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## **2011 U.S. WINE EXPORTS, 90 PERCENT FROM CALIFORNIA, REACH NEW RECORD OF \$1.4 BILLION**

**SAN FRANCISCO** – U.S. wine exports, 90% from California, reached a new record of \$1.39 billion in winery revenues in 2011, an increase of 21.7% compared to 2010. Volume shipments were up 5.8% to 455.7 million liters or 50.6 million nine-liter cases.

“The quality, diversity and value of California wines have propelled us to another record year for wine exports,” said Robert P. (Bobby) Koch, Wine Institute President and CEO. “Our success in removing trade barriers and opening new markets as well as significant marketing investments by our wineries will allow us to reach our goal of \$2 billion in exports by 2020.”

“Our global Discover California Wines campaign with its link to California’s iconic and aspirational lifestyle resonates with consumers, media and trade throughout the world,” said Linsey Gallagher, Wine Institute’s International Marketing Director. “We have significantly increased our focus on and investment in the China market over the past year in this top priority market. Our goal is to connect the lifestyle that is associated with our state with the understanding of California as a world class wine producing region.”

“Wine Institute’s work with the U.S. government and key international organizations such as the World Wine Trade Group, the Asia-Pacific Economic Cooperation and FIVS continues to have a valuable impact in facilitating trade. Export growth in 2011, however, reinforces the need to continue eliminating unreasonable trade barriers, particularly in the Pacific Rim where wineries are burdened by protectionist tariffs and duplicative regulations costing Asia-Pacific economies close to \$1 billion per year,” said Wine Institute’s International Trade Policy Director Tom LaFaille.

Thirty-four percent of U.S. wine exports by value were shipped to the 27-member countries of the European Union, accounting for \$478 million of the revenues, up 10% from 2010. Volume shipments to the EU reached 28 million cases in 2011, edging up 1.4% from the previous year. Other top markets were: Canada, \$379 million, up 23%; Hong Kong, \$163 million, up 39%; Japan, \$105 million, up 39%; and China, \$62 million, up 42%.

“California wines continue to grow in popularity with both trade and consumers in the Canadian market,” according to Rick Slomka, Wine Institute Trade Director for Canada. “Some of the recent growth comes from new brands with eye-catching labels and clever names. Also contributing to this growth is the ongoing strength of the Canadian dollar which has made California wines more competitive compared to wines from other major wine regions. Our continued success with premium

wines in the Quebec market and in LCBO VINTAGES, indicates that Canadian consumers see good value in California at all price points,” said Slomka.

“In a challenging economy, the UK wine market does not stand still, and new sectors and opportunities have arisen. California has been responsive to these, and has built on the bedrock of its major branded wines with successes in the independent retail sector and on-trade outlets. Growth in these areas introduces our wines to new audiences, and enables California to demonstrate its diversity at higher price points. This growth is by no means exhausted, and augurs well for the future here,” said John McLaren, Wine Institute Trade Director for the United Kingdom.

“California wines fared well in most European countries. In Sweden for instance, sales growth of California wines were the highest of all wine supplying countries in Sweden. The story was similar in Germany, where California again experienced the highest growth rate of all wine exporting countries. However, a significant portion of California wine imported into Germany is re-exported and actually sold in other European markets. Additionally, as a word of caution, the 10% change in the Euro/Dollar exchange rate of the past few months may have an effect on exports to Europe in early 2012,” said Paul Molleman, Wine Institute’s Trade Director for Continental Europe.

“The outlook in the world’s emerging wine markets remains positive as most markets continued to post strong gains in 2011. Hong Kong remained California’s third largest export market by value, although growth slowed to 39% from 150% in 2010 compared to 2009. China’s growth remained buoyant at 42% compared to 2010 and is now the fifth largest export market by value, up two places from last year. Vietnam posted the strongest year-over-year gains (+266%) among the top 25 markets. Elsewhere, there is significant optimism in South Korea due to the recent ratification of the Korea-U.S. Free Trade Agreement and in Mexico where the 20% import tax on California wines was repealed in late October 2011,” commented Eric Pope, Wine Institute’s Regional Director, Emerging Markets.

“U.S. bulk wine exports to Japan have been growing as major Japanese importers are now importing popular-priced California wine brands in bulk and bottling in Japan. This reduces the burdensome import duty to a certain extent and makes inventory control easier. As per bottled U.S. wine, Japan is now importing more expensive California wines than in the past. Unlike other new world wine exporting countries, California wine is well represented at high-end restaurants because of our successful annual restaurant promotion,” reported Wine Institute Trade Director in Japan, Ken-ichi Hori.

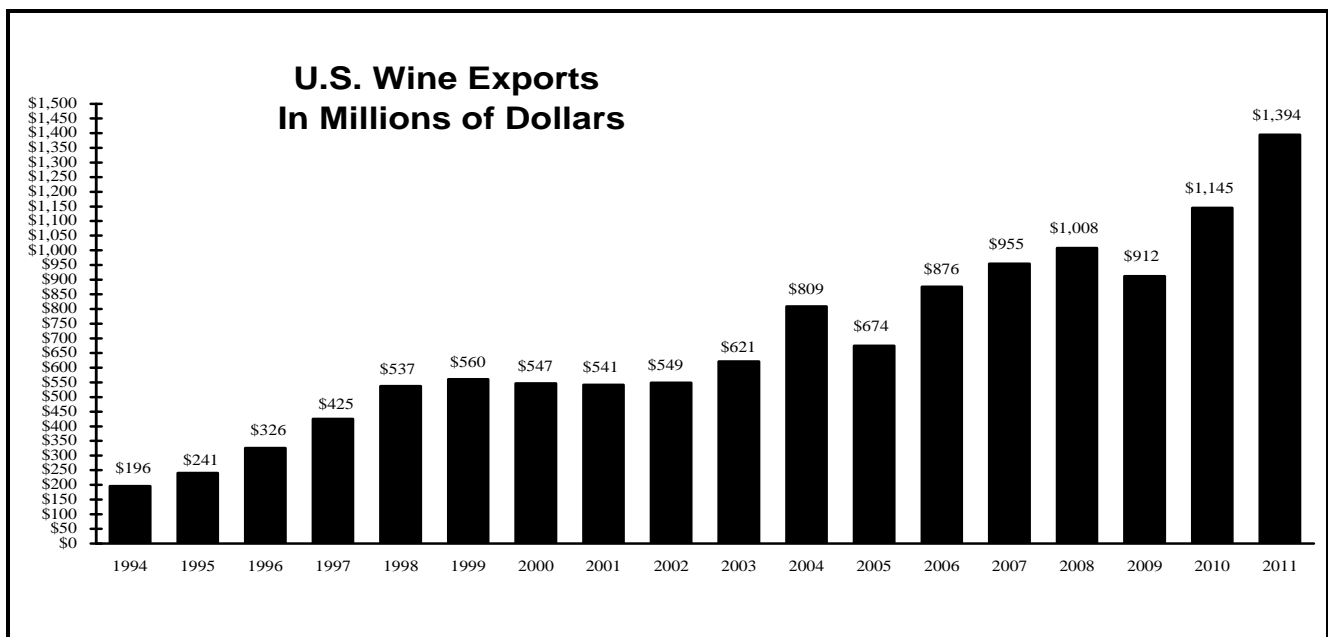
Since 1985, Wine Institute has served as the administrator of the Market Access Program, an export promotion program managed by the USDA’s Foreign Agricultural Service.

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*(Editors: Photos of tasting events abroad available upon request. Three statistical charts follow.)*

<b>U.S. WINE EXPORTS 1994-2011</b>			
<b>Year</b>	<b>Volume (In millions)</b>		<b>Value (In millions of dollars)</b>
	<b>Gallons</b>	<b>Liters</b>	<b>Revenues to Wineries</b>
2011	117.7	445.7	\$1,394
2010	111.3	421.2	\$1,145
2009	110.3	417.7	\$912
2008	129.7	490.9	\$1,008
2007	120.2	455.0	\$955
2006	106.9	404.5	\$876
2005	102.6	388.2	\$674
2004	121.9	461.3	\$809
2003	92.3	349.2	\$621
2002	74.5	282.1	\$549
2001	80.3	303.9	\$541
2000	77.7	294.2	\$547
1999	76.8	290.6	\$560
1998	71.9	272.0	\$537
1997	60.0	227.1	\$425
1996	47.5	179.7	\$326
1995	38.8	147.0	\$241
1994	35.2	133.4	\$196

Source: Wine Institute & Global Trade Information Services, using data from U.S. Dept. of Commerce. Statistics may not convert exactly due to rounding. History revised.



Source: Wine Institute & Global Trade Information Services, using data from U.S. Dept. of Commerce.

**U.S. WINE EXPORTS\***  
**Year to Date: January-December**  
**2011 and 2010**

<b>PARTNER COUNTRY</b> <i>Ranked by 2011 Value</i>	<b>Value (U.S. Dollars)</b>		<b>Variance</b> <b>'11 v '10</b>	<b>Volume (Liters)</b>		<b>Variance</b> <b>'11 v '10</b>
	<b>2011</b>	<b>2010</b>	<b>Percent</b>	<b>2011</b>	<b>2010</b>	<b>Percent</b>
European Union Total**	477,642,811	434,811,374	9.83	251,583,569	248,009,591	1.44
Canada	379,402,127	307,854,105	23.24	68,489,325	59,939,229	14.26
Hong Kong	162,972,047	117,501,538	38.70	27,370,829	24,619,681	11.17
Japan	105,431,704	75,890,427	38.93	23,739,528	20,947,411	13.33
China	62,131,458	43,742,133	42.04	16,084,463	12,496,363	28.71
Switzerland	25,021,741	24,025,527	4.15	8,207,125	9,556,913	- 14.12
Vietnam	21,263,126	5,808,652	266.06	6,657,092	7,101,050	- 6.25
Mexico	18,518,335	18,374,407	0.78	5,092,043	4,525,090	12.53
Macau	15,375,081	8,617,656	78.41	3,913,841	2,046,067	91.29
Korea South	12,635,231	11,168,334	13.13	3,429,933	3,375,790	1.60
Singapore	12,185,515	8,091,914	50.59	3,286,044	2,349,616	39.85
Taiwan	9,319,029	7,697,021	21.07	2,506,840	2,104,889	19.10
Russia	8,620,783	6,845,240	25.94	2,208,466	501,072	340.75
Philippines	8,194,019	7,908,122	3.62	2,146,685	1,902,845	12.81
Bahamas	5,882,737	5,342,154	10.12	1,433,185	1,597,776	- 10.30
Thailand	5,705,329	4,047,577	40.96	1,337,026	1,013,624	31.91
Panama	4,388,366	2,978,968	47.31	1,309,253	1,005,137	30.26
Dominican Republic	3,874,420	2,578,173	50.28	1,234,456	940,006	31.32
Brazil	3,595,349	1,712,263	109.98	1,121,099	512,859	118.60
OTHER COUNTRIES	51,389,611	49,745,573	3.30	14,566,116	16,615,517	-12.33
<b>WORLD TOTAL</b>	<b>1,393,548,819</b>	<b>1,144,811,158</b>	<b>21.73</b>	<b>445,716,918</b>	<b>421,160,526</b>	<b>5.83</b>

Source: U.S. Dept. of Commerce. Copyright: Wine Institute California Wine Export Program.  
Preliminary numbers. History revised. Statistics may not convert exactly due to rounding.

\*All totals include re-exported wines.

\*\*Stats for the 27 EU countries are combined because transshipments to final destinations in neighboring countries make a country-by-country breakdown not reflective of actual consumption in each country.

To convert liters to gallons, multiply liters by .26418  
To convert liters to cases, divide liters by 9

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