Market report

BOURGOGNES
Bureau Interprofessionnel des Vins de Bourgogne

The United States confirms its leading position for Bourgogne wine exports

Key figures in 2017 for Bourgogne wines in the United States

Leading market in terms of revenue for Bourgogne wines

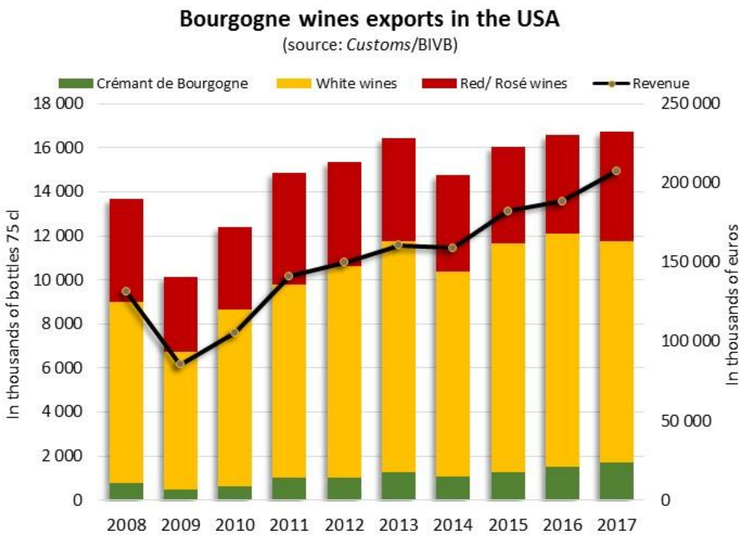
Leading market by volume for Bourgogne wines

Exports: 16.7 million bottles (up 0.9% on 2016) for 207.5 million euros (up 10% on 2016)

by volume		
	▶ Still white wines:	60%
	▶ Still red/rosé wines:	30%
	▶ Crémant de Bourgogne:	10%

In 2017, Bourgogne wines accounted for 11.5% of the volume of French *AOC* wines exported to the United States, and 15% of the revenue.

Sales of Bourgogne wines continue to grow, after a pause in 2014



Bourgogne wine exports to this market grew once again, all the more so if Chablis wines are taken out of the figures, since they were impacted by the low harvest in 2016.

Taking all Bourgogne appellations together, total exports of Bourgogne wines to the United States recorded slight growth in 2017 compared to 2016:

- up 0.9% by volume
- up 10% in terms of revenue

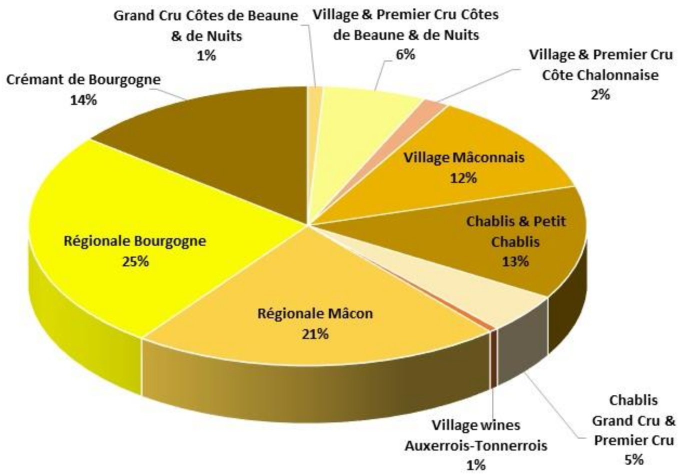
But this growth becomes more significant if Chablis wines are removed: Up 2.3% by volume and 10.7% in terms of revenue.

In 2017, the USA was the leading importer of Bourgogne wines both in terms of revenue (23% of all Bourgogne wine exports) and volume (20% of total exports). It has filled this dual place as leader since 2014. This strong performance was driven by a favorable exchange rate with the dollar. Nonetheless, professionals in the Bourgogne wine sector remain attentive to the consequences of certain decisions made by the Trump administration.

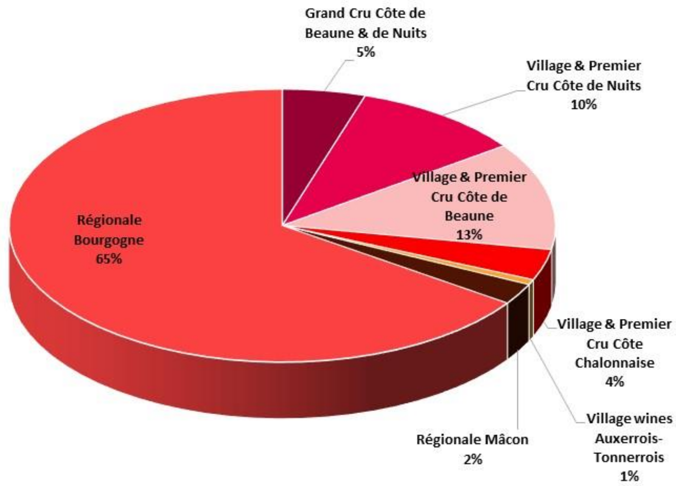
In the first two months of 2018, the initial trend in volume sales for still Bourgogne wines was positive, up 16% (source: DAE). The cut in duty on alcoholic drinks, adopted by Congress at the end of December 2017, could help maintain this trend.

Bourgogne wine sales to the USA naturally* driven by *Regionale AOC* wines

Export of Bourgogne wines 2017
White wines and Crémant de Bourgogne (%)



Export of Bourgogne wines 2017
Red wines (%)



Bourgogne white wines account for the lion's share of sales in the USA, with 60% of export volumes and 50% of revenue from that territory (up 4% on 2016).
Régionale Bourgogne white wines accounted for 30% of total export volume (28% of revenue), closely followed by *Régionale* Mâcon white wines (25% of volume and 13% of revenue), while Chablis *AOCs* accounted for 21% of volume and 19% of revenue.

For many years, the image of Chablis wines suffered from the use of their name by entry-level American production, which means the share of Chablis wines among all Bourgogne white wines remains lower than that seen in other markets. Chablis *AOCs* nonetheless accounted for 21% of the offer of Bourgogne white wines and 14% of all Bourgogne wines in 2017.

Village AOC from the Mâconnais accounted for 14% of the volume of Bourgogne white wines, and 12% in terms of revenue (up 0.9% on 2016).

Crémant de Bourgogne is gradually making inroads, with a healthy 10.8% increase by volume on 2016, and a 10% rise in revenue.

Imports of red wines were up 10.5% by volume, accounting for 45% of Bourgogne wine revenue from the United States. *Régionale* red wines accounted for the large majority of this, with 65% of the total volume of Bourgogne red wine exports and 34% of the revenue.

Grand Cru white wines from the Côte de Beaune and Côte de Nuits went up 28.5% in terms of revenue, but fell by almost as much by volume (down 26%). As for *Grand Cru* red wines of the Côte de Nuits and Côte de Beaune, revenue soared by 50%, while volumes jumped by 73%.

* *Régionale AOC wines* account for 52% of the production of Bourgogne wines, compared to 47% of *Village* and *Village Premier Cru* wines, and 1% of *Grand Cru* wines *(average production 5 years, 2012/2016).*

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Bourgogne wines sell mainly on traditional circuits, but are making inroads into new markets

Specialist wine stores (excluding monopolies) **and restaurants: The natural home for Bourgogne wines**

Bourgogne wines were in fourth position in 2016 in terms of presence among the worldwide still wine offer on restaurant wine lists (64% of establishments, or 270 locations, carried at least one reference), behind Californian, Italian and Argentinian wines.

In these 270 establishments, the wines of the Côte de Beaune (*Village, Village Premier Cru* and *Grand Cru AOCs*) were the most widely available, present in 74% of these outlets. Then came Chablis wines, present in 71% of establishments, and the wines of the Côte de Nuits (*Village*, *Village Premier Cru* and *Grand Cru AOCs*), available in 60%.
Among the whole offer of French still and sparkling wines, Bourgogne wines had the highest number of references by establishment (33 references on average), and as a result, the largest share of the offer (34.6%). Among the overall offer of still French wines, the wines of the Côte de Beaune and Côte de Nuits had the largest share, with 32.5% (*source: Survey of 422 establishments in 21 states in 2016*).

American consumers reported that they go more readily to specialist wine stores to buy wines than to supermarkets (not forgetting that wine sales in supermarkets are not allowed in all states). Only 6% of consumers surveyed said they nearly always bought their wines online (*2015 survey on where wines are purchased*).

Younger consumers are a potential market for Bourgogne wines

As *terroir* wines with a wide range of expressions, Bourgogne wines have all the credentials to appeal to millennials, who look more readily for natural products than older consumers.
In terms of imported wines, they are seeking original and artisanal products, rather than standardized products offered in the supermarket sector (*2015 survey*).

This economic report was produced by the Markets and Development department of the BIVB – March 2018
*(Sources: **Customs** DEB - BUSINESSFRANCE - BIVB - MIBD Market)*

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