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California Wine Sales in U.S. Market
Hit $35.2 Billion in 2017

SAN FRANCISCO – California wine shipments in the U.S. reached an estimated retail value of $35.2 billion in 2017, up 3% from the previous year. The state shipped 241 million nine-liter cases in the U.S. in 2017, up 1%.

California wine sales to all markets, including shipments to the U.S. and exports worldwide, were 278 million cases in 2017.

"Consumers in the U.S. and worldwide continue to trade up to higher-priced premium wines," said Robert P. (Bobby) Koch, Wine Institute President and CEO. "The quality, selection and commitment to sustainability make California wines well-positioned for growth."

"California wine sales in the U.S. market have grown 15% in the past decade from 209 million cases shipped in 2008 to 241 million cases in 2017," said Jon Moramarco, founder and managing partner of BW166, and editor of the Gomberg-Fredrikson Report. "Last year the growth mainly came from premium wines priced over $10."

According to Moramarco, demographic trends play a significant role in wine sales. While per capita consumption has been flat over the last decade, wine sales have grown in line with the legal drinking age population, which increased roughly 10 percent over the same time period. Additional trends impacting sales included wineries focusing on tasting room and direct-to-consumer sales, which accounted for nearly $2.7 billion in retail value and 5.8 million cases in 2017. Wineries also found opportunities in independent, local restaurants with wine menus listing limited production wines to appeal to consumers shifting their spending to these smaller eating establishments.

“Wine is growing but in a more challenging environment, with rapid and broad retail and consumer changes,” said Danny Brager, Senior Vice President of Nielsen’s Beverage Alcohol Practice Area. “Wine selling locations in the U.S. are up 20% from a decade ago to 565,000 off- and on-premise locations, with a wide range of formats such as natural/gourmet grocery stores, no frills/value based formats, theaters, premium bars and fast/casual on-premise outlets. There is also a diverse range of consumers, from Millennials who have less disposable income than a generation ago to Baby Boomers who are retiring and likely slowing their wine consumption as an increasing number of Americans are entering their golden years. Marketers need to find the right balance in attracting these diverse sets of consumers. E-commerce is increasingly having an impact on expanding consumer access to wine, and wineries are working on several digital platforms where wine is being sold,” he explained.

According to Nielsen-measured U.S. off-premise sales, top-selling varietals by volume are: Chardonnay, Cabernet Sauvignon, Red Blends, Pinot Grigio/Gris, Pinot Noir, Sauvignon Blanc, Merlot, Moscato/Muscat, Rosé and White Zinfandel/Blush. Rosé continues to be a phenomenal growth story, with sales volume jumping 60% compared to the previous year.

Total shipments of sparkling wine and champagne to the U.S. reached 26.3 million cases in 2017. Up 8% from the previous year, sparkling wines/champagnes accounted for a 7% share of the U.S. wine market.

The U.S. Wine Market

Wine shipments to the U.S. from all production sources—California, other states and foreign producers—grew 1% to 403.4 million cases in 2017, with an estimated retail value of $62.2 billion, up 2% from the previous year. The U.S. has remained the world’s largest wine market by volume since 2010. California’s 241 million cases shipped within the U.S. in 2017 represent a 60% share of the U.S. wine market.

U.S. Wine Exports

U.S. wine exports, more than 90% from California, reached $1.53 billion in winery revenues in 2017. Volume shipments were 380 million liters or 42.2 million cases. The European Union’s 28-member countries were the top market for U.S. wine exports, accounting for $553 million; followed by Canada, $444 million; Hong Kong, $119 million; Japan, $94 million; China, $79 million; South Korea, $25 million; Mexico, $23 million; Singapore, $17 million; and Philippines, $14 million.

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(Editors: two statistical charts follow)

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CALIFORNIA WINE SHIPMENTS[1]

(In millions of 9-liter cases)

Year	California Wine Shipments to All Markets in the U.S. and Abroad[2]	California Wine Shipments to the U.S. Market[2]	Estimated Retail Value of CA Wine to U.S.[3]
2017	277.9	240.7	$35.2 billion
2016	279.7	239.1	$34.3 billion
2015	278.2	233.7	$32.6 billion
2014	273.0	229.7	$31.3 billion
2013	263.8	221.2	$29.7 billion
2012	250.4	210.8	$29.0 billion
2011	265.5	224.3	$28.5 billion
2010	246.1	206.3	$28.5 billion
2009	253.2	213.8	$27.6 billion
2008	255.3	208.8	$26.1 billion
2007	241.2	198.3	$24.8 billion
2006	235.8	196.9	$24.4 billion
2005	231.6	194.1	$23.0 billion
2004	226.3	182.4	$22.2 billion
2003	211.9	177.0	$20.8 billion
2002	195.4	168.3	$21.5 billion

Sources: Wine Institute, BW166/Gomberg, Fredrikson & Associates, and U.S. Dept. of Commerce. Preliminary. History revised.
1 Includes table, champagne/sparkling, dessert, vermouth, other special natural, sake and others. Excludes cider.
2 Excludes bulk imports bottled in U.S.
3 Estimated retail value includes markups by wholesalers, retailers and restaurateurs.

WINE SALES IN THE U.S.

(Wine shipments in millions of 9-liter cases from California, other states and foreign producers entering U.S. distribution)

Year	Table Wine[1]	Dessert Wine[2]	Sparkling Wine/ Champagne	Total Wine	Total Retail Value[3]
2017	336.3	40.8	26.3	403.4	$62.2 billion
2016	333.2	41.2	24.4	398.8	$61.1 billion
2015	325.6	40.2	21.7	387.5	$57.4 billion
2014	323.7	34.6	20.6	378.8	$55.5 billion
2013	327.0	31.6	18.9	377.5	$52.3 billion
2012	319.5	30.3	17.9	367.7	$50.8 billion
2011	308.1	31.4	17.5	357.0	$48.6 billion
2010	290.8	28.9	15.4	335.0	$46.5 billion
2009	282.4	27.2	14.0	323.5	$45.2 billion
2008	272.2	27.7	13.6	313.5	$45.0 billion
2007	272.5	26.7	13.9	313.0	$43.5 billion
2006	258.8	24.3	13.6	296.7	$41.5 billion
2005	255.4	22.5	13.1	290.9	$38.5 billion
2004	245.3	20.3	13.2	278.8	$36.2 billion
2003	237.0	17.6	12.0	266.6	$34.0 billion
2002	222.5	15.9	11.5	250.0	$33.0 billion

Sources: Wine Institute, U.S. Dept. of Commerce, and Estimates by BW166/Gomberg, Fredrikson & Associates. Preliminary. History revised. Excludes exports. Excludes cider as of 2011 going forward. Totals may not add up exactly due to rounding.
[1] Includes all still wines not over 14 percent alcohol, including bulk imports bottled in the U.S.
[2] Includes all still wines over 14 percent alcohol and sake, including bulk imports bottled in the U.S.
[3] Estimated retail value includes markups by wholesalers, retailers and restaurateurs. Includes on- and off-premise expenditures.