a sector employing 30,000 jobs by 2040[13], there is a pressing need to support and train a diverse workforce for the skilled roles this expansion will create.

The best policy solution to address barriers regarding employment support, careers, and skills provision is increased co-financing of education, apprenticeships, up-skilling and CPD. We do not expect the Government to finance these outright. But co-financing (in the form of grants, funding of courses (both in-person and online) and of educational / upskilling institutions) shows commitment and provides certainty which can then be leveraged to generate further private sector investment in these areas to the benefit of all UK workers.

We need to ensure that the UK workforce is trained with the skills (including ancillary skills) to enable it, and businesses, to take advantage of /spur growth over the next three years and afterwards.

This requires the Government to:

- continue funding education and training support committed to by the previous Governments[14]
- identify new routes to educate and up-skilling the UK's workforce and to provide funding for them

[13] Looking to the Future, WineGB Report, 2018

[14] In particular the Government should commit to the *Future Winemakers' Scheme*, proposed in the dying days of the last Government, should be re-confirmed and made permanent to develop domestic expertise and reduce reliance on overseas talent.

– tailor courses to meet the disparate demands[15] of micro, small, medium, and large businesses across our sector
– reform visa access to ensure that more skilled and experienced overseas workers can come to the country so that UK workers can learn from them.

We want to also like to highlight an anomaly within the system which has the potential to restrict training opportunities. The devolution of adult skills funding means that public funding increasingly follows the learner's postcode rather than the provider. As a result, colleges such as Plumpton College, which offers specialist courses in areas such as viticulture, winemaking and horticulture may only be able to offer subsidised online courses to learners in its local region (Sussex) but not beyond it in, for example, Yorkshire. While this approach allows local areas to tailor skills investment to their own economic priorities, it restricts access to nationally recognised centres of expertise and create barriers for learners in specialist industries seeking the best available training via online and in person learning.

7. Provide supporting investment in winery infrastructure

Support funding is also needed to expand winery infrastructure, as current facilities are insufficient to process the increasing harvests from over 1,100 vineyards. With the 3,763 hectares now in active production due to grow to approximately 5,500 hectares (an increase of 46%) by 2030 there will certainly be by then a burning need for investment in new processing infrastructure if the sector is to be able to cope with the corresponding increases in yields. If there isn't a commensurate increase in winery production capacity, then grapes will be left unpicked on the vine and wasted.

Finally, WineGB urges support for a **winemaking-specific R&D programme** through bodies like Innovate UK, to address climate-related challenges and develop techniques suited to newer, more resilient grape varieties. These targeted investments would strengthen the sector's long-term viability and its contribution to local economies across the UK.

8. Alignment with Sustainability Objectives

Over 40% of productive vineyard hectarage is registered with the Sustainable Wines of Great Britain certification programme, with many more vineyards working towards accreditation or adopting its low-carbon and climate-adaptive practices[16]. Ours is a sector committed to supporting environmental objectives while ensuring that land remains economically productive and viable for generations to come. For example, vineyards can increase soil carbon storage and deliver wider environmental benefits.

Despite the considerable work already being undertaken to reduce our environmental impact, businesses continue to face the compounding costs of

[15] Roles range from winemaking, viticulture, engineering, chemistry, marketing, hospitality to adjacent services such as IT, legal, and finance.
[16] WineGB Sustainability Impact Report 2024

an increasing number of environmental charges, regulatory requirements and planning obligations. Each measure may have its own justification and, individually, may deliver positive environmental outcomes. However, taken together, they create a complex and increasingly burdensome additional layer of taxation.

For example, wine's, and sparkling wine in particular, reliance on relatively heavy glass means tonnage-based fees under the Extended Producer Responsibility (EPR) system create a significant cost per bottle. The Welsh Government's inclusion of glass packaging within its Deposit Return Scheme (DRS), with implementation planned from October 2027, will further increase costs for producers placing products on the Welsh market.

At the same time Biodiversity Net Gain, while not technically a tax, adds additional cost to the development of much-needed tourism facilities at vineyards and makes investment which plays an important role in driving rural economic growth that bit more challenging.

It is important to recognise that these additional costs are being borne by businesses that are already facing higher operating costs than many other sectors. It is our view that overlapping measures risk creating duplicated costs and/or obligations on our sector. We therefore ask government to undertake a review of the cumulative impact and interaction of environmental measures, including their effect on investment and rural growth.

A better coordinated environmental approach would release more business investment for practical sustainability improvements which can make a positive contribution to both rural growth and environmental stewardship.

Conclusion

The English and Welsh wine sector is a high-potential industry that already delivers benefits through employment, tourism, exports and regional economic development. We are being taxed more than ever through employment, excise duty, and environmental taxes. To ensure sustainable and profitable rural growth, we desperately need the Government to adopt a targeted package of measures, including Wine Tourism Relief, lower but at the bare minimum frozen wine excise duty, reforms to Small Producer Relief,

Taking these steps would help the sector grow more quickly, invest with greater confidence and compete more effectively. In turn, this would increase the industry's contribution to the UK economy while supporting the Government's wider objectives, including its stated aim of growth in every postcode.