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2016 California Wine Sales in U.S. Hit New Record 238 Million Cases with Retail Value of $34.1 Billion

SAN FRANCISCO – California wine shipments to the U.S. reached an estimated retail value of $34.1 billion in 2016, up 4.6%. The state shipped an all-time high of 238 million cases to the U.S. in 2016, up 2% from the previous year.

California wine sales to all markets, including shipments to the U.S. and exports, got a record of 285 million cases in 2016.

“Consumers worldwide recognize the high quality of California wines from diverse regions across the state,” said Robert P. (Bobby) Koch, Wine Institute President and CEO. “As consumers in the U.S. and around the world continue to trade up to premium wines, California is ideally positioned.”

“California wines in the U.S. market have increased from 191 million cases shipped in 2006 to 238 million cases in 2016,” said Jon Moramarco, founder and managing partner of BW166, who purchased The Gomberg-Fredrikson Report with partners last year. “The growth trend has been driven by population, which is up more than 12% over the last decade, and by the fact that Baby Boomers, traditionally the large population segment of frequent wine consumers, have been joined by Millennials aged 21-38 who are also driving the growth in wine consumption,” Moramarco explained.

“The estimated retail value for wine was calculated with an updated methodology that uses a wide variety of government, private, and other statistical data that have not historically been available, such as the direct-to-consumer sales report and Dept. of Commerce data,” Moramarco continued. “Consumer expenditures had been growing at a 6.1% annual rate as opposed to the historical estimates of 5.5% previously published, so the retail value was reset for more recent years. The new data sources provide a more comprehensive methodology for calculating consumer expenditures.”

2016 Stats at a Glance

- Estimated retail value of 2016 California wine sales in the U.S. was $34.1 billion
- The state shipped an all-time high of 238 million cases to the U.S. in 2016
- Total California wine sales to the U.S. and exports was a record 285 million cases
- The U.S. has been the world’s largest wine market since 2010

Moramarco pointed out several trends in the U.S. marketplace. Both major retailers and distributors continue to consolidate, creating fierce competition and crowded sales channels.

Consequently, many wineries are targeting niche sales channels, such as tasting rooms and direct-to-consumer sales which have now reached more than 4% of the total volume. Another trend is that California wines selling for $10 and above are showing growth, accounting for 19% of the volume and 40% of the value in U.S. food stores. Wines under $10 are flat or down, but still holding 81% share of the shipment volume and 60% of the revenues.

Americans' access to wine continues to expand with over 550,000 locations that sell wine, according to Nielsen, a global provider of information and insights into consumer preferences and purchases. The number of on- and off-premise locations is about 120,000 more than a decade ago.

"Consumers are finding more "in store" restaurants and bars and also wine service in less traditional locations such as bookstores, nail salons, coffee shops and movie theaters, even car wash and car repair shops," said Danny Brager, Senior Vice President of Nielsen's Beverage Alcohol Practice Area. "Wine is a growing category, and it is being offered in new and different venues, as well as interesting, alternative packaging vehicles, such as cans, single-serve containers, premium boxes and wines on tap."

According to Nielsen measured U.S. food store volume, Chardonnay remains the largest varietal of all wine types accounting for 20% share of the cases, followed by Cabernet Sauvignon (15%), Red Blends including Sweet Reds (12%), Pinot Grigio/Gris (9%), Merlot (7%), Pinot Noir (6%), White Zinfandel/Blush (6%), Moscato/Muscat (5%) and Sauvignon Blanc (5%). The largest gains for whites came from Sauvignon Blanc with Pinot Grigio following well behind. Red wine growth was driven by Red Blends, Cabernet Sauvignon and Pinot Noir. From a smaller base of 1% share, Rosé is on fire with a 35% volume gain, but more than 60% on dollars.

Total shipments of sparkling wine and champagne to the U.S. reached 25.6 million cases in 2016. Up 14% from the previous year, the category is showing very strong growth with Prosecco a key growth driver. Sparkling wines/champagne accounted for a 6% 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 to 399 million cases, up 3% from 2015, with an estimated retail value of nearly $60 billion. The U.S. has remained the world's largest wine market by volume since 2010. California's 238 million cases shipped within the U.S. in 2016 represent a 60% share of the U.S. wine market.

U.S. Wine Exports

U.S. wine exports, 90 percent from California, reached a record $1.62 billion in winery revenues in 2016. Volume shipments were 461 million liters or 51.2 million cases. The European Union's 28-member countries were the top market for U.S. wine exports, accounting for $685 million; followed by Canada, $431 million; Hong Kong, $99 million; Japan, $87 million; China, $82 million; Mexico, $24 million; South Korea, $23 million; Switzerland, $19 million; Singapore, $14 million; and Philippines, $13 million.

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]
2016	285.1	238.1	$34.1 billion
2015	282.1	232.7	$32.6 billion
2014	268.6	227.5	$31.3 billion
2013	259.1	215.4	$29.7 billion
2012	249.5	207.2	$29.0 billion
2011	260.0	215.3	$28.5 billion
2010	243.5	201.2	$28.5 billion
2009	246.3	205.9	$27.6 billion
2008	245.2	201.6	$26.1 billion
2007	236.4	195.3	$24.8 billion
2006	228.7	190.6	$24.4 billion
2005	224.0	185.5	$23.0 billion
2004	219.0	179.7	$22.2 billion
2003	206.8	174.7	$20.8 billion
2002	194.4	167.8	$21.5 billion
2001	188.9	162.8	$20.0 billion
2000	187.5	164.9	$17.2 billion
1999	186.4	167.0	$14.3 billion

Sources: Wine Institute and BW166/Gomberg-Fredrikson Report. 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]
2016	331.7	41.9	25.6	399.2	$59.5 billion
2015	324.9	40.4	22.5	387.7	$57.1 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
2001	215.4	14.3	11.4	241.4	$29.7 billion
2000	213.2	13.9	11.8	238.9	$26.3 billion
1999	199.8	13.0	15.6	228.4	$22.9 billion

Sources: Wine Institute, Department of Commerce, 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.

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