PROWEIN BUSINESS REPORT 2021
“Sustainability”

Prof. Dr. Simone Loose
Geisenheim University, Institute of Wine and Beverage Business Research
Background

What is the aim of the ProWein Business Report?

The wine sector is at the forefront of being exposed to the effects of climate change. At the same time society expects businesses to act sustainably. How do wine businesses overcome these challenges simultaneously struggling with a pandemic? In its fifth edition, the ProWein Business Report is therefore dedicated to two main questions:

1) What is the current status of the wine sector at the end of the pandemic?
2) Which specific sustainability actions is the wine industry already undertaking and how can certification programs contribute to improve sustainability?

The ProWein Business report taps into the knowledge of international wine producers, intermediaries, and wine marketers to answer these question. By combining and contrasting opinions from the complete value chain, it provides a unique economic market barometer.

ProWein

Starting in 1994 ProWein in Dusseldorf / Germany has developed into what is the leading trade fair for the international wine and spirits industry today. Once a year industry professionals from viticulture, production, trade and gastronomy, meet for three days of concentrated business and a highly educational ancillary program. International market leaders, importers and exporters, commercial agencies, select vintners and the growing regions from the big wine nations will be represented as well as exhibitors in the spirits segment. Since 2013, there have been regional satellite events of this successful concept all over the world. In the meantime this includes ProWine Shanghai, ProWine Hong Kong ProWine Singapore, ProWine Sao Paulo and ProWine Mumbai.

Geisenheim University

Celebrating its 150th anniversary, Geisenheim University today is one of the leading wine research and education centres in the world. It hosts more than 1,800 students studying various German and English bachelor and master degrees in viticulture and enology, international wine business and beverage technology among others. Since 2021 the new MBA for Management in the Wine Sector complements the course program. Applied and fundamental research is at the heart of Geisenheim’s research activities. Geisenheim University is well known for its extensive global research network and international collaborations.
Chapter 1

WHO PARTICIPATED?
Global report covering all players of the supply chain

Almost 3,000 experts shared their opinion

• Commissioned by ProWein for the fifth time, Geisenheim University has surveyed 2,880 experts in the wine industry from 48 countries

• The ProWein Business Report is unique because it assesses the state of the whole wine supply chain. It collects opinions from wine producers, exporters and importers as well as retailers, wine trade and gastronomy.

• The report confirms that producers and trade differ in the challenges they face towards the end of the pandemic. Producers and retailers also have different perspectives on the importance of climate change and sustainability.

• The ProWein Business Report confirms its role as the globally most comprehensive trend barometer of the international wine industry.
Online survey (n=2,880)
November 2021; 5 languages

Participants

Producers (n=1,219)
- Small wineries (n=952) (mainly use own grapes)
- Cooperatives (n=106)
- Large wineries (n=161) (mainly buy grapes or bulk wine)

Intermediaries (n=800)
- Exporters (n=114)
- Importers, Distributors (n=686)

Retailers (n=861)
- Wholesalers (n=146)
- Specialty retail (n=462)
- On-trade (n=253)

For detailed information on methodology and participants, please see chapter 7.
Company location
Producers and Exporters

Old World Producers
(n=1,110)
- Germany (n=738)
- France (n=122)
- Italy (n=129)
- Spain (n=111)

Other European & Russia
(n=118)

New World
(n=74)

In total, producers from more than 30 different countries took part in the survey.

Other (n=41)
In total, importers/distributors and retailers from more than 30 different countries took part in the survey.
Chapter 2

Threats and Challenges
Threats and challenges for the wine industry

What are the biggest threats and challenges for your company?

% who stated that the following threats and challenges to the wine industry will have a strong or very strong effect (all: n=2,880)

<table>
<thead>
<tr>
<th>Threat</th>
<th>% of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost increases (energy, glass, paper, etc.)</td>
<td>69</td>
</tr>
<tr>
<td>Disruption of supply chains</td>
<td>59</td>
</tr>
<tr>
<td>Covid-19</td>
<td>47</td>
</tr>
<tr>
<td>Climate change</td>
<td>45</td>
</tr>
<tr>
<td>Health policy</td>
<td>36</td>
</tr>
<tr>
<td>Global economic downturn</td>
<td>35</td>
</tr>
<tr>
<td>Low profitability of wine industry</td>
<td>34</td>
</tr>
<tr>
<td>Increasing environmental regulations</td>
<td>33</td>
</tr>
<tr>
<td>Decreasing wine consumption</td>
<td>25</td>
</tr>
<tr>
<td>International trade war</td>
<td>23</td>
</tr>
<tr>
<td>Demand for low or no alcohol wine</td>
<td>16</td>
</tr>
<tr>
<td>Increasing competition to wine through spirits and craft beer</td>
<td>9</td>
</tr>
<tr>
<td>Competition to wine through soft drugs like cannabis</td>
<td>3</td>
</tr>
</tbody>
</table>

• For the wine sector overall, cost increases and disruptions of supply chains are currently the most important challenges. These result from the global economic recovery after Covid-19 and are expected to persist for at least 2022.

• Producers and trade differ in the relative importance of challenges such as Covid-19, climate change, health policy, low profitability and environmental regulations.

• Overall challenges through the demand for low or no alcohol wine and competition to wine through other alcoholic beverages and soft drugs like cannabis are currently perceived as low.
Top 10 threats and challenges
Producers vs. Trade

What are the biggest threats and challenges for your company?

% who stated that the following threats and challenges to the wine industry will have a strong or very strong effect

Producers

Cost increases (energy, etc.)
Climate change
Disruption of supply chains
Increasing environmental regulations
Low profitability of wine industry
Health policy
Covid-19
Global economic downturn
Decreasing wine consumption
International trade war

Trade

Cost increases (energy, etc.)
Disruption of supply chains
Covid-19
Global economic downturn
Climate change
Health policy
Low profitability of wine industry
Increasing environmental regulations
International trade war
Decreasing wine consumption

Producers

Overall, producers face a larger number of strong challenges compared to the wine trade. Climate change is the second most important challenge to wine producers after rising cost. Increasing environmental regulations require investments, which are hindered by the sector’s low profitability.

Trade

Covid-19 still results in trade restrictions for the on-premise sector and is the third most important challenge for wine trade after cost increases and disruptions of supply chains. Overall, wine trade perceives fewer strong challenges.
“Every year the ProWein Business Report captures the mood of wine industry. Two major issues concern the wine world at present, COVID-19 and climate change. Both challenges differ strongly in their dynamics. While we hope to get back to everyday life after the pandemic very soon, climate change requires long-term actions by all members of the value chain.

The ProWein Business Report demonstrates one thing very clearly: it’s about so much more than just ecological viticulture. It’s about taking further steps towards holistic sustainability. And collectively we are not a community at the mercy of a pandemic here, but instead very innovative and agile players driving forward an important development for the future."

**Bastian Mingers**
Project Director Wine & Spirits, Messe Düsseldorf / ProWein
Chapter 3

ECONOMIC CONDITION
Current and future economic condition within the company

Saldo (positive minus negative opinions) for the current (now) and the future (in 12 months) economic condition within the company, 2017, 2018, 2019, 2020 and 2021 surveys results.

**Small wineries**
- Actual condition improved, considerably better than expected.
- Expectations for 2022 positive but slightly below current condition.

**Large wineries**
- Actual condition improved and considerably better than expected.
- Expectations for 2022 positive but slightly below current condition.

**Cooperatives**
- Least positive condition and expectations of producers. Actual condition declined but better than expected.
- Expectations for 2022 slightly below current condition.
Current and future economic condition within the company by country

Saldo (positive minus negative opinions) for the current (now) and the future (in 12 months) economic condition within the company, 2017, 2018, 2019, 2020 and 2021 surveys results.

**German producers**

- **Actual condition**
  - 2017: 61
  - 2018: 58
  - 2019: 61
  - 2020: 31
  - 2021: 39
  - 2022: 13

- **Expectation**
  - 2017: 53
  - 2018: 42
  - 2019: 30
  - 2020: -9
  - 2021: 13
  - 2022: 31

**French producers**

- **Actual condition**
  - 2017: 60
  - 2018: 59
  - 2019: 64
  - 2020: 38
  - 2021: 44
  - 2022: 28

- **Expectation**
  - 2017: 57
  - 2018: 60
  - 2019: 16
  - 2020: -31
  - 2021: 28
  - 2022: -9

**Italian producers**

- **Actual condition**
  - 2017: 57
  - 2018: 77
  - 2019: 62
  - 2020: 36
  - 2021: 64
  - 2022: 41

- **Expectation**
  - 2017: 76
  - 2018: 76
  - 2019: 65
  - 2020: 36
  - 2021: 41
  - 2022: 31

**Spanish producers**

- **Actual condition**
  - 2017: 58
  - 2018: 65
  - 2019: 63
  - 2020: 48
  - 2021: 19
  - 2022: 46

- **Expectation**
  - 2017: 83
  - 2018: 72
  - 2019: 48
  - 2020: 19
  - 2021: 46
  - 2022: 28

Actual condition improved for all producer countries. Very negative expectations for 2021 were clearly outperformed.

Most positive expectations for Spanish and Italian wine producers who believe in the recovery of demand after the pandemic. Expectations for 2022 of French and German producers positive but slightly less optimistic.
Economic condition
Intermediaries

Current and future economic condition within the company
Saldo (positive minus negative opinions) for the current (now) and the future (in 12 months) economic condition within the company, 2017, 2018, 2019, 2020 and 2021 surveys results.

- Actual condition improved and better than expected.
- Very positive expectations - almost as high as pre-pandemic level.

- Actual condition improved and better than expected. Positive expectations almost at pre-pandemic levels.
Current and future economic condition within the company
Saldo (positive minus negative opinions) for the current (now) and the future (in 12 months) economic condition within the company, 2017, 2018, 2019 and 2020 surveys results.

**Wholesalers**
- Strong rebound after first pandemic year.
- Expectations for 2022 positive, similar to 2021.

**Specialty retailers**
- Flattest curve of all producer and trade types.
- Low impact of pandemic expected and observed. Moderate positive expectations.

**On-trade**
- Strong rebound and moderate optimistic expectations, hopeful for normalisation in 2022.
No change in the importance of sustainability

Stability over time – results from 2019 and 2021 surveys

% who agree with the following statements
Base: 2019 n=1,178, 2021 n=2,673

- The wine industry should focus more on sustainable production
- The wine industry should contribute to climate protection and reduce its carbon footprint significantly
- In the future, consumers will prefer wine which is produced in a climate-neutral way
- The global negative economic effects of climate change will also have a negative impact on the demand for wine
- The wine industry can only do a small amount to save the climate

No change since 2019

Since the ProWein Business survey in 2019 the perceived importance of sustainability for the wine sector has not changed. Almost all agree that the wine sector should focus stronger on sustainable production. Unchanged, three in four agree that the carbon footprint should be reduced.

There are slightly less concerns about the negative economic effect of climate change on the demand for wine. This could be related to the observed robustness of demand for wine during the Covid crisis.

In 2021 more experts perceive the potential contribution of the wine sector to save the climate to be small relative to other global players.
Three pillars of sustainability

How important do you perceive each of the three pillars of sustainability for the wine sector?

(Scale 0 to 100, 0= all respondents state "not important at all", 100= all respondents state "very important")

The economic pillar of sustainability is perceived as the most important one.

Long term business survival is seen as a prerequisite of a business in the wine sector to contribute to ecological and social sustainability.

<table>
<thead>
<tr>
<th>Pillar</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic sustainability</td>
<td>82</td>
</tr>
<tr>
<td>Ecological sustainability</td>
<td>77</td>
</tr>
<tr>
<td>Social sustainability</td>
<td>72</td>
</tr>
</tbody>
</table>

- Economic sustainability: (economic survival of wine businesses)
- Ecological sustainability: (ecosystems, carbon footprint)
- Social sustainability: (social welfare)
"The survey demonstrates a strong demand for an independent, credible and transparent sustainable certification scheme in the wine sector, especially on the producer side. The companies strive to further improve their sustainability performance and prove and communicate this externally. However, it is crucial that such certifications schemes adopt a holistic view on the sustainability of the wine sector. In order to further strengthen the ecological and social sustainability economic sustainability has to be ensured."

Prof. Dr. Moritz Wagner
Professor for sustainable use of resources and life cycle analyses for special crops
Geisenheim University
Actions for ecological sustainability

What actions did you take or plan to take for your company?
(Producers n=937)

<table>
<thead>
<tr>
<th>Reduced usage of herbicides</th>
<th>Actively took measures to increase biodiversity</th>
<th>Reduced usage of pesticides</th>
<th>Reduced water usage</th>
<th>Invested into digital technology to reduce water, pesticides or fertiliser</th>
</tr>
</thead>
<tbody>
<tr>
<td>64%</td>
<td>57%</td>
<td>50%</td>
<td>29%</td>
<td>22%</td>
</tr>
<tr>
<td>18%</td>
<td>28%</td>
<td>22%</td>
<td>28%</td>
<td>14%</td>
</tr>
</tbody>
</table>

64% of the wine-growing estates reduced the use of herbicides (France and Austria lead at 80%, followed by Spain 74%) and proactively promoted biodiversity (USA 78%, France 72%, Germany 61%). 50% had minimised the use of pesticides (New Zealand 100%, USA 90%, France 80%, Spain 70%), and just under 30% had reduced water consumption (South Africa 90%, New Zealand 50%, Portugal 40%).

Due to the high investment costs, digital technology for optimally dosing water, fertilisers and herbicides is so far not very widespread. The countries of the new world (Australia 50%, USA 33% and South Africa 33%) are leading here compared to old world nations (Spain and Italy 22%, France and Portugal 17%, Germany 11%).
“Respecting biodiversity is an essential quest for us and it is something that is even more important for future generations to come. As winegrowers, we must be exemplary and have the will to share our convictions. And my conviction is that biodynamic and organic viticulture are also the best way to reveal the perfect reflections of the terroirs.”

Gérard Bertrand
Winegrower, winemaker and entrepreneur, leading 16 châteaux and estates in southern France, „Green personality of the year 2020“ elected by Drinks Business
### Used alternative wine packaging
(light weight glass or non-glass)
(Producers n=1,095)

<table>
<thead>
<tr>
<th>Country</th>
<th>Yes, specific action taken</th>
<th>Yes, specific action planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>New World</td>
<td>47</td>
<td>18</td>
</tr>
<tr>
<td>Other Europe</td>
<td>42</td>
<td>25</td>
</tr>
<tr>
<td>France</td>
<td>33</td>
<td>28</td>
</tr>
<tr>
<td>Italy</td>
<td>32</td>
<td>31</td>
</tr>
<tr>
<td>Spain</td>
<td>30</td>
<td>36</td>
</tr>
<tr>
<td>Germany</td>
<td>17</td>
<td>15</td>
</tr>
</tbody>
</table>

### Listed alternative wine packaging
(light weight glass or non-glass)
(Trade n=1,661)

<table>
<thead>
<tr>
<th>Country</th>
<th>Yes, specific action taken</th>
<th>Yes, specific action planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scandinavia</td>
<td>34</td>
<td>20</td>
</tr>
<tr>
<td>North America</td>
<td>24</td>
<td>25</td>
</tr>
<tr>
<td>Southern Europe</td>
<td>13</td>
<td>26</td>
</tr>
<tr>
<td>Central Europe</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td>Belgium + Lux.</td>
<td>6</td>
<td>22</td>
</tr>
<tr>
<td>Germany</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1</td>
<td>21</td>
</tr>
</tbody>
</table>
What actions did you take or plan to take for your company? (All n=2,441)

<table>
<thead>
<tr>
<th>Improved financial stability of our company</th>
<th>Made sufficient profit to invest into the future</th>
<th>Improved our market position</th>
<th>Reduced our economic risk</th>
</tr>
</thead>
</table>

The pandemic made it challenging for businesses in the wine sector to improve their economic sustainability. Only one in three to one in four could improve their economic condition. Almost every second company plans to actions for economic sustainability.
About one in three businesses took measures for social sustainability. Training and education was most important, followed by improvement of working conditions.

The competition for skilled staff will make social sustainability more important in the near future.
Chapter 5

**Organic Certification**
## Certification – organic

### Share of organically certified producers and trade

<table>
<thead>
<tr>
<th></th>
<th>Producers</th>
<th>Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified</td>
<td>27</td>
<td>20</td>
</tr>
<tr>
<td>In the process of getting certified</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>Not certified, consider a certification in the future</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Not certified, do not consider a certification in the near future</td>
<td>46</td>
<td>57</td>
</tr>
</tbody>
</table>

Because of its longer history and its start in the 1980s, organic certification is already more common than the more recent sustainable certification.

Producers are further advanced than trade.
Organic producers differ by country

Share of organically certified wine producers by country
% of all small wineries, cooperatives and bottlers (n=1,099)

<table>
<thead>
<tr>
<th>Country</th>
<th>organically certified</th>
<th>in the process of getting certified</th>
<th>not organically certified, but are considering a certification in the future</th>
<th>and are not considering a certification in the near future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>61</td>
<td>8</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>Italy</td>
<td>52</td>
<td>13</td>
<td>18</td>
<td>17</td>
</tr>
<tr>
<td>France</td>
<td>35</td>
<td>19</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>Other Europe</td>
<td>21</td>
<td>16</td>
<td>27</td>
<td>37</td>
</tr>
<tr>
<td>Germany</td>
<td>21</td>
<td>7</td>
<td>15</td>
<td>57</td>
</tr>
<tr>
<td>New World</td>
<td>14</td>
<td>8</td>
<td>25</td>
<td>53</td>
</tr>
</tbody>
</table>

Countries differ strongly in the relative share of organically certified producers. Differences reflect divergence of climatic conditions and the suitability for organic wine production. The sample is not representative and the share of organic certified producers is higher than in the population but differences agree with official OIV data (Spain 121 KHA, Italy 109 KHA, France 112 KHA, Germany 10 KHA; KHA = thousand hectares).
“This great survey done by Geisenheim University shows that two relatively warmer countries such as Spain and Italy seem to be those where most wine producers are already organically certified. However, while climate change is widely accepted as a challenge among wine producers, it still seems not be a great concerns for wine trade.

For sustainable production to be successful, it should be shared as a major objective not only among producers, but also among trade and consumers, even though it may increase costs.”

Rafael del Rey  
CEO, Spanish Observatory of Wine Markets (OeMv)
Organic certification – Pro & Contra

What motivated you to become organically certified?
% multiple responses possible, Base: n=1,227

<table>
<thead>
<tr>
<th>Reason</th>
<th>Producers</th>
<th>Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>It was our own personal conviction and interest in the environment</td>
<td>54</td>
<td>77</td>
</tr>
<tr>
<td>We saw better market chances for our wine</td>
<td>46</td>
<td>47</td>
</tr>
<tr>
<td>Because of the higher quality of organic wine</td>
<td>30</td>
<td>22</td>
</tr>
<tr>
<td>It was in our owner’s or shareholders’ interest</td>
<td>14</td>
<td>19</td>
</tr>
<tr>
<td>We were obliged to by an association we are a member of</td>
<td>4</td>
<td>11</td>
</tr>
</tbody>
</table>

What do you see as reasons for not becoming organically certified?
% multiple responses possible, Base: n=1,717

<table>
<thead>
<tr>
<th>Reason</th>
<th>Producers</th>
<th>Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>It is too economically risky to produce/sell organic wine</td>
<td></td>
<td>66</td>
</tr>
<tr>
<td>I do not want to use copper in my vineyards</td>
<td>13</td>
<td>51</td>
</tr>
<tr>
<td>Consumers do not pay more for organically certified products</td>
<td>44</td>
<td>41</td>
</tr>
<tr>
<td>The investments required will not pay off</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>The cost of certification is too high</td>
<td>28</td>
<td>36</td>
</tr>
<tr>
<td>I am not interested in organic wine production personally</td>
<td>17</td>
<td>13</td>
</tr>
<tr>
<td>The trade is not interested and does not support organic products</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Organic wines are of lower quality</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td>There is no sufficient supply or choice of organic wine</td>
<td></td>
<td>20</td>
</tr>
</tbody>
</table>
Organic wine – demand

Agreement with statements about the demand for organic wine

% who agree with the following statements
Base: n=2,339

- In the future organic wine production will grow strongly: 61% of producers and 76% of trade experts agree.
- Consumers are actively demanding organic wine: 43% of producers and 45% of trade experts agree.
- Consumers are willing to pay a price premium for organic wine: 42% of producers and 41% of trade experts agree.
- The European Union will reach its objective of 25% organic wine acreage: 31% of producers and 36% of trade experts agree.

Trade experts see a stronger future increase of organic wine production.

Producers and trade agree in their moderate assessment of consumer demand for organic wine. Less than half see an active consumer demand and consumers’ willingness to pay a price premium.

There is moderate optimism about future European organic wine production. One in three experts expect the European Union to achieve its objective of 25% organic wine acreage.
Organic – demand by country

Agreement with statements about demand for organic wine

<table>
<thead>
<tr>
<th>Country</th>
<th>In the future organic wine production will grow strongly</th>
<th>Consumers are actively demanding organic wine</th>
<th>Consumers are willing to pay a price premium for organic wine</th>
<th>The European Union will reach its objective of 25% organic wine acreage</th>
<th>Share of respondents organically certified or in progress**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>80</td>
<td>54</td>
<td>41</td>
<td>52</td>
<td>69</td>
</tr>
<tr>
<td>Italy</td>
<td>75</td>
<td>67</td>
<td>56</td>
<td>47</td>
<td>54</td>
</tr>
<tr>
<td>France</td>
<td>76</td>
<td>53</td>
<td>47</td>
<td>46</td>
<td>65</td>
</tr>
<tr>
<td>Other Europe</td>
<td>63</td>
<td>45</td>
<td>43</td>
<td>29</td>
<td>37</td>
</tr>
<tr>
<td>Germany</td>
<td>56</td>
<td>38</td>
<td>41</td>
<td>26</td>
<td>28</td>
</tr>
<tr>
<td>New World</td>
<td>53</td>
<td>40</td>
<td>30</td>
<td>18</td>
<td>22</td>
</tr>
</tbody>
</table>

Countries with higher shares of organic producers are more optimistic about the growth in organic wine production. Spain, France and Italy are most optimistic.

Countries differ slightly in producer assessment of consumer demand and willingness to pay for organic wine. It is highest in Italy, followed by France and Spain, and is lowest in Germany and the New World.
Organic wine - sustainability

Statements about the sustainability of organic wine
% who agree with the following statements
Base: n=2,339

- Both producers and trade demand an update of the rules for organic viticulture to better reflect ecological sustainability.
- Less than one in two producers agree that organic wine production is ecologically sustainable.
- Only one in three producers sees organic viticulture as economically sustainable.
- Trade is less concerned about the sustainability of organic wine because it is somewhat separated from actual viticulture.
### Agreement with statements about organic wine

**% of producers**  
Base: All small wineries, cooperatives and bottlers (n=1,099)

<table>
<thead>
<tr>
<th>Country</th>
<th>The rules for organic wine production should be revised ...*</th>
<th>Organic wine production is ecologically sustainable</th>
<th>Organic wine production is economically sustainable</th>
<th>Share of respondents organically certified or in progress**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>84</td>
<td>82</td>
<td>58</td>
<td>69</td>
</tr>
<tr>
<td>Italy</td>
<td>80</td>
<td>48</td>
<td>43</td>
<td>54</td>
</tr>
<tr>
<td>France</td>
<td>76</td>
<td>49</td>
<td>42</td>
<td>65</td>
</tr>
<tr>
<td>Other Europe</td>
<td>76</td>
<td>51</td>
<td>41</td>
<td>37</td>
</tr>
<tr>
<td>Germany</td>
<td>79</td>
<td>41</td>
<td>29</td>
<td>28</td>
</tr>
<tr>
<td>New World</td>
<td>77</td>
<td>51</td>
<td>32</td>
<td>22</td>
</tr>
</tbody>
</table>

Producers from all countries strongly agree in the need to revise organic production rules *to better reflect the concept of ecological sustainability (e.g. reduce carbon footprint, reduce copper usage).

One in two producers does not perceive organic wine production to be ecologically sustainable - with the exception of Spanish producers.

Differences in perceived economic sustainability strongly relate to the share of producers originally certified or in progress**. Economic sustainability is perceived highest in Spain and lowest in Germany and the New World.
“The organic wine sector also sees the need to further develop its standards and has already begun to incorporate other aspects of sustainability, such as climate protection, economic viability and social justice. But one thing is clear: ecological sustainability criteria must at least meet the EU organic standard - otherwise sustainability degenerates into a mere marketing phrase. Numerous successful wineries became certified organic in recent decades and have confirmed the economic viability of organic viticulture.”

Petra Neuber
CEO of Ecovin
“Organic viticulture is a system that already implements many of the requirements for sustainability certification mentioned in the report, such as credibility, independence and critical control.

Since Demeter sees itself as a development community, our standards are constantly being developed further. Our winegrowers are already doing much more than required by the EU organic regulation. The holistic design of the cultivation system thereby is a particular focus.

Currently, we are working on the implementation of further sustainability criteria and in the future, the CO2 footprint will also play a greater role.”

Nina Weis
Demeter, Department of Wine and Gastronomy
Chapter 6

SUSTAINABLE CERTIFICATION
Certification – sustainable

Share of sustainably certified producers and trade

% of businesses
Base: n=2,880

Sustainable certification is still relatively new and more common for wine producers. There is a large share of producers and trade who consider to be certified in the future.

Survey results suggest that both standards will converge at the moment there is more growth for sustainable certification, coming from a lower base.

There is a similar share both for organic and sustainable certification of 43%-59% of businesses who do not consider any certification.

Producers are further advanced than trade, both for organic and sustainable certification.

<table>
<thead>
<tr>
<th></th>
<th>Producers</th>
<th>Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified</td>
<td>17</td>
<td>9</td>
</tr>
<tr>
<td>In the process of getting certified</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Not certified, consider a certification in the future</td>
<td>34</td>
<td>26</td>
</tr>
<tr>
<td>Not certified, do not consider a certification in the near future</td>
<td>43</td>
<td>59</td>
</tr>
</tbody>
</table>
## Sustainable certification by country Producers

Is your business certified sustainably?

In % per country (only producers: small wineries, cooperatives, bottlers)

Base: n=1,219

<table>
<thead>
<tr>
<th></th>
<th>New World</th>
<th>France</th>
<th>Italy</th>
<th>Other Europe</th>
<th>Spain</th>
<th>Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainably certified</td>
<td>50</td>
<td>48</td>
<td>29</td>
<td>26</td>
<td>13</td>
<td>9</td>
</tr>
<tr>
<td>In the process of getting certified</td>
<td>15</td>
<td>10</td>
<td>17</td>
<td>8</td>
<td>11</td>
<td>3</td>
</tr>
<tr>
<td>Not sustainable certified but are considering a certification in the future</td>
<td>23</td>
<td>25</td>
<td>38</td>
<td>39</td>
<td>53</td>
<td>32</td>
</tr>
<tr>
<td>Not sustainable certified and are not considering a certification in the near future</td>
<td>13</td>
<td>18</td>
<td>17</td>
<td>28</td>
<td>23</td>
<td>57</td>
</tr>
</tbody>
</table>

Being a more recent concept, certification as a sustainable producer is not yet as widespread as organic viticulture.

In the lead here are the New World and France where roughly half the vintners surveyed are already certified as sustainable. In Spain, Italy, Portugal, Austria and Greece 40-50% of those polled are considering sustainability certification in future.
Large producers like cooperatives and bottlers are forerunners in sustainable certification. In our sample four out of ten are certified or in the process of certification. Of all producers, one in three considers a certification in the future. At this stage wine trade is generally less involved in the certification of sustainability.
# Sustainable certification – Pro & Contra

## What motivated you to become sustainably certified?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Producers</th>
<th>Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>It was our own personal conviction and interest in sustainability</td>
<td>71%</td>
<td>53%</td>
</tr>
<tr>
<td>Sustainability is a more comprehensive system than organic</td>
<td>43%</td>
<td>26%</td>
</tr>
<tr>
<td>We saw better market chances for our wine</td>
<td>26%</td>
<td>29%</td>
</tr>
<tr>
<td>There are less restrictions than for organic certification</td>
<td>16%</td>
<td>7%</td>
</tr>
<tr>
<td>It was in our owner's or shareholders' interest</td>
<td>23%</td>
<td>14%</td>
</tr>
<tr>
<td>We were obliged to by an association we are a member of</td>
<td>6%</td>
<td>5%</td>
</tr>
</tbody>
</table>

## What do you see as reasons for not becoming sustainably certified?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Producers</th>
<th>Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability is not well defined and can be greenwashing</td>
<td>37%</td>
<td>57%</td>
</tr>
<tr>
<td>Consumers do not pay more for sustainably certified products</td>
<td>39%</td>
<td>32%</td>
</tr>
<tr>
<td>The cost of certification is too high</td>
<td>27%</td>
<td>33%</td>
</tr>
<tr>
<td>The investments required will not pay off</td>
<td>24%</td>
<td>26%</td>
</tr>
<tr>
<td>The trade is not interested and does not support sustainable products</td>
<td>20%</td>
<td>9%</td>
</tr>
<tr>
<td>I am not interested in sustainable wine production personally</td>
<td>9%</td>
<td>5%</td>
</tr>
</tbody>
</table>
“Sustainable wine cannot be produced at the same cost as conventional wine because of the additional environmental and social benefits. In my opinion, it is essential that wine that is labelled as ‘sustainable wine’ also lives up to the concept of sustainability: there must be tangible added value in all the important environmental, social and economic criteria.”

Dr Helena Ponstein
Sustainability Expert at Deutsches Institut für Nachhaltige Entwicklung & FairChoice®
Credibility and regulation

Credibility, regulation, import barriers
% who agree with the following statements
Base: n=2,090

Sustainability programs have to be credible and transparent to address producers’ and trade’s fears of greenwashing.

Every second expert perceives state regulations as more successful in enforcing environmental sustainability than voluntary programs. Businesses certified organic or sustainably agree stronger with required state regulations. Certification and regulation have to go hand in hand.

Producers fear a competitive disadvantage from imported wine, which was not produced under the same strict sustainability standards. Every second producer requests import barriers for protection.

The majority of producers and trade experts agree that the wine sector has strong potential to become more sustainable. Only one in five experts perceive wine production as a natural process without further need of improvement.
Which requirements should a sustainability certification process fulfil?

% who agree with the following statements
Base: n=2,296

Be credible, independent, and critically control information provided
- Producers: 65%
- Trade: 49%

Give me individual and practical advice and consultation how to work more sustainably
- Producers: 64%
- Trade: 40%

Support research or conduct own research into more sustainable practices
- Producers: 53%
- Trade: 29%

Provide a network of interesting businesses for exchanging ideas and best-practice cases
- Producers: 48%
- Trade: 34%

Have low fees for certification and membership
- Producers: 47%
- Trade: 41%

Producers generally have stricter expectations than trade. For both groups credibility, independence and critical control of information during the certification process are most important. Individual advice and consultation of how to improve sustainability is second most important for producers. Trade is more price sensitive – low fees are second most important.
“The industry requires more practical solutions and guidance of how to become more sustainable. This has to be our mission for research and knowledge transfer since it is far beyond certification.”

**Prof. Dr. Hans R. Schultz**

Director of Environ Group OIV and President of Geisenheim University
### Requirements – sustainability certification (II)

Which requirements should a sustainability certification process fulfil?

<table>
<thead>
<tr>
<th>Statement</th>
<th>Producers</th>
<th>Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actively communicate the certificate to consumers</td>
<td>52</td>
<td>41</td>
</tr>
<tr>
<td>Actively communicate the certificate to the trade</td>
<td>44</td>
<td>33</td>
</tr>
<tr>
<td>Actively communicate the certificate to politics</td>
<td>35</td>
<td>22</td>
</tr>
</tbody>
</table>

Base: n=2,296

Producers have stronger expectations for the certification agency to communicate externally. Every second producer expects active communication to consumers, which requires substantial funding.

Both trade and producers agree in the relative order with consumers as most important target group followed by trade and politics.
“The ProWein Business Report reconfirms the importance of sustainability for the wine sector. Systems like Fair’n Green with a high degree of credibility that support and consult producers and provide a network of modern sustainable wine businesses safeguard the future viability of the wine industry.”

Keith Ulrich
Chairman, Fair’n Green
Communication through one strong standard

Communication to consumers
% who agree with the following statements
Base: n=2,090

- For consumers it is difficult to understand the variety of different organic and sustainability certification systems
  - Producers: 89
  - Trade: 83

- It would be better for the wine industry to have one single strong sustainability system than many different ones
  - Producers: 79
  - Trade: 75

Producers and trade agree that a plethora of different certification systems for organic and sustainable wine production create unnecessary impediment for communication with consumers.

More than three out of four industry experts request one strong single sustainability system.
“The great interest in sustainability shown in the report confirms our own observations on the Nordic market. Organic certified is one example of how sustainable products are communicated to customers. However, we welcome a complement to organic, addressing a wider scope of sustainability issues through national and regional sustainability certifications that are now established in many countries. Systembolaget, as a monopoly retailer for alcoholic beverages on the Swedish market, values the sustainability work that is done through these certification programs. But we also note that there is a great need for harmonization in order to reach full potential through recognition among retailers and customers.”

Marcus Ihre
Sustainability manager Supply Chain, Systembolaget
Chapter 7

DETAILS OF METHOD
Expert online survey

Timing

- The 2021 survey was conducted during November 2021.

Participants

- For the 2021 survey participants had to have exhibited at the 2019 ProWein or had to have visited the 2019 ProWein and agreed to be contacted by ProWein.
- All participants were asked to have leading roles within their company or department.
- The high response rate of the 2020 survey confirms the high interest in this year’s focus topic Covid-19.

Method

- The surveys were conducted online.
- The surveys were offered in five language versions English, French, German, Italian and Spanish. Participants could choose the language of their preference.
- Participants who quit the survey too early or gave inconsistent answers were eliminated.
## Company location of participants 2021
### Producers and Exporters

<table>
<thead>
<tr>
<th>Company location of participants</th>
<th>number</th>
<th>percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>738</td>
<td>55</td>
</tr>
<tr>
<td>Italy</td>
<td>129</td>
<td>10</td>
</tr>
<tr>
<td>France</td>
<td>122</td>
<td>9</td>
</tr>
<tr>
<td>Spain</td>
<td>111</td>
<td>8</td>
</tr>
<tr>
<td>Portugal</td>
<td>31</td>
<td>2</td>
</tr>
<tr>
<td>USA</td>
<td>25</td>
<td>2</td>
</tr>
<tr>
<td>Austria</td>
<td>23</td>
<td>2</td>
</tr>
<tr>
<td>Chile</td>
<td>13</td>
<td>1</td>
</tr>
<tr>
<td>Greece</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>South Africa</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td>Argentina</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Switzerland</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Hungary</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Other country</td>
<td>95</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,333</td>
<td>100</td>
</tr>
<tr>
<td>Company location of participants</td>
<td>number</td>
<td>percent</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>--------</td>
<td>---------</td>
</tr>
<tr>
<td>Germany</td>
<td>739</td>
<td>48</td>
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<tr>
<td>Netherlands</td>
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<tr>
<td>Belgium</td>
<td>71</td>
<td>5</td>
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<tr>
<td>Canada</td>
<td>63</td>
<td>4</td>
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<tr>
<td>USA</td>
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<td>Switzerland</td>
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<tr>
<td>Denmark</td>
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<td>3</td>
</tr>
<tr>
<td>Sweden</td>
<td>32</td>
<td>2</td>
</tr>
<tr>
<td>Austria</td>
<td>30</td>
<td>2</td>
</tr>
<tr>
<td>Finland</td>
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<td>2</td>
</tr>
<tr>
<td>Russia</td>
<td>25</td>
<td>2</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>24</td>
<td>2</td>
</tr>
<tr>
<td>Poland</td>
<td>23</td>
<td>1</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>21</td>
<td>1</td>
</tr>
<tr>
<td>Italy</td>
<td>20</td>
<td>1</td>
</tr>
<tr>
<td>Other country</td>
<td>224</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>1,547</td>
<td>100</td>
</tr>
</tbody>
</table>
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Geisenheim study programs and new part time MBA „Management in Wine Business“