

Voluntary Report – Voluntary - Public Distribution

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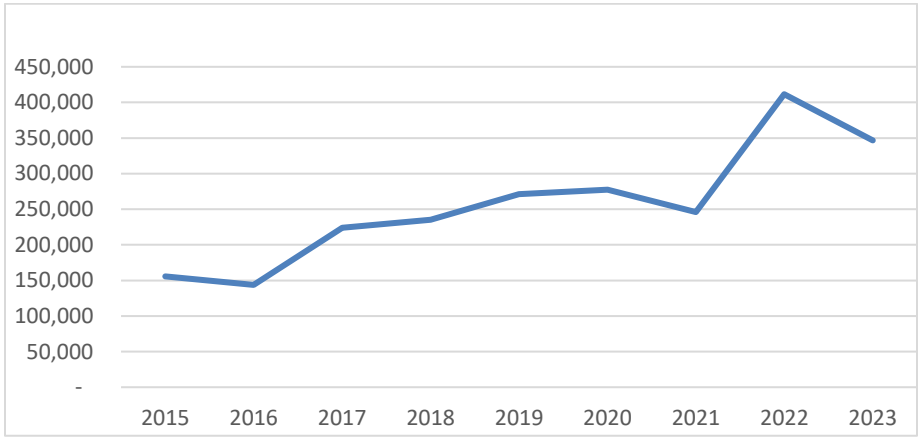
Report Highlights:

This report provides an overview of the New Zealand wine market as of the publication date. New Zealand imports wine from all over the world, indicating that consumers in the country are open to exploring various wine regions. 90% of New Zealand wine is exported to the U.S., the U.K., and Australia. The heavy reliance on these markets makes the New Zealand wine market extremely vulnerable to changes in international trade policies, shipping disruptions, and changes in market access.

SECTION I: MARKET OVERVIEW

New Zealand wine imports have declined in quantity and dollar value since 2022. The decline comes after a 67% increase in imported wine between 2021 and 2022. This rapid increase could be due to NZ distributors buying more stock from overseas as the shipping companies were severely disrupted during the post-COVID years. Distributers increased their stock holdings to avoid out-of-stock issues. Throughout 2023-2024, imported wine stock holdings are returning to “normal” levels, continuing the trend from 2016.

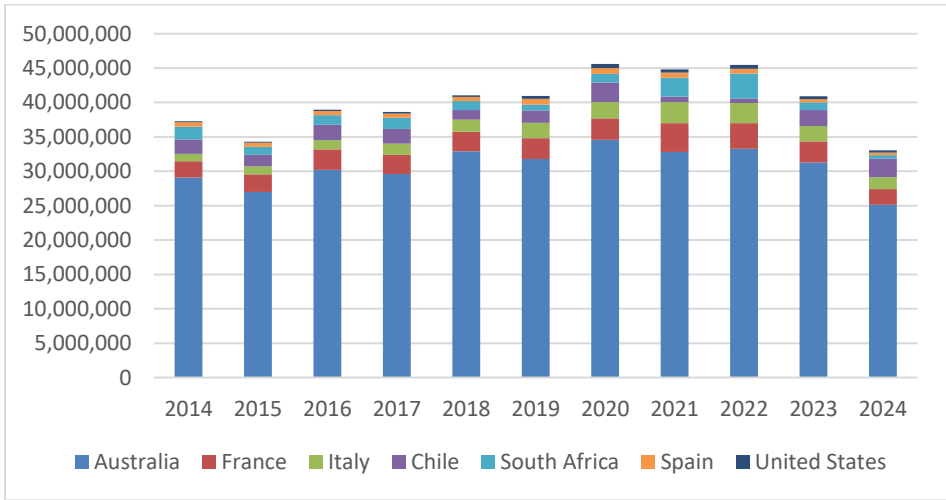
Graph One. Total NZ Wine Imports (Liters)



Source: Trade Data Monitor
Note: Data does not include fortified wine.

New Zealand wine imports from the United States fell 5.9 percent from 2022 to 2023, and industry experts expect it to decline further in 2024-25. However, there is potential to grow U.S. exported wine. Most NZ consumers associate wine from the U.S. with the “California Chardonnay,” which is associated with only a “big and buttery” flavor profile. This scares many consumers from even purchasing a U.S. wine because in addition to its relatively higher price point, it is more of a risk than a familiar locally produced wine. It is up to high-profile wine educators and influential stakeholders in the NZ market to help to change the mindset of NZ consumers and educate the local population about different regions, and the many different styles of U.S. wine.

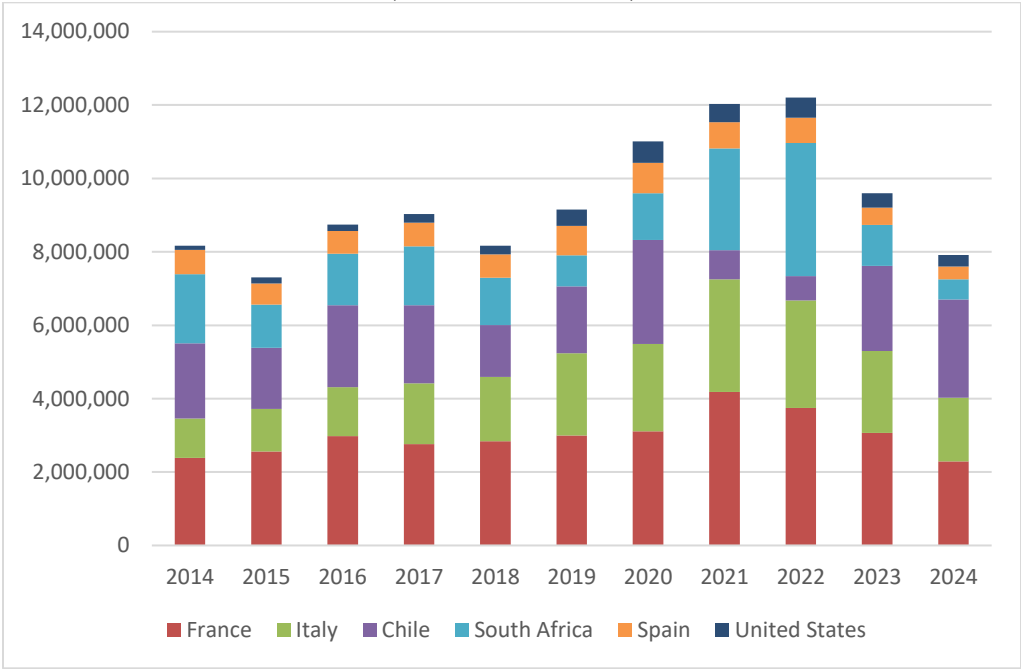
Graph Two. Wine Imports to NZ by Country (L)



Source: Trade Data Monitor
Note: Data includes fortified wine.

Wine imports from Australia far outweigh those from any other country due to its proximity which, compared to other countries, makes the Australian price per bottle on NZ wine shop shelves seem more affordable. The table below is the same as above, just with Australia removed.

Graph Three. Wine Imports to NZ by Country (L)
(Australia removed)



Source: Trade Data Monitor
Note: Data includes fortified wine.

New Zealand is an interesting market for imported wine. There is little variety for consumers to choose from, yet there is a curious market of consumers who are always looking for new and interesting wine. More recently, the consumption trend has veered towards minimal-intervention and “natural” wines – however the traditional and typical styles still hold their place in the market.

Table 1: Advantages and Challenges of the New Zealand Wine Market

Advantages	Challenges
Consumers opt for low-no alcoholic wines due to health concerns and the desire to drink less. Consumers are also tending more towards “natural wine”.	The strong U.S. dollar means that by the time the exported wine reaches NZ’s shores, it is very expensive in the NZ market.
Consumers look to expand their repertoire and actively seek new varietals.	In general, the wine market veers towards premiumization. That is, consumers want less cheap wine, and more expensive high-quality products.
U.S. wines currently in the NZ market are above \$30 a bottle, making them appear more premium because of their price point. This gives an opportunity for new brands that fall under this price point.	NZ’s locally produced wine is of high quality and has a good reputation. Incumbents could find it difficult to build the same respect in the market.
90% of domestic wine produced in NZ is exported meaning that most consumers have experienced consumption of an imported wine.	

Section 3: Vineyard and Winery Production

New Zealand has about six main wine regions, and grows about 20 different grape varieties in those regions. NZ wines, are generally, mostly single varieties with minimal to no blending.

New Zealand Harvest by Grape Variety (tonnes)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sauvignon Blanc	216,078	303,711	285,862	296,573	302,157	326,058	268,079	393,956	378,300	298,479
Pinot Noir	25,763	35,661	28,760	35,095	26,944	34,105	22,029	34,569	30,532	25,781
Pinot Gris	19,707	24,892	20,755	22,824	20,953	28,849	20,987	30,465	26,097	22,126
Chardonnay	27,015	29,162	26,843	26,371	25,729	27,568	23,507	29,762	22,528	19,150
Merlot	9,397	9,321	7,714	10,623	9,240	11,166	9,877	7,535	9,092	6,120
Riesling	4,535	5,937	3,880	3,776	4,776	4,510	4,407	5,024	6,001	4,125
Syrah	1,497	1,756	1,733	2,126	2,230	2,392	2,537	2,104	2,072	1,351
Cabernet Sauvignon	1,376	1,537	974	1,169	1,076	1,210	1,156	834	1,020	682
Sauvignon Gris		1,182	944	1,080	1,002	880	1,178	1,161	947	672
Gewurztraminer	1,761	2,221	1,047	976	834	1,167	707	1,179	766	648
Gruner Veltliner	228	276	253	329	347	369	275	490	546	398
Other Reds	457	677	401	456	506	522	540	526	444	375
Albarino				162	269	284	371	451	380	255
Malbec	586	483	697	782	741	793	535	663	656	234
Cabernet Franc	485	616	373	350	473	452	458	472	507	232
Semillon	425	466	249	385	304	292	289	263	215	176
Other Whites	1,294	727	824	250	232	271	144	193	128	173
Viognier	720	771	266	444	318	235	488	282	347	83
Pinotage	494	374	145	153	142	122	96	131	87	85
Muscat Varieties	301	329	450	323	200	234	33	84	27	31
Arneis	268	257	239	152	91	162	91	86	12	29
Total*	326,000	436,000	396,000	419,000	413,000	457,000	370,000	532,000	501,000	395,000

*Total includes a small number of varieties not listed in the dataset.

Source: New Zealand Wine Growers Annual Report, 2024

SECTION 4: Market Access

Imported wine to NZ is subject to tariffs, an excise tax set by the New Zealand Customs Service, and a Health Promotion Levy (HPA). Excises and Levies are usually adjusted annually around July. The table below indicates the current rates:

	HS Code	Tarriff	Excise (per L)	HPA Levy (per L)
Sparkling Wine	2204.10	5%	\$3.6905	\$3.7291
Wine of Fresh Grapes	2204.10	5%	\$3.6905	\$3.7291
Wine for Further Manufacture	2204.29	5%	\$3.6905	\$3.7291

It is also worth noting that goods imported and sold in New Zealand are liable for a 15% Goods and Services Tax (GST). GST is payable on the sum of the good's customs value, the import duty, the HPA levy, and freight and insurance costs.

All wine sold in New Zealand, including imported wine, must meet the labeling and composition requirements in the Australia New Zealand Food Standards Code, commonly referred to as "the Code".

In addition to the regulations in the Code, NZ has rules for grape wine label statements about variety, vintage, or country or area of origin. These rules are collectively known as the "85% rule". If a label states the wine is from a particular grape variety, vintage, or area, then at least 85% of that wine must be from that variety, vintage, or area. The 85% rule applies to wine labeled for retail sale. It does not apply to wine sold in bulk. Since statements about grape variety, vintage or area of origin are not mandatory on a wine label in New Zealand, any label that does not have this information is not subject to the 85% rule.

While there are no specific requirements for information on the front or back wine labels in New Zealand, front labels are reasonably straightforward. They typically contain the winery's name, the region, the varietal, and the vintage year. This universal approach affords New Zealand's export-oriented wine sector the flexibility and cost advantage of printing up back labels with the specific information required by the competent authority in New Zealand's many export markets.

Market Entry

The best way to enter the NZ market is through a wine distributor. These wine distributors have individual strategies and valuable market knowledge, which will allow an incoming wine brand to be well-supported and in the right category. Choosing the right distributor needs to be done in two ways. FAS Wellington Post recommends looking at the individual distributors portfolios to see if they are the right brand fit.

List of key wine distributors (that currently have U.S. wine in their Portfolios):

Caro's	Niche Wines
Dhall & Nash	Peter Maude
Eurovintage	Planet Wine
First Glass	Procure Wine
Hancocks	Red & White Cellar
Kemp Wine Merchants	Sanz Global
Lion	Stone Pony Wines
Negociants	

SECTION 5: New Zealand Wine Exports

90% of New Zealand wine is exported. The U.S., the U.K, and Australia are the top three export markets for New Zealand wine by value and volume making up 80% of total export volume. NZ wine exports are at risk of potential new trade policies, market access changes, and shipping disruptions. New Zealand wine exporters are constantly increasing overseas consumer demand due to quality and price points, encouraging sector growth while achieving profit. However, there is an air of uncertainty for the future. For example, the effect of imposing

additional taxes on NZ wine in overseas markets could increase the shelf price above a locally produced wine, potentially reducing demand through an uncompetitive price.

SECTION 6: Key Contacts and Further Information

Name	Function
NZ Customs Service	Governing body for setting excise levels
NZ Wine	Unified national winegrowers industry body
NZ Restaurant Association	Membership based association for NZ hospitality

Attachments:

No Attachments.