OENOBIO

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Organic wine market in France and export

VIGNERONS BIO
NOUVELLE AQUITAINE

Vignerons Bio Nouvelle-Aquitaine : our missions

VIGNERONS BIO
NOUVELLE AQUITAINE

Regional union representative of the organic wine sector created in 1995
Counts today more than 200 organic winemakers members
Support from harvest to commercialisation

DEFENSE & REPRESENTATION

Defends interests of organic winemakers amongst regional, national and European bodies related to viticulture and organic agriculture

PROMOTION

Promotes and develops the collective image and notoriety of organic wines and spirits to professionals and individuals

RESEARCH & DEVELOPMENT

Initiates and collaborates with research programs to improve the quality of organic wines

OENOLOGY

ECONOMY

Contributes to the economic and technical development of organic wine production, by accompanying organic winegrowers individually and collectively

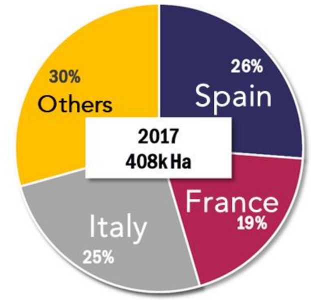
Organic wine production

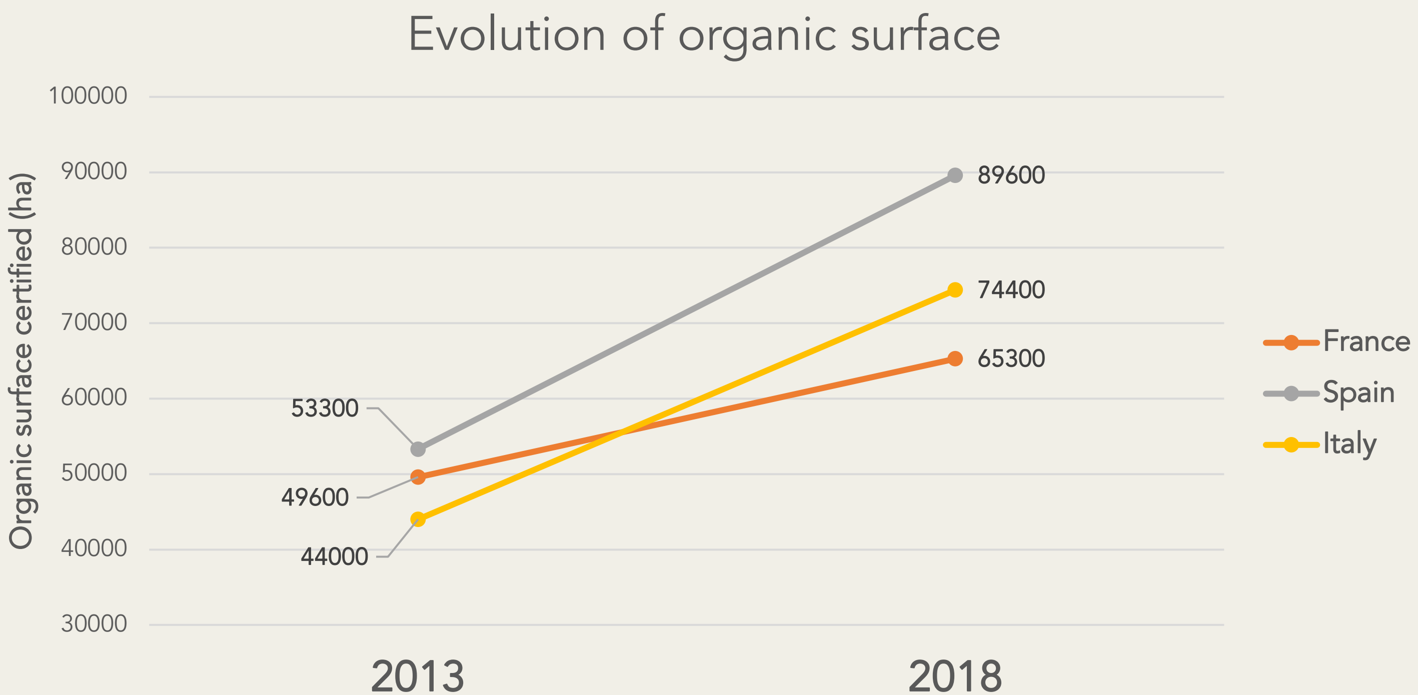
Organic wine production in the world

6% of world vineyard was organic in 2018

87% of organic wine was produced in Europe

10,6 millions hL of organic wine in 2018





IWSR SudvinBio 2019, Agence Bio « L'Agriculture Bio dans le monde » 2019

Organic wine production in France

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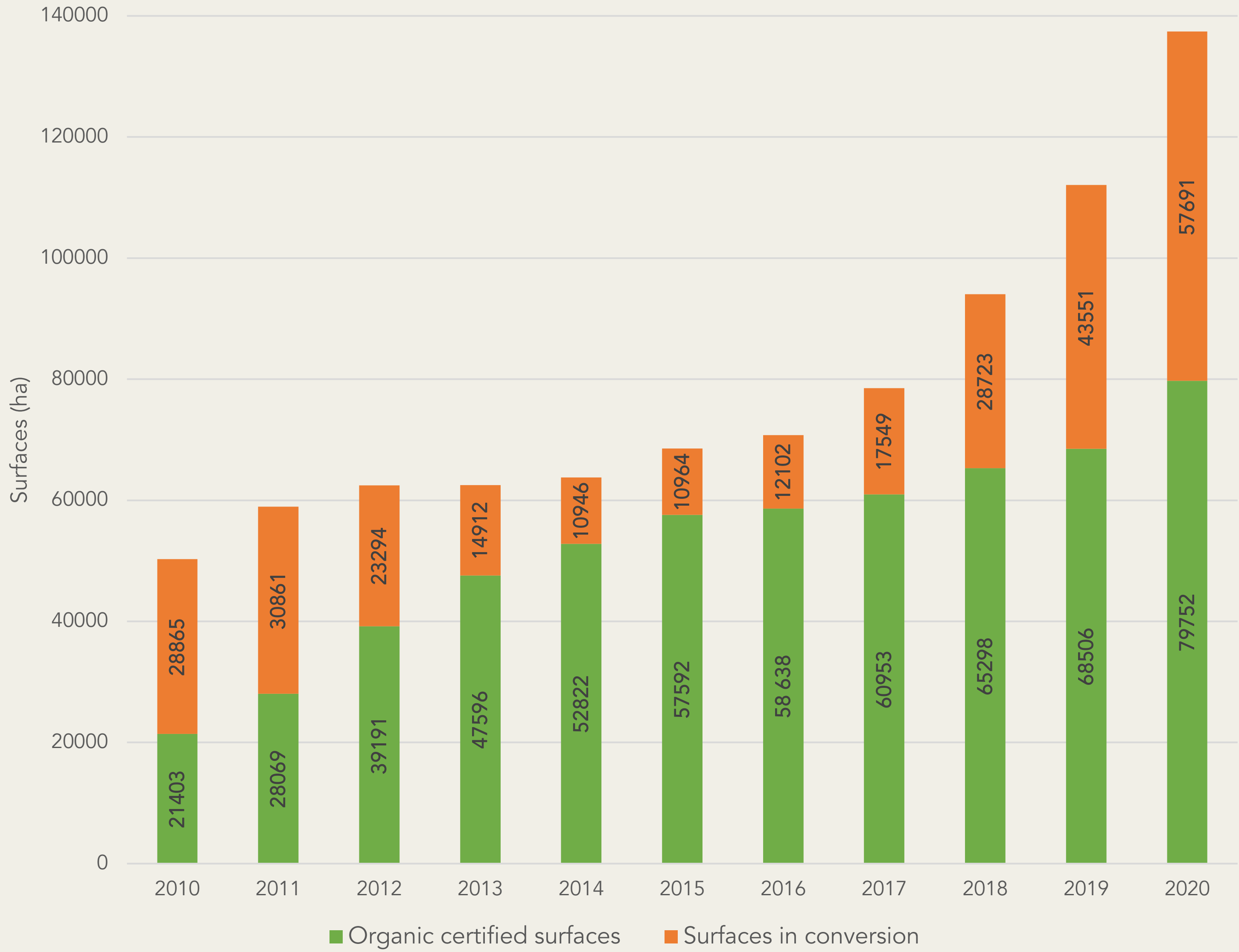

137 442
Hectares with 42% in conversion

9784
organic wine farms

17%
of french vineyard

Agence Bio, 2021

Focus on french regions

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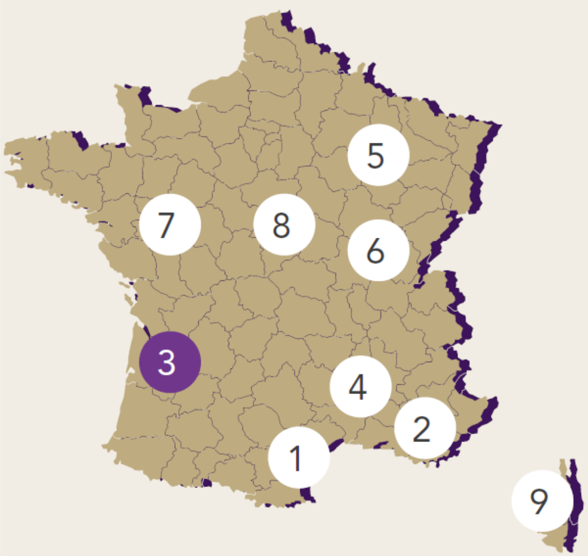
3 wine regions produce 75% of french organic wine :

Occitanie (42 424 ha), **PACA** (23 011 ha) and **Nouvelle-Aquitaine** (19 696 ha)



		En Bio et en conversion	Vignoble en Bio*
1	Occitanie	42 424 ha	13%
2	PACA	23 012 ha	23%
3	Nouvelle-Aquitaine	19 696 ha	8,5 %
4	Auvergne Rhône Alpes	7 570 ha	12%
5	Grand Est	5 017 ha	8%
6	Bourgogne Franche Comté	4 538 ha	11%
7	Pays de La Loire	4 335 ha	12%
8	Centre Val de Loire	3 674 ha	15%
9	Corse	1 698 ha	22%

Agence Bio, 2019
**data 2018 and 2019*

Export competition in 2018

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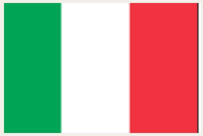
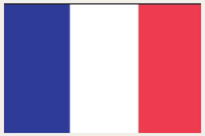
Share of organic volumes sold on the national market		Share of organic volume exported
12%		88%
9%		91%
58%		42%

IWSR SudvinBio 2019

Organic wine and consumption

Growing demand around the world

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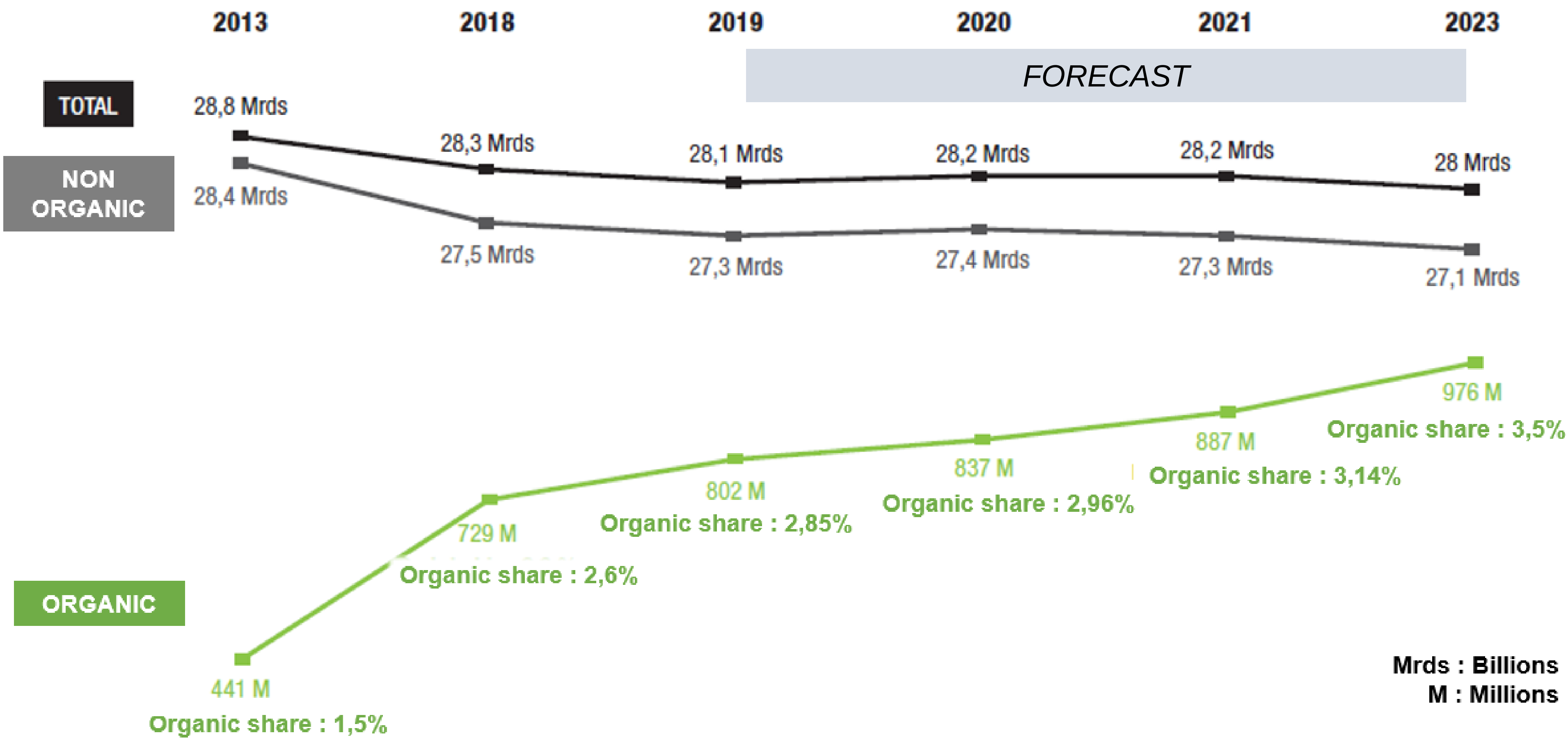
Evolution of global consumption of organic and non-organic wine in the world

(in number of bottles)



IWSR Sudvinbio 2019

Same phenomenon in France

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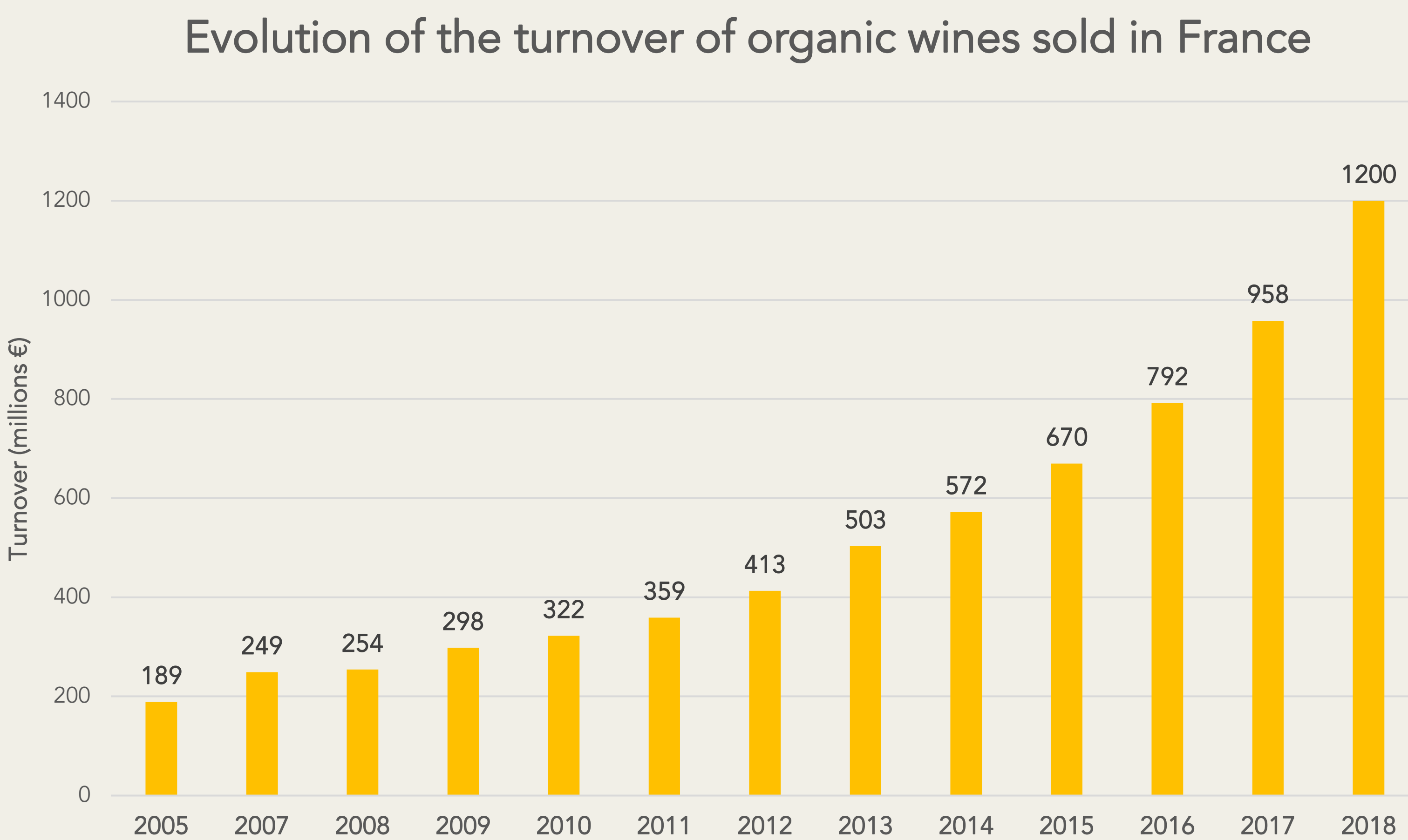

1,2
Billions €
in 2018

x 4
in 10 ans

Agence Bio - AND international 2019 ; IWSR Sudvinbio 2018

The consumer of organic wine is above all… a wine consumer!

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What are your purchasing criteria for …
- A bottle of wine?
- A bottle of organic wine?

	Organic wine	Wine
Origin of production (region, country)	57%	63%
AOP notoriety	37%	36%
Advice (salespeople, entourage)	25%	25%
Indication of grape varieties on the label	24%	21%
Medals, awards	19%	28%
Vintage	16%	24%
Brand	12%	14%
Promotions	11%	15%
Respect for the environment, environmental label	43%	7%
Price	30%	50%

The consumer wants organic wine... but not only?

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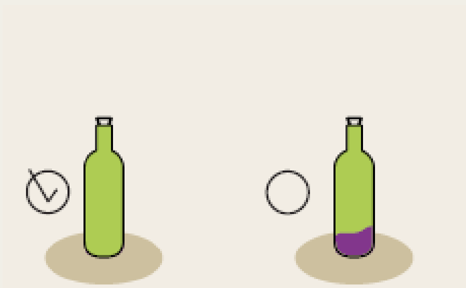
Democratization of environmental and health "performances" in complement to those of organic farming: vinification without added sulphites, resistant grape varieties, biodynamics, vegan ...

Will the consumer be satisfied with an "only" organic wine?



Organic without sulphites

Organic with sulphites

Consumers are prepared to pay more for a bottle of organic wine without sulphites than with sulphites

On the other hand, organic remains a more important criteria!

In the study, conventional wine without added sulphites remains less valued than organic wine with sulphites.

Défis environnementaux de la viticulture : une analyse comportementale des blocages et des leviers d'action (thèse), Yann Raineau, 2018

Organic wine market

Target export markets

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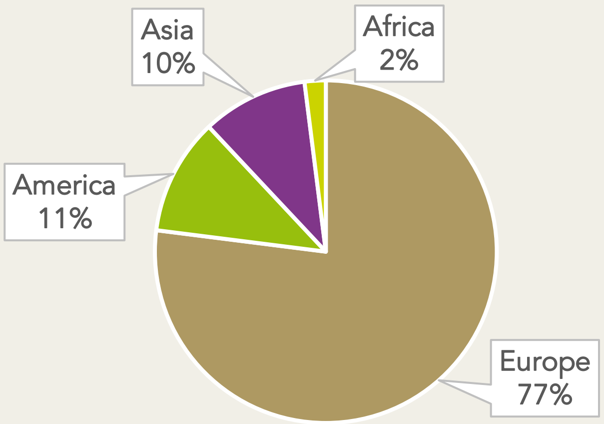
World importation of organic wine repartition



- Export between EU countries facilitated by the same organic regulations
- France consumes 99.5% of French organic wines

World rank	First importers of organic wine	% of global organic wine imports*
1rst	Germany	24%
2nd	France	16%
3rd	United Kingdom	10%
4th	USA	8%
5th	Sweden	7%
6th	Japan	6%

Data 2017

IWSR SudvinBio 2018 ; Agence Bio l'Agriculture Bio dans le monde, 2019

*in volume

Focus on regulation outside EU

EU organic regulations are recognized as equivalent to NOP outside of winemaking. To be recognized as "NOP equivalent", a wine produced in the EU must be certified organic and processed in accordance with NOP rules (compliance with rules on sulphites, restricted list of inputs and specific labeling rules).

There is no equivalence between the European regulation and the Chinese regulation on organic products. An organic winegrower wishing to export to China must make a request to a certification body accredited by the Chinese authorities, the CNCA (Certification and Accreditation Administration of China).

The Chinese organic logo is mandatory. Only the Chinese logo must be affixed on the bottle, the European organic logo is prohibited.

Wine cannot claim this certification because it has not been included in Japanese regulations. Thus, it will not be possible for a winemaker to have his wine certified as “organic JAS”. On the other hand, it is possible to export it by keeping the AB logos and the Euroleaf, a logo recognized by the Japanese consumer.

Analyses des filières vitivinicoles des principaux pays producteurs dans le monde – Etats Unis ; Franceagrimer 2016
Conjoncture vitivinicole mondiale 2017 ; OIV ; avril 2018
Observatoire mondial des vins biologiques – chiffres 2012 ; agrex consulting ; juillet 2014
La Bio dans le Monde ; Agence Bio ; édition 2017
Ecocert, 2019
Le marché des vins bio en Chine : Perspectives dans 20 ans ? – Millésime Bio ; Ubrifrance ; 2013
Le marché mondial du vin bio 2012-22, Novembre 2018, SudVinBio IWSR
Le marché des produits biologiques au Japon ; FranceAgriMer ; février 2017
Les règlements internationaux du vin bio (Hors Europe) ; SudVinBio, Juin 2016
Note : marché des produits biologiques au Japon ; Ambassade de France ; février 2017

In France : who sells to who ?

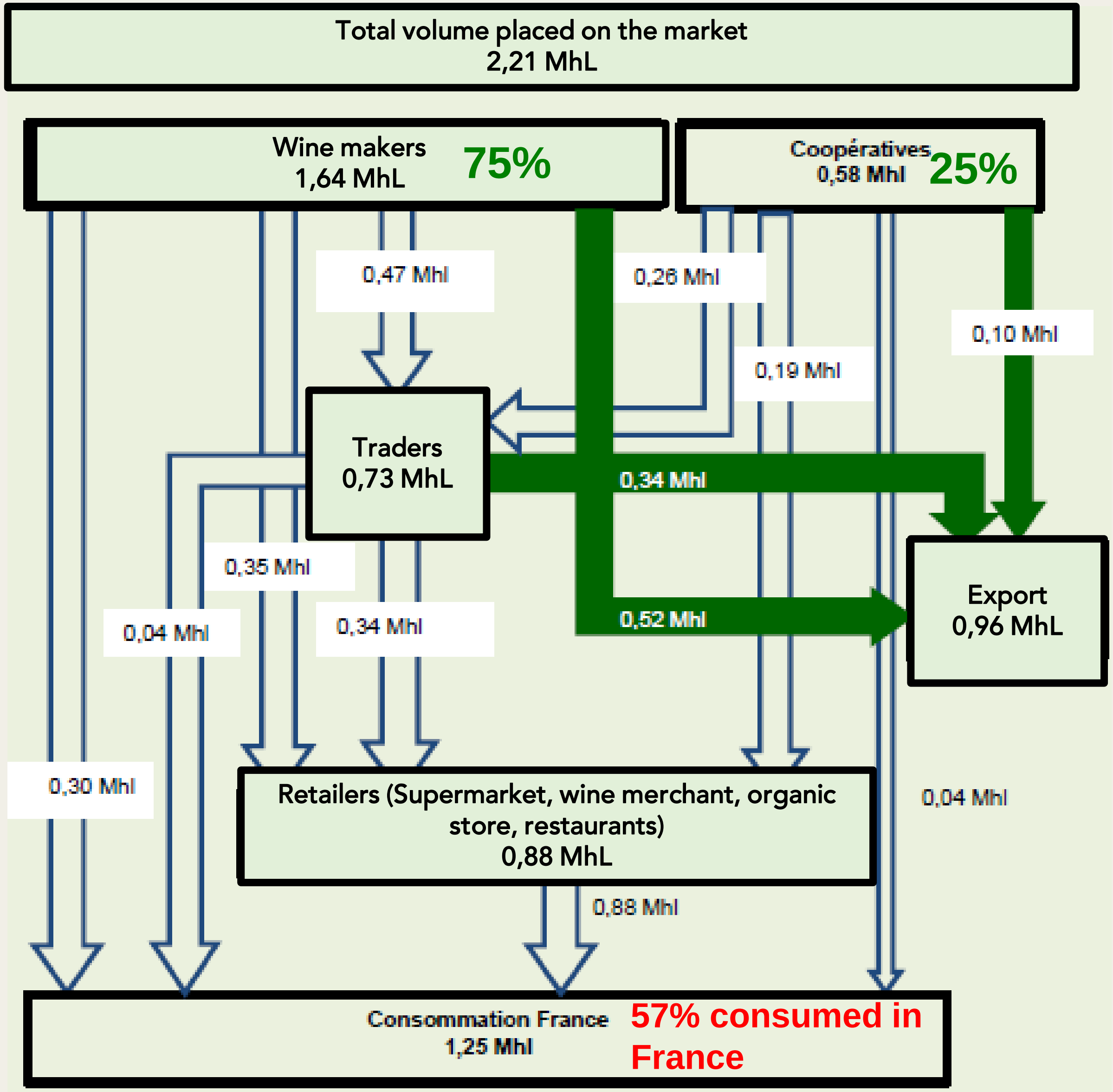
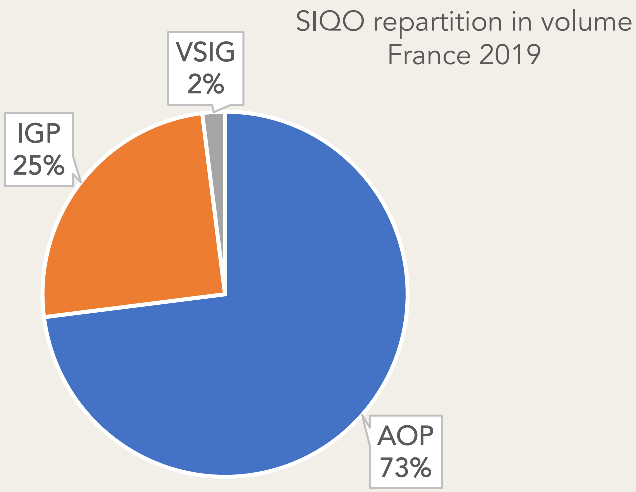


Diagram of the marketing of organic wines in France in 2019

43% exported



Agence Bio - AND international 2020

Commercial autonomy sought by winegrowers

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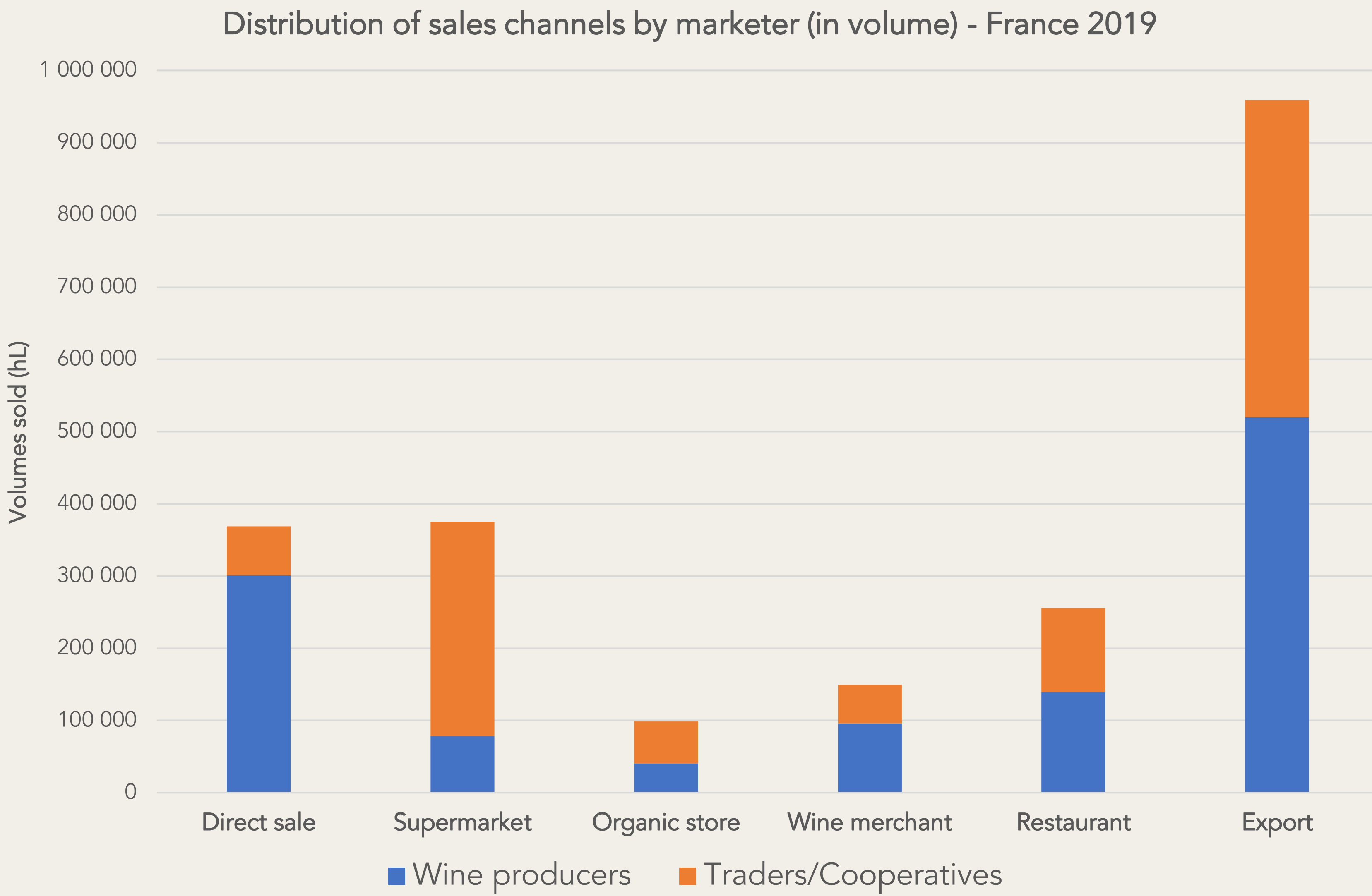


Agence Bio - AND international 2020

Thinking about price

Producing organic is more expensive

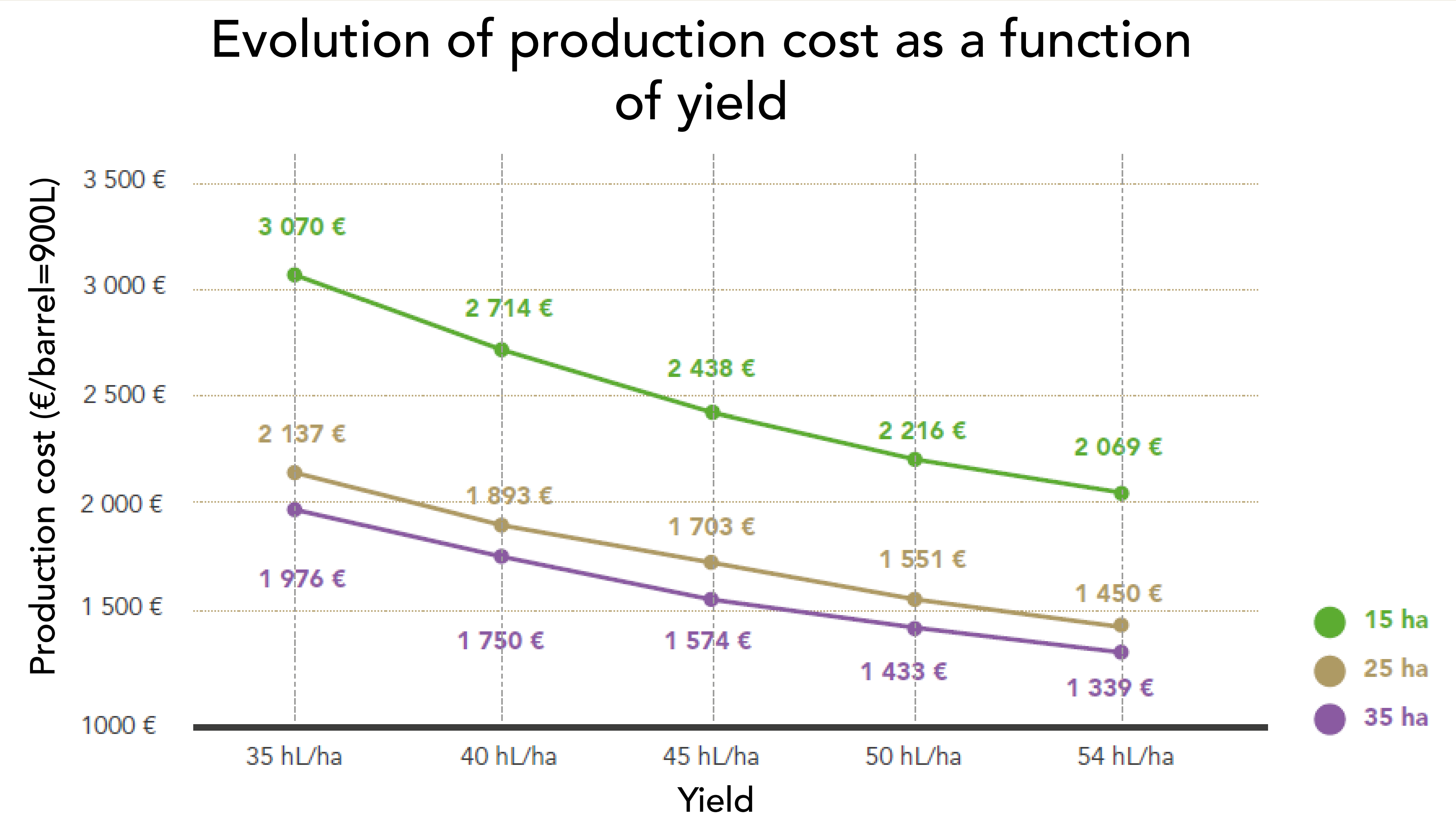
VIGNERONS BIO AQUITAINE

Production costs for a farm of 15 ha at 54 hL / ha	Non organic	Organic
Labor hours (hours)	149 h	190 h
Labor (€ / ha)	2 493 €	3 162 €
Supplies (€ / ha)	1 307 €	1 684 €
Services (€ / ha)	495 €	565 €
Mechanization (€ / ha)	1 058 €	1 763 €
Bare land farming for wine-growing 1.5 hL / ha (€ / ha)	209 €	209 €
Depreciation of the vineyard (25 years) (€ / ha)	1 449 €	1 421 €
Restructuring of the vineyard (grant) (€ / ha)	-400 €	-400 €
Climate insurance (grant deducted) (€ / ha)	110 €	110 €
General vineyard costs (€ / ha)	782 €	782 €
TOTAL VINEYARD COST (€ / ha) (A)	**7 503 €**	**9 296 €**
Non organic versus organic differential	-	+ 24%
TOTAL VINIFICATION COST (€ / ha) (B)	3 116 €	3 116 €
TOTAL WINE COST IN BULK (€ / ha) (A + B)	10 619 €	12 412 €
TOTAL WINE COST IN BULK (€ / barrel)	**1 770 €**	**2 069 €**
Non organic versus organic differential	-	**+ 17%**
Total cost of wine for 0.75L (€ / 0.75L)	1,47 €	1,72€
Bottling and packaging costs (€ / bottle)	1,25 €	1,25 €
BOTTLE COST BEFORE MARKETING (€ / bottle)	**2,72 €**	**2,97 €**
Non organic versus organic differential	-	+ 9%

Chambre d'agriculture de la Gironde, Référentiel économique du vigneron Bordelais, 2019

Yield: direct impact on production costs

VIGNERONS BIO
TAINE



Production costs must be calculated over a period of several years, in order to take into account weather variations.

Chambre d'agriculture de la Gironde, Référentiel économique du vigneron Bordelais, 2019

Example of price construction

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Price per barrel (900L)
2100€

/ 1200

Price per bottle (0,75L)
1,75€

+ 1,25€
Bottling and packaging costs

Conditioned bottle price
3€

x 1,3
Trading margin

Price at the intermediary
3,90€

x 1,5
Large distribution margin

Final sales price excluding tax
5,85€

+ 20%
V.A.T

Estimate final sale price all taxes included
7€

<1,50€

3€ to 5,50€

5,50€ to 7,50€

>7,50€

Vignerons Bio Nouvelle-Aquitaine, La construction du prix du vin Bio, Mémorandum économique du vin Bio, 2020

What about the consumer's willingness to pay?

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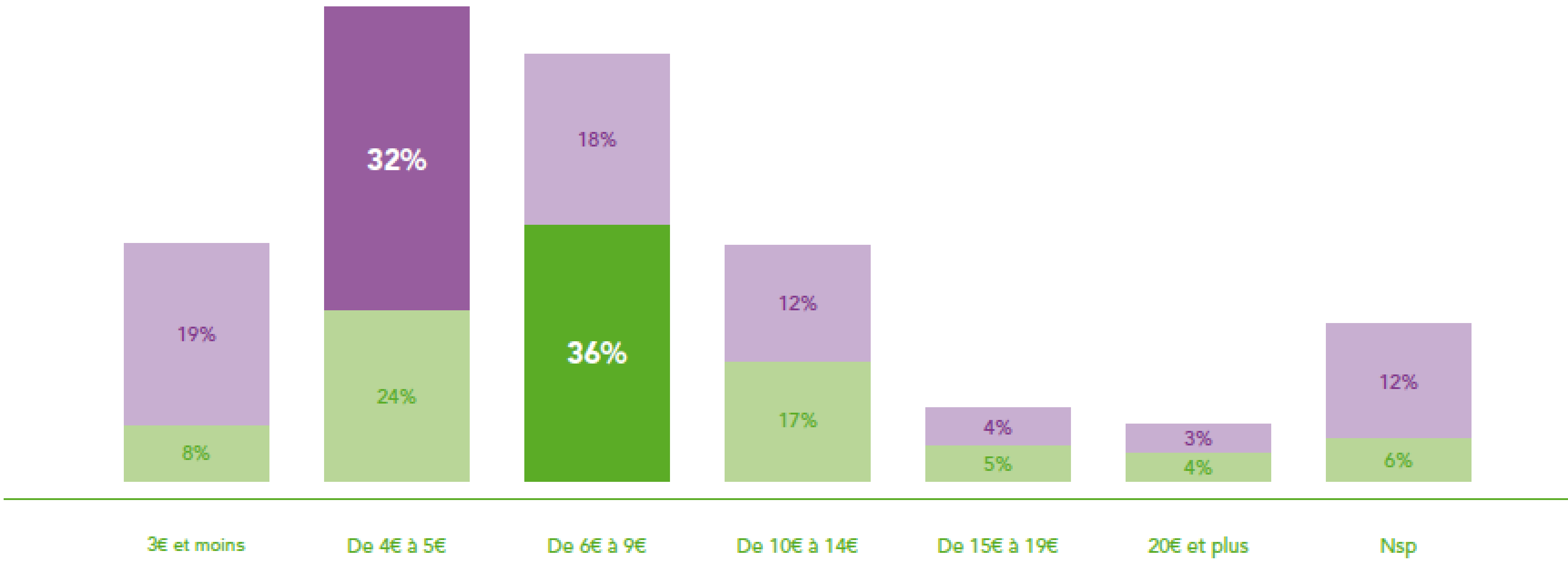
How much do you spend on average for the purchase of a bottle of ...



- **Organic wine**
  For everyday consumption (average 8,70€)
- **Non Organic wine**
  For everyday consumption (average 6,90€)

Source : Etude IPSOS / CGI pour Sud de France / SudVinBio ; Octobre 2013

THANK YOU FOR YOUR ATTENTION

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UNION EUROPÉENNE
FONDS EUROPÉEN AGRICOLE POUR LE DÉVELOPPEMENT RURAL

RÉPUBLIQUE FRANÇAISE
MINISTÈRE DE L'AGRICULTURE ET DE L'ALIMENTATION

RÉGION Nouvelle-Aquitaine

Gironde LE DÉPARTEMENT

AGENCE DE L'EAU ADOUR-GARONNE
ÉTABLISSEMENT PUBLIC DU MINISTÈRE DU DÉVELOPPEMENT DURABLE