



Media release

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Demand strong as \$1billion wine grape harvest gets underway

The first grapes of the 2022 vintage have been harvested, with ongoing international demand and low stock levels meaning that winemakers are hoping for a significantly larger harvest this year.

“The 2021 harvest, while of exceptional quality, was 19% smaller than the previous year. Over the past 12 months this has forced wineries to draw down on stocks to maintain their place in market. New Zealand wine sales for 2021 were 324 million litres, meaning they were 48 million litres *more* than was actually produced in the 2021 vintage. This stock drawdown highlights that we desperately need a bigger harvest in 2022, to replenish cellars, and help satisfy international demand,” says Philip Gregan, CEO of New Zealand Winegrowers.

“Over the past 12 months many New Zealand wineries have faced tough decisions over who they can supply in their key markets, and the ongoing increase in international demand has placed huge strain on already depleted stocks. For some wineries, there has been quite simply just not enough wine to go around,” says Philip.

“Encouragingly, the ongoing demand for New Zealand wine has proven, once again, that the distinctive flavours, quality and sustainability of our wines increasingly resonate with consumers around the world. It is positive to see that during these uncertain times, consumers continue to choose a premium product they know that they can trust.”

Increasing production costs and the on-going effects of COVID-19 on the border, markets, and supply chains have continued to impact the industry, and over the past 12 months the availability of labour has been a huge concern for many growers and wineries.

“The introduction of Omicron into the New Zealand community on the cusp of vintage 2022 is a very serious concern for growers and wineries, as this is our busiest time of year, and we are already facing a critical labour shortage in some regions,” says Philip.

“The unavailability of skilled workers due to the ongoing closure of New Zealand’s borders means undoubtedly this vintage will be more difficult to manage than normal.”

Wine businesses that sell predominantly through the on-premise and tourism sectors also continue to experience significant setbacks.

“Domestically, red light restrictions on operations of hospitality businesses are a major challenge for wineries dependent on that sector. Cellar doors have been hit hard by the collapse in international tourist numbers over the past two years. Positively, we have seen more New Zealanders visiting cellar doors, but there are long, lean periods as we move out of the traditional Kiwi holiday period.”

Although the coming vintage is expected to be challenging, the experience of operating harvest during Covid times in both 2020 and 2021 has strengthened the industry in its resilience to respond quickly and adapt during difficult times.

“Over the past two years, wineries and growers have proven that they can manage the threat of COVID well, continue to operate effectively, and adapt processes to ensure they protect workers and other New Zealanders. Our industry’s most important priority continues to be keeping our people and our communities safe during this uncertain time. We are looking forward to another harvest of excellent quality, and believe an optimistic approach and helping one another will get us through.”

-ENDS-

Notes for the Editor:

- New Zealand wine exports for 2021 were \$1.95 billion down just 3% on 2020, despite the 19% fall in production from the 2021 harvest.

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