

THE STATE OF PLAY OF  
CHAMPAGNE  
IN THE UK



2020

TYSON STELZER

# Champagne's big challenges and opportunities

This is a particularly crucial and dynamic moment for champagne in the UK. Champagne is fast on the move and never before has an annual update been more pertinent.

No French wine region has been revolutionised over the past two decades as dramatically as Champagne. And no appellation has needed it more desperately. Champagne is a very different place to what it was 20 years ago, or even five years ago. The dynamic on the ground in Champagne is ever more complex, and changing rapidly. Champagne finds itself in a very difficult place climatically, politically and economically in 2021.

And yet, impossibly and triumphantly, Champagne is emphatically in the best place today that it has ever been. Not in spite of the rising challenges it is facing on so many fronts, but because of them.

Across the sweep of history, it has been during the eras of prosperity that Champagne has become notoriously complacent in its viticulture, lazy in its winemaking and tiresomely fabricated in its marketing, for which it has been widely and rightly chastised.

And it has been from times of hardship that Champagne has made its greatest advances. Almost a century ago, it was ultimately out of the crisis of phylloxera that Champagne's appellation system was born. The string of vintages that followed the region's obliteration during World War II rank among some of the greatest of the century. And the global financial crisis of the past decade provided the much-needed impetus for Champagne to get its supply and demand balance in order and rethink the expansion of its appellation.

Champagne's modern challenges in climate, politics and economics have not been insubstantial. In response, its top players have never worked harder and have never been stronger. Over the past decade, the region has entered a phase of fundamental change in the way its grapes are grown and sourced, the way its wines are made, how its companies are structured and even how and where its cuvées are sold.

And then came the pandemic, with repercussions that shook no wine category more dramatically than sparkling, and no region more emphatically than Champagne.

*In Crisis* was the title for the introduction to *The Champagne Guide 2020-2021*, written long before Covid-19. How dramatically the champagne world has shifted!





# CHAMPAGNE IN THE UK THE STATE OF PLAY IN 2020

NINETEEN  
YEAR LOW  
21.3 MILLION  
BOTTLES IMPORTED



2<sup>ND</sup> LARGEST  
CONSUMPTION  
PER HEAD OUTSIDE  
CONTINENTAL  
EUROPE



DOWN  
**21.7% BY  
VOLUME**  
AND 21.9%  
BY VALUE  
ON 2019

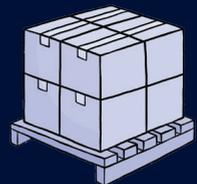


OVERTOOK  
BELGIUM IN  
EX-CELLAR  
**VALUE**

2<sup>ND</sup> HIGHEST  
AVERAGE  
EX-CELLAR  
VALUE EVER



NV & ROSÉ  
SALES ARE  
JUST AHEAD OF  
WORLD AVERAGES





LOWEST  
COOPERATIVE  
IMPORTS  
SINCE 2000



COOPÉRATIVES  
OUTSELL GROWERS 11 TO 1



RECORD  
LOWEST GROWER  
IMPORTS  
THIS CENTURY

GROWER SHIPMENTS  
16X LESS  
THAN WORLD AVERAGE



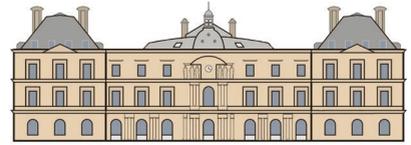
RECORD  
SMALLEST NUMBER OF  
HOUSES  
IMPORTED  
IN FIVE YEARS



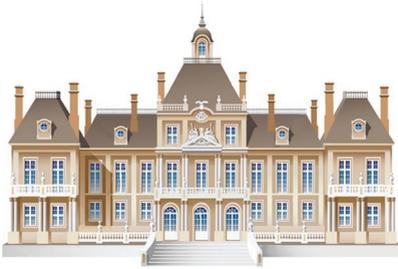
VINTAGE  
IMPORTS  
UP 18.1%

# OF CHAMPAGNE'S TOP TEN MARKETS IN 2020, THE UK:

HOLDS ITS POSITION AS  
**FRANCE'S BIGGEST  
EXPORT MARKET**  
BY VOLUME OF IMPORTS



**IMPORTS MORE  
COOPÉRATIVE CHAMPAGNES**  
BY VOLUME THAN ANY OTHER



IMPORTS ONE OF THE  
SMALLEST NUMBER OF  
**CHAMPAGNE HOUSES**

**IMPORTS LESS  
GROWER CHAMPAGNES**  
BY VOLUME THAN ANY OTHER



RANKS AMONG  
THE HIGHEST IN  
NON-VINTAGE  
& ROSÉ IMPORTS



RANKS EQUAL THIRD  
ALONGSIDE AUSTRALIA  
FOR VINTAGE

RANKED AS  
**5<sup>TH</sup> LARGEST  
MARKET**  
PER HEAD OF POPULATION



IS SET TO BE  
**OVERTAKEN  
BY THE USA**  
NEXT YEAR AS THE  
BIGGEST EXPORT MARKET



HAS ONE OF  
THE LOWEST  
AVERAGE  
**SPENDS**  
PER BOTTLE

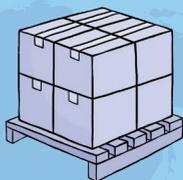
RANKS AMONG THE LOWEST IN  
**PRESTIGE & LOW DOSAGE**



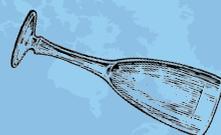
# CHAMPAGNE GLOBALLY 2020



244.1 MILLION  
BOTTLES SHIPPED  
DOWN 17.9%



FRANCE  
UK & US  
DOWN 20%



TURNOVER  
€4.2 BILLION  
DOWN 16.7%



JAPAN  
DOWN 25%

EUROPEAN UNION  
RECORD  
27.1% BY VOLUME

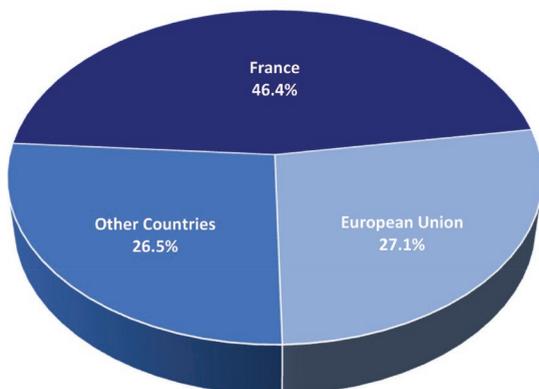


COOPÉRATIVES  
DROP  
FROM 9.2% TO 8.6%  
OF SHIPMENTS



## CHAMPAGNE REMAINS FRANCE'S MOST LUCRATIVE WINE EXPORT

CHAMPAGNE SHIPMENTS BY VOLUME 2020



## EXPORTS UP

OUTSIDE FRANCE NOW  
53.6% BY VOLUME  
& 61.0% BY VALUE

THE US, THE UK AND JAPAN – THE THREE BIGGEST CHAMPAGNE EXPORT MARKETS – POSTED A MAJOR DROP IN SALES VOLUMES IN 2020. HOWEVER, THIS DROP WAS MITIGATED BY THE RELATIVE RESILIENCE OF TRADITIONAL MARKETS IN CONTINENTAL EUROPE. THERE WAS ALSO SIGNIFICANT GROWTH IN THE AUSTRALIAN MARKET.

– CHARLES GOEMAERE, DIRECTEUR GÉNÉRAL, COMITÉ CHAMPAGNE

## Champagne in a global pandemic.

Champagne is the beverage of celebration, of gatherings, receptions, airlines and travel. With the onset of lockdowns in April 2020, global champagne shipments plummeted by 68% and again in May by 56%, followed by almost equally acute rises of 50% between April and June. By July, forecasts for worldwide shipments for the year were down a dismal 100 million bottles, one-third of annual sales.

When the final figures for 2020 landed, champagne showed much more resilience in the wake of the pandemic than anyone had expected. Shipments in 2020 totalled 244.1 million bottles, down just 17.9% on 2019. Domestic sales were down 19.9% and exports 16.1%. Champagne was France's hardest hit wine category, with wine exports decreasing across the board by just 5.1% in volume. Champagne turnover dropped 16.7% from €4.9b to €4.2b in 2020. Turnover in France dropped 17.9% to €1.6b while exports dropped 15.9% to €2.6b. Such was the strength of champagne that it nonetheless remained France's most lucrative wine export, accounting for 30% of the total value of wine exports.

For the third consecutive year, champagne exports exceeded domestic consumption – and the gap widened, with exports accounting for 53.6% by volume and 61.0% by value. The three biggest champagne export markets posted major drops, with the United States down 18.8%, the United Kingdom 21.7% and Japan an acute 24.5%.

With the exception of Australia's solid growth, and a small rise in shipments to South Korea, it was the traditional markets of continental Europe that largely picked up the slack. Sweden was up 1.0%, Denmark 2.0%, Russia 9.7%, Netherlands 14.5%, Norway 18.4% and the tiny Lithuanian market 78.0%. The Comité Champagne credited the rise in online sales for mitigating the drop in on-premise and traditional sales.

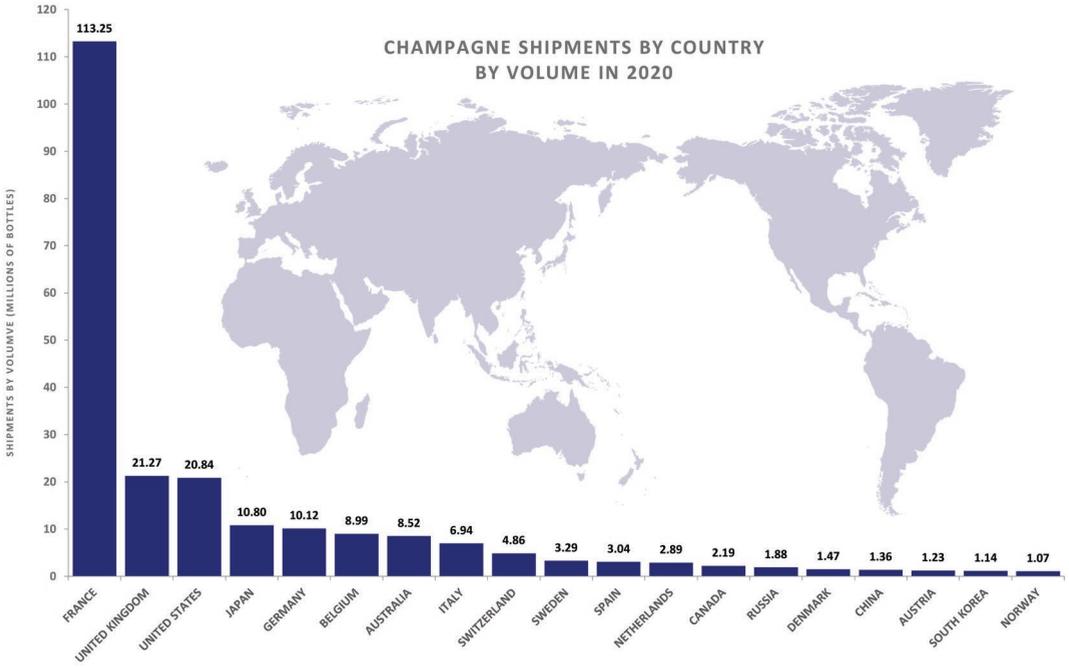
Trends in champagne categories proved difficult to track in 2020 against the backdrop of sharp declines in every sector. But, for what it's worth, non-vintage cuvées retained their market share (down 16.7% in volume), while prestige cuvées posted the biggest decline (25.1%), followed by low dosage (down 20.1%), rosé (down 14.4%) and vintage and high dosage champagnes (each down just 9.6%). Houses and growers increased their market share fractionally in 2020, at the expense of coöperatives, whose presence dropped from 9.2% to just 8.6% of global shipments.

The UK held its position as Champagne's biggest export market by volume, though the US closed the gap, tracking just 2% behind in 2020.



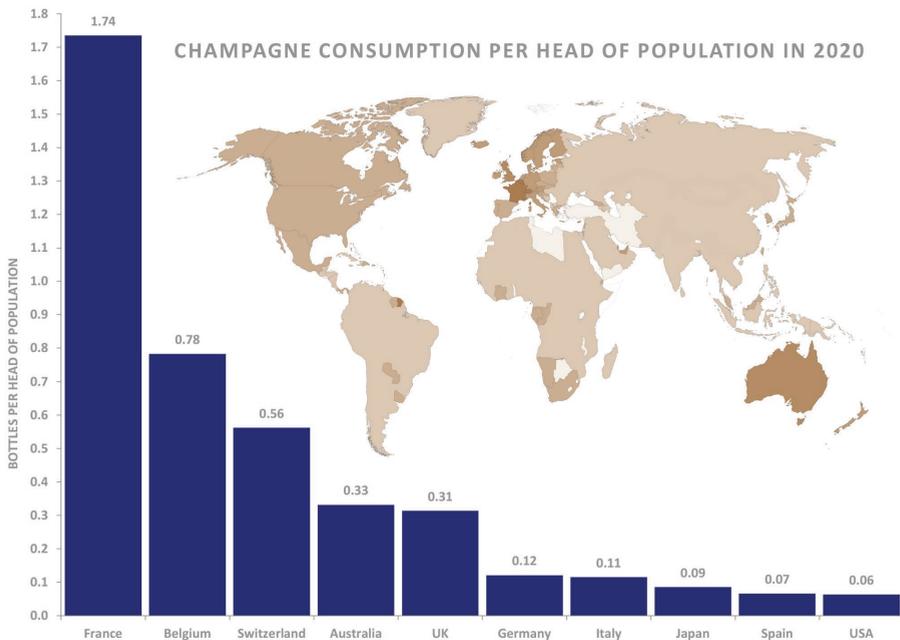
# Champagne's top ten markets

In spite of a decline in shipments of 21.7%, the United Kingdom held its position as Champagne's biggest export market by volume in 2020, though the United States closed the gap, now just 2% behind.



# Remarkable consumption

In 2020, the UK ranked as the fifth largest champagne market per head of population, overtaken by Australia for the first time as the biggest outside of continental Europe. Brits now consume roughly three times as much champagne as Germans, Italians and Japanese, more than four times that of the Spanish, and more than five times that of Americans.



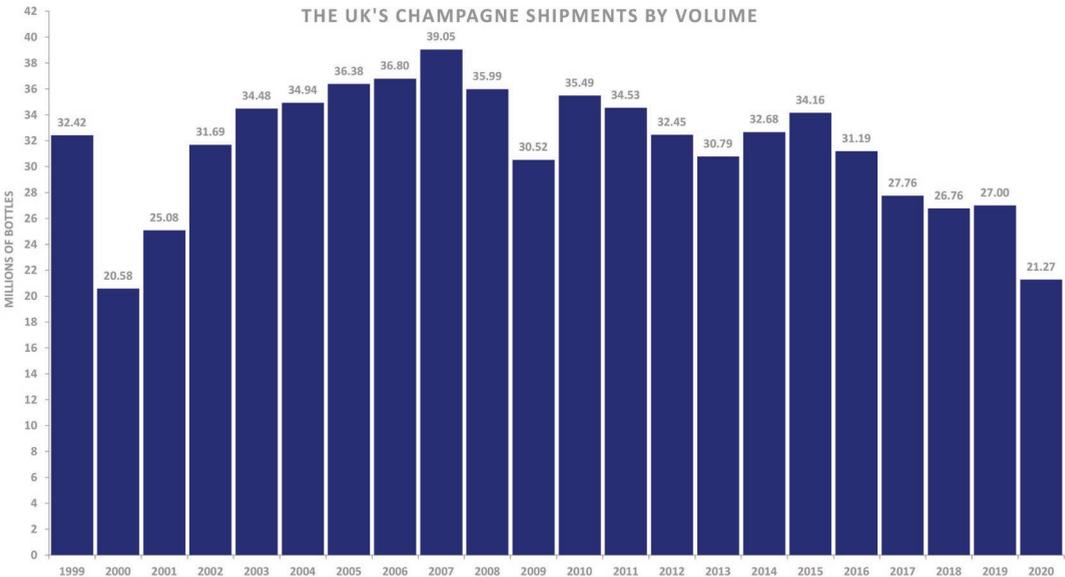
# Champagne in the UK: Losing its sparkle?

The UK held its position as France's biggest export market by volume in 2020, in spite of a 21.7% drop to 21.3 million bottles, the lowest since 2000. This continued a general downward trend since the onset of the global financial crisis in 2007, exacerbated since the announcement of Brexit in 2016.

While declines over the previous five years were attributed largely to a drop in supermarket sales, the impact of the pandemic had the opposite effect in 2020. Despite slow sales in spring, sales picked up in UK wine merchants and supermarkets over summer and toward the end of the year, with supermarket sales increasing by 6.1% to 9.8 million bottles across the year, as consumers switched to drinking at home when hotels and restaurants were closed.

With a drop in ex-cellar value of 21.9% to €338.2 million, the UK holds its position as the second most lucrative export market, though turnover is now tracking 48.4% behind that of the US (at €501.9 million).

After considerable uncertainty around the date and terms of Brexit, the EU-UK Trade and Cooperation Agreement guaranteed exemption from custom duties, meaning there should be little impact on exports.



Statistics compiled by Tyson Stelzer from data presented in *Les Expéditions de Vins de Champagne en 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009 and 2008, Comité Champagne.*

# Champagne houses, growers and coopératives globally

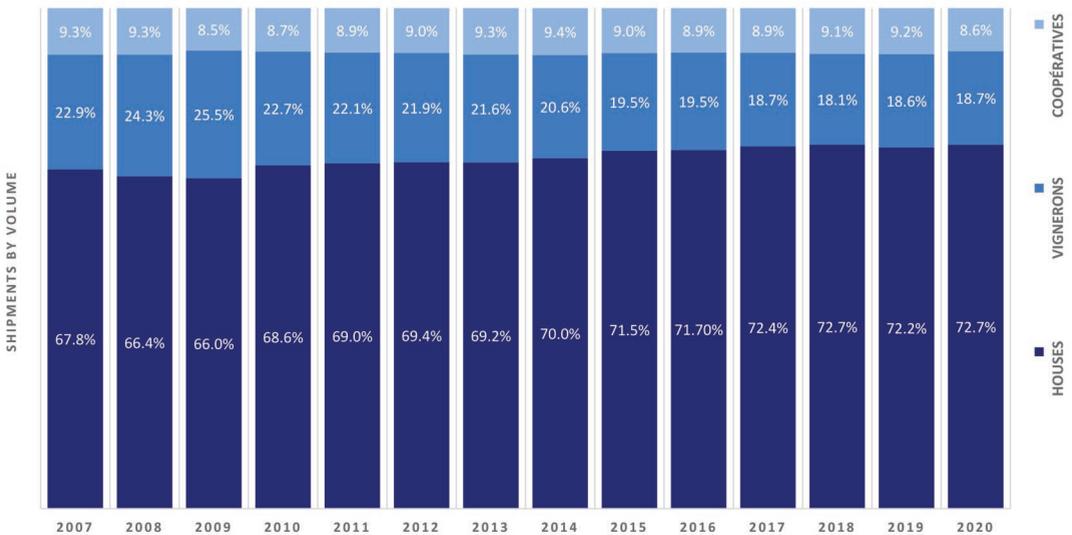
While every sector experienced sharp decline in volume and value in response to the pandemic and its repercussions, houses and growers increased their market share fractionally in 2020, at the expense of coopératives, whose presence dropped from 9.2% to just 8.6% of global shipments.

In 2020, houses shipped 72.7% of the volume and 77.8% of the value of champagne (€3.27b), growers 18.7% of volume and 15.2% of value (€638M), the remaining 8.6% and 7.0% (€294M) respectively accounted for by coopératives.

2020 saw grower sales of just 45.5 million bottles. The long-term trend is revealing, as just 12 years ago in 2009, growers sold 78.5 million bottles, almost one-quarter of all champagne sales, as Champagne moves toward a steadily increasing dominance by its houses.

This trend is exacerbated by the increasing number of top growers who are relinquishing their grower title to assume the flexibility of négociant status.

**THE CHANGING BALANCE OF CHAMPAGNE**

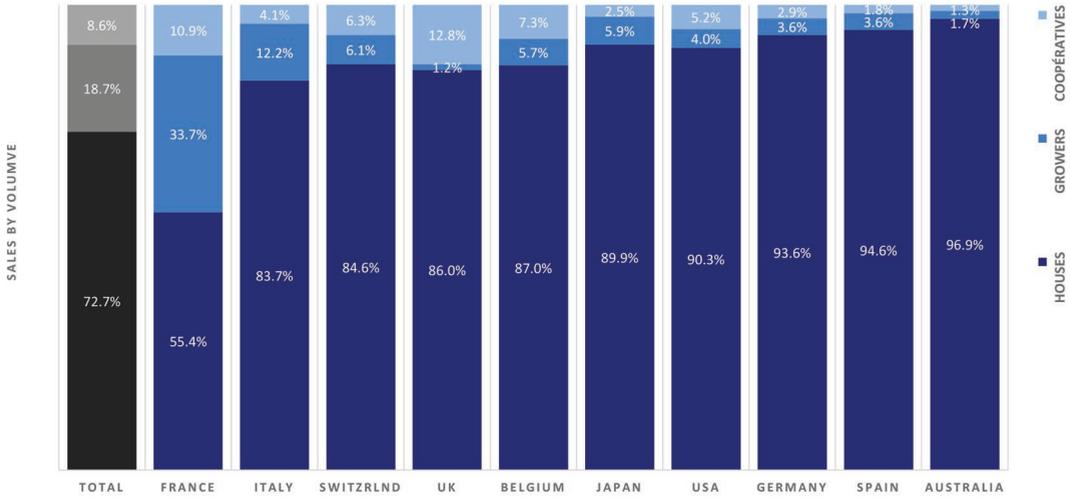


# Champagne houses, growers and coopératives in the UK

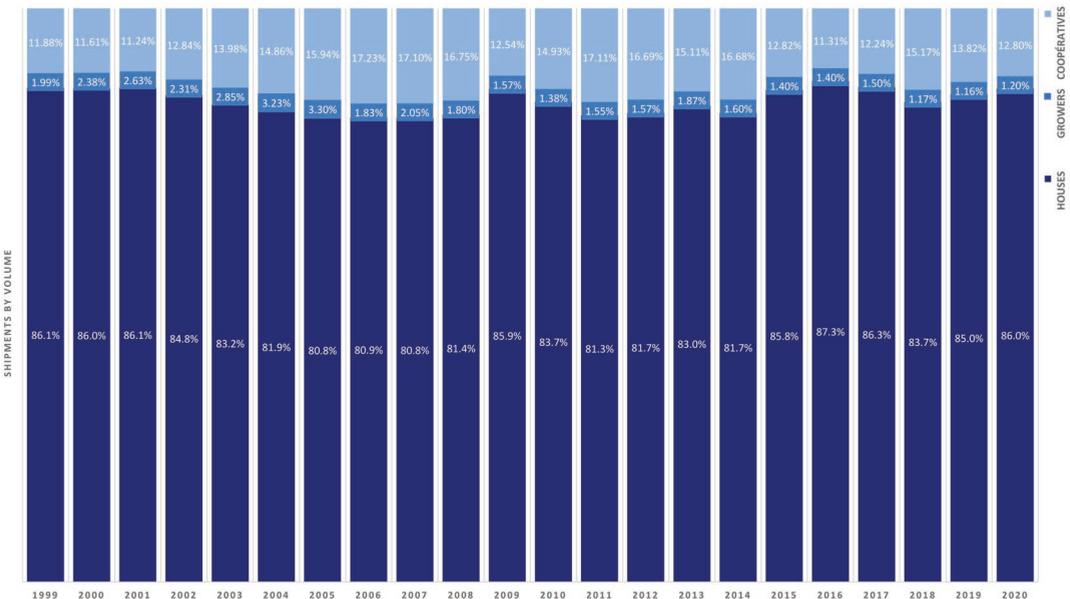
In 2020, coopératives dropped to 12.8% of UK champagne imports by volume, the smallest in three years. Nonetheless, this still representing the largest market share of champagne's top ten markets.

Grower shipments grew to 1.2% of UK champagne shipments, the highest in three years, though still the smallest of champagne's top makets and sixteen times less than the global average (18.7%). Coöperatives now outsell growers 11 to one in the UK.

CHAMPAGNE SHIPMENTS BY CATEGORY IN 2020

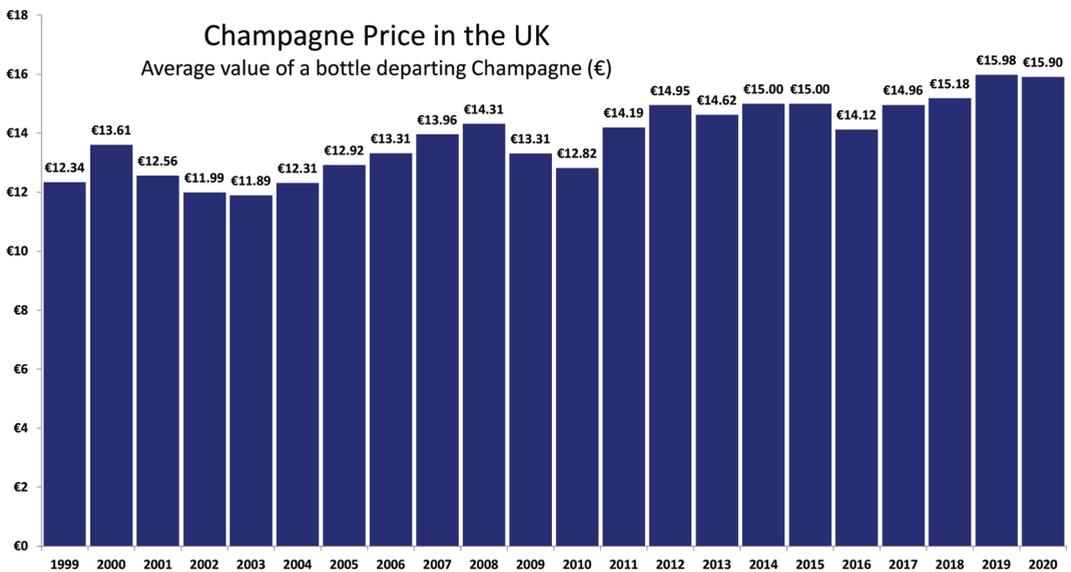
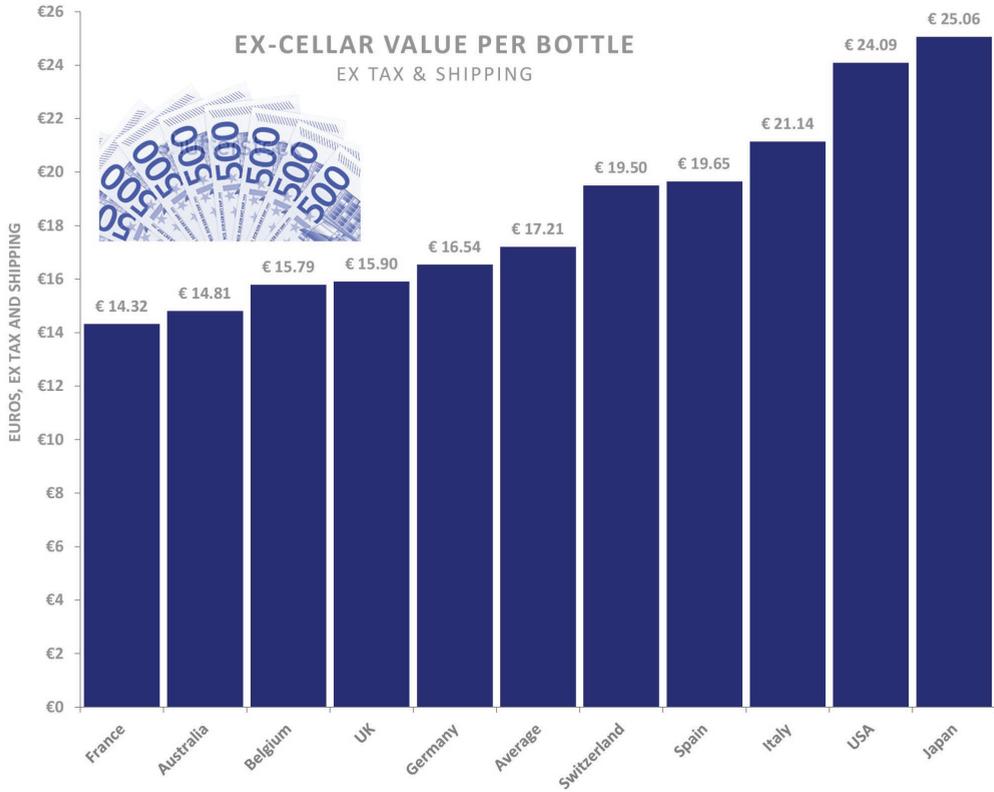


THE CHANGING BALANCE OF CHAMPAGNE IN THE UK



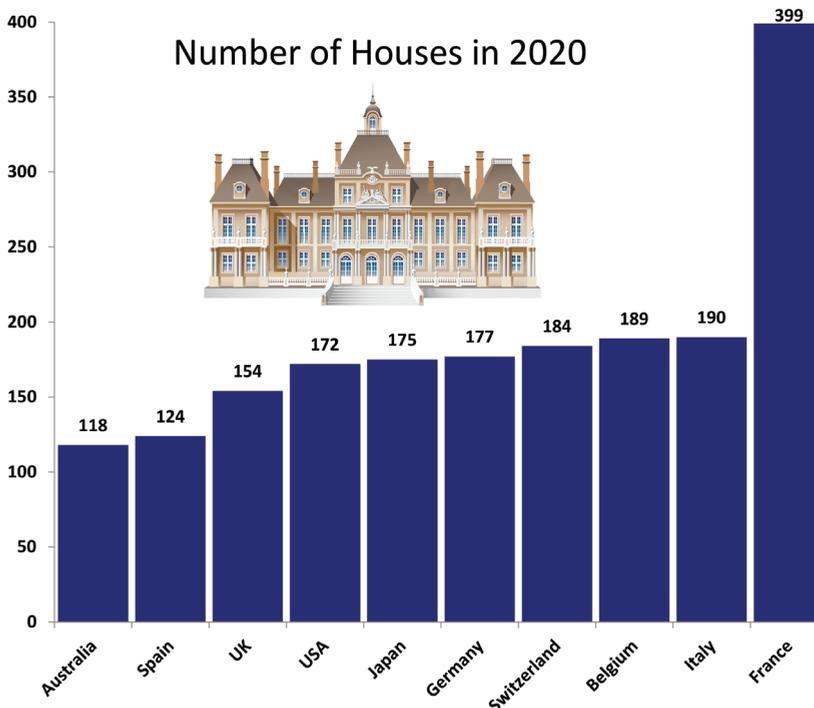
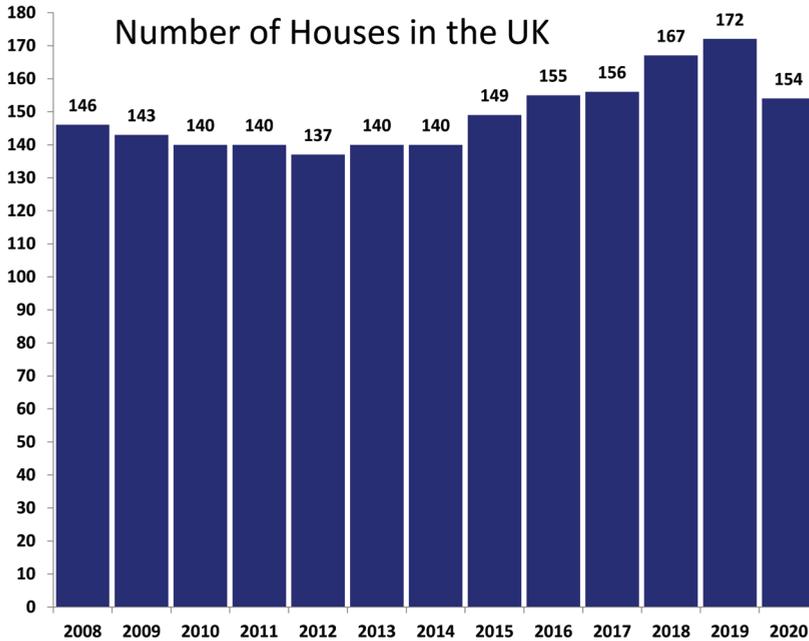
# Depressed values

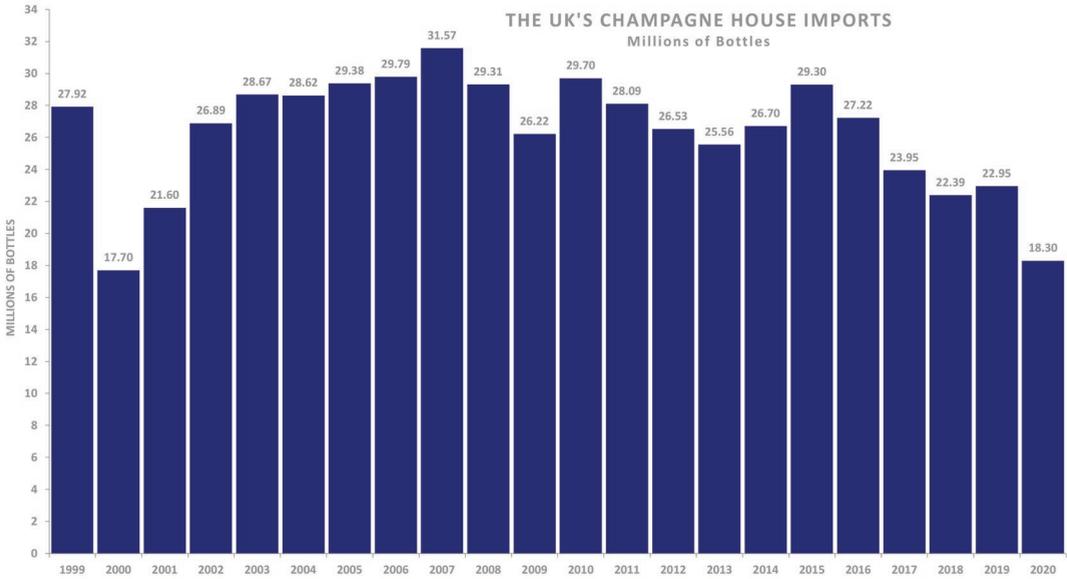
Of Champagne's top ten markets, the UK's average spend per bottle remains among the lowest, though overtook Belgium in 2020. A general upward trend over the past two decades saw 2020 record the second highest ex-cellar value in history.



## Limited house diversity

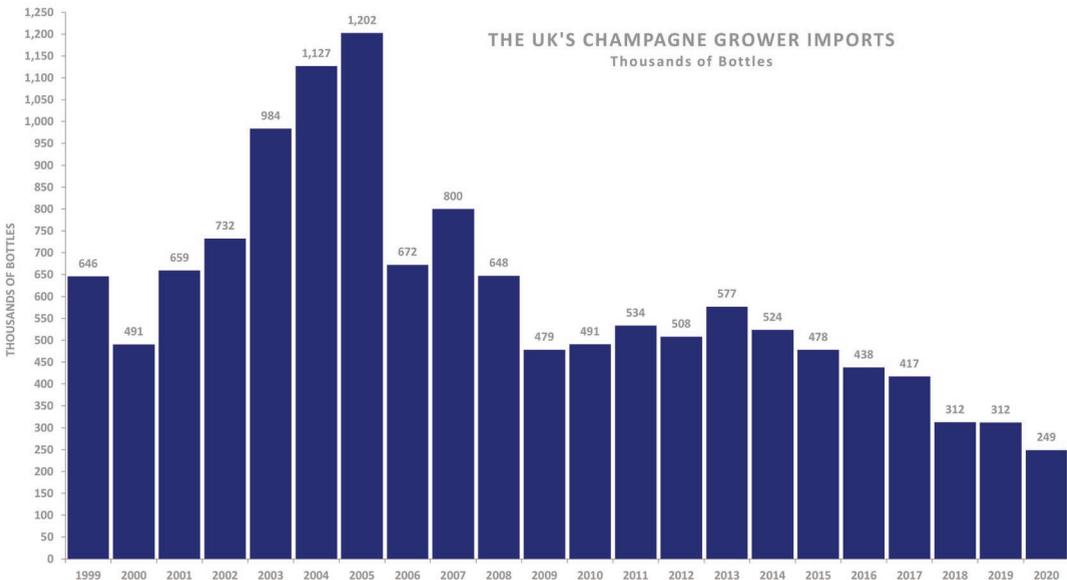
Of Champagne's top ten markets, the UK offers one of the smallest representations of houses, just 154 of a total of 399 houses, a drop from 172 in 2019 to the lowest number since 2015. UK consumers have access to a smaller range of champagne houses than any other major champagne market besides Spain and Australia.

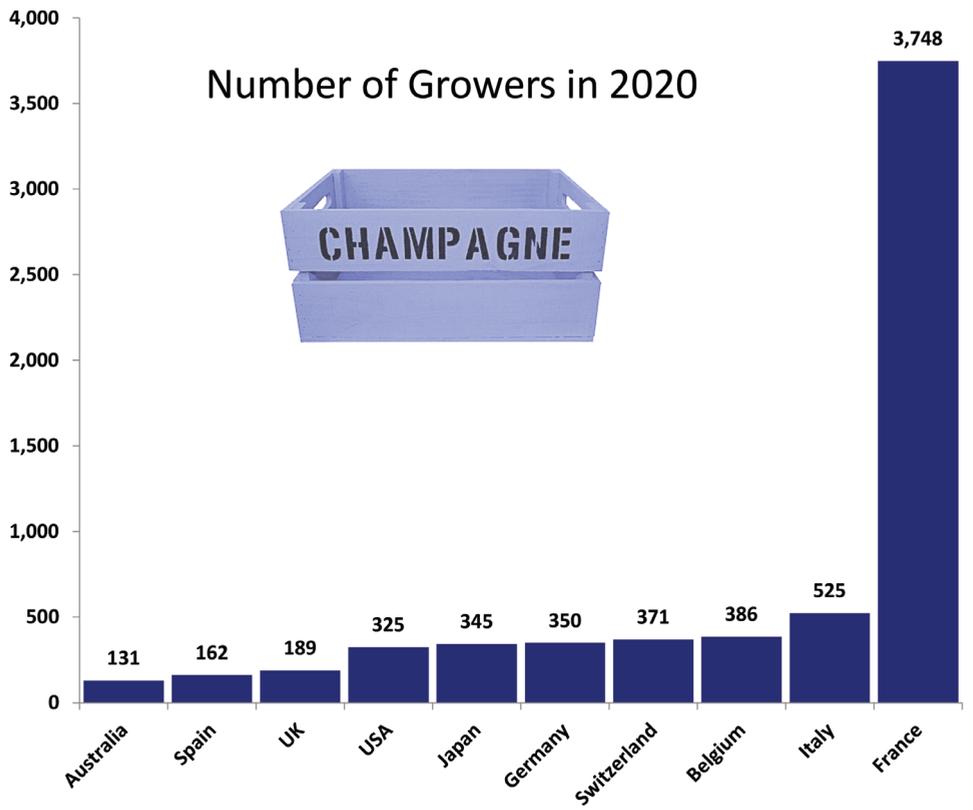
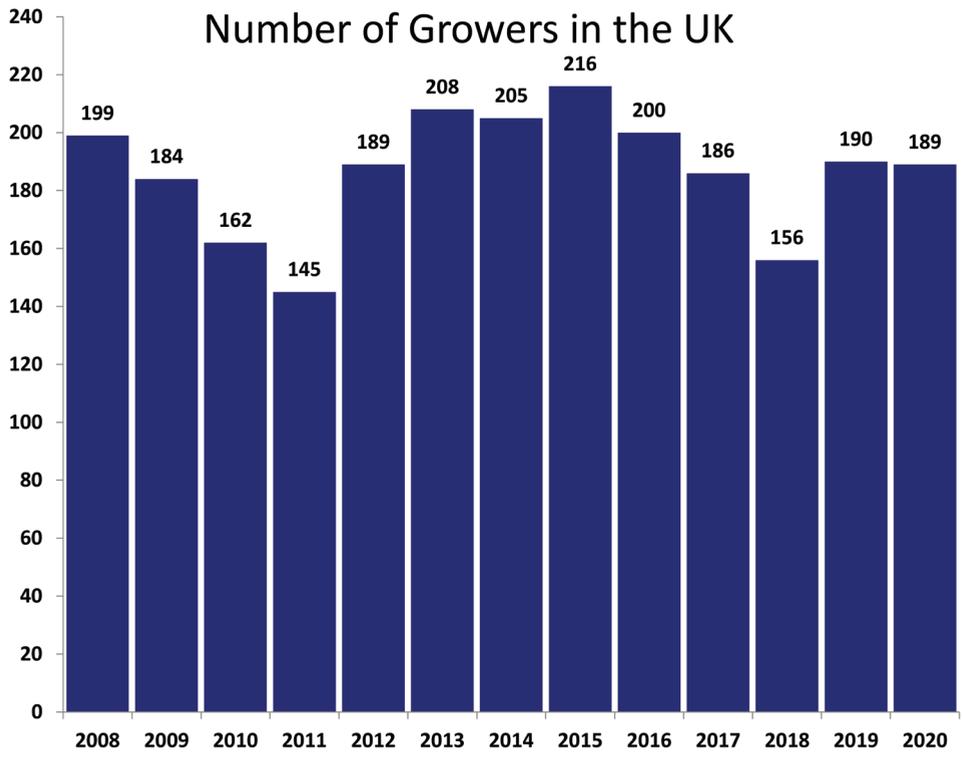




## Growers hit a record low

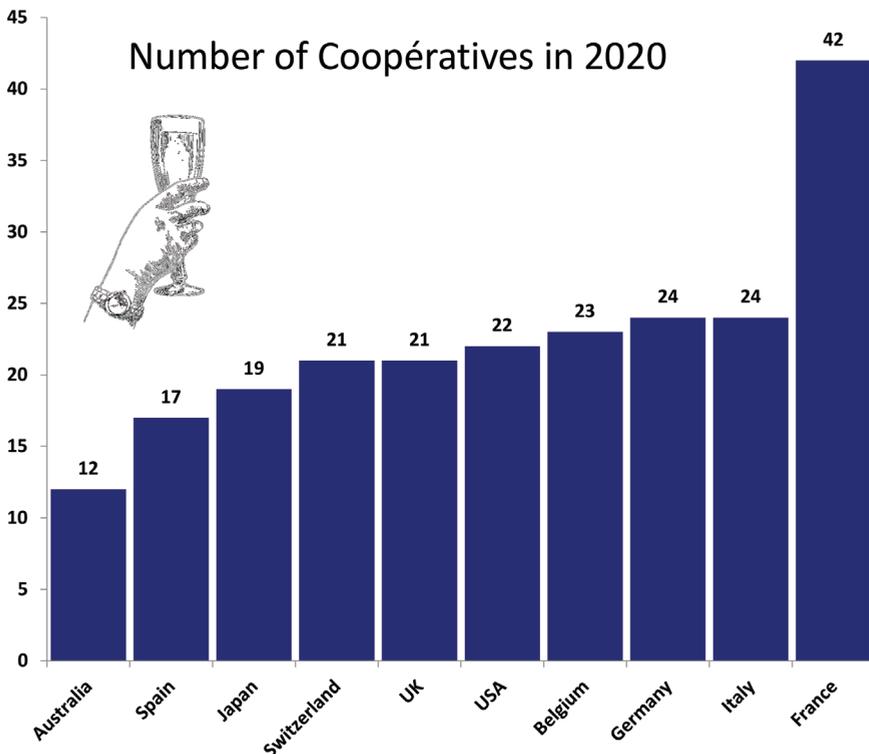
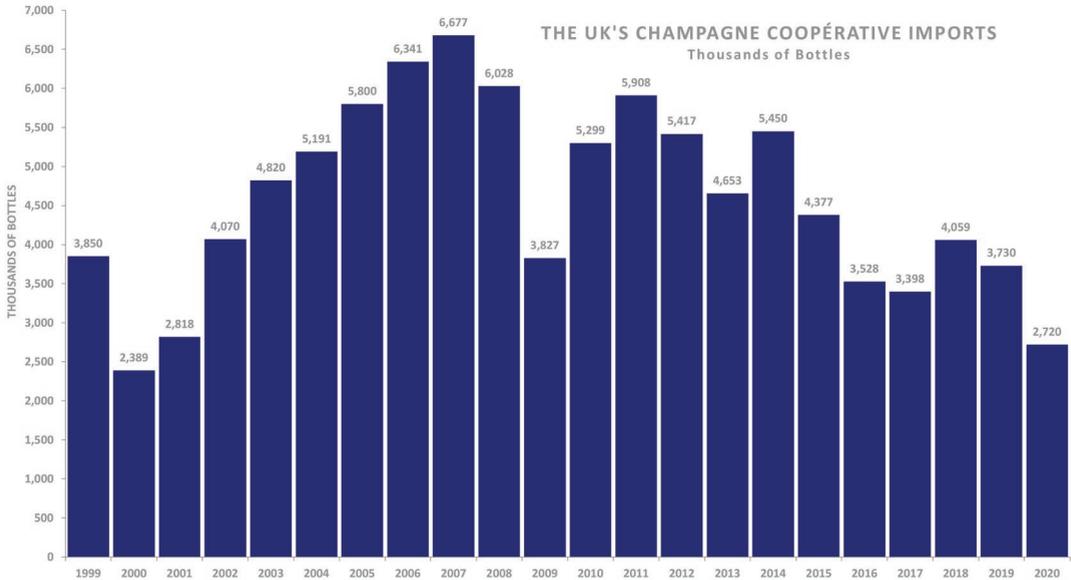
In 2020, the UK set a new record for the lowest level of grower imports in recent history, a drop of more than 20% on 2019 and barely one-fifth of what it was in its heyday of 2005. However, this does represent the highest market share for growers in three years, having claimed some market share from co-operatives during the pandemic. Grower diversity in the UK has remained relatively stable at 189 of a total of 3,748 growers landing in 2020. The UK remains third after Australia and Spain for its lack of grower diversity. Italy imports less than one-third of the champagne of the UK, yet enjoys access to more than 500 growers.



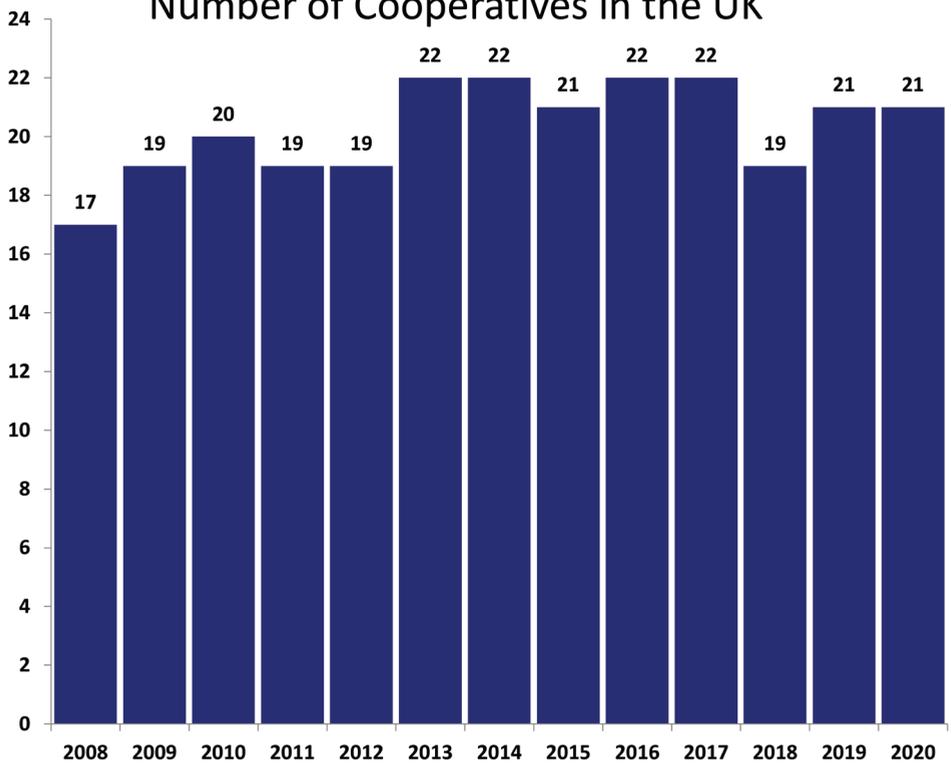


## Limited coopérative diversity

Coopératives in the UK enjoy the largest market share of champagne's top ten markets, even after a drop to 12.8% of champagne shipments, the smallest market share in three years and the lowest volume since 2000. Coopératives now outsell growers in the UK II to one. The number of coopératives imported remains stable at 21, placing the UK around the middle of champagne's top export markets in its diversity of coopératives.

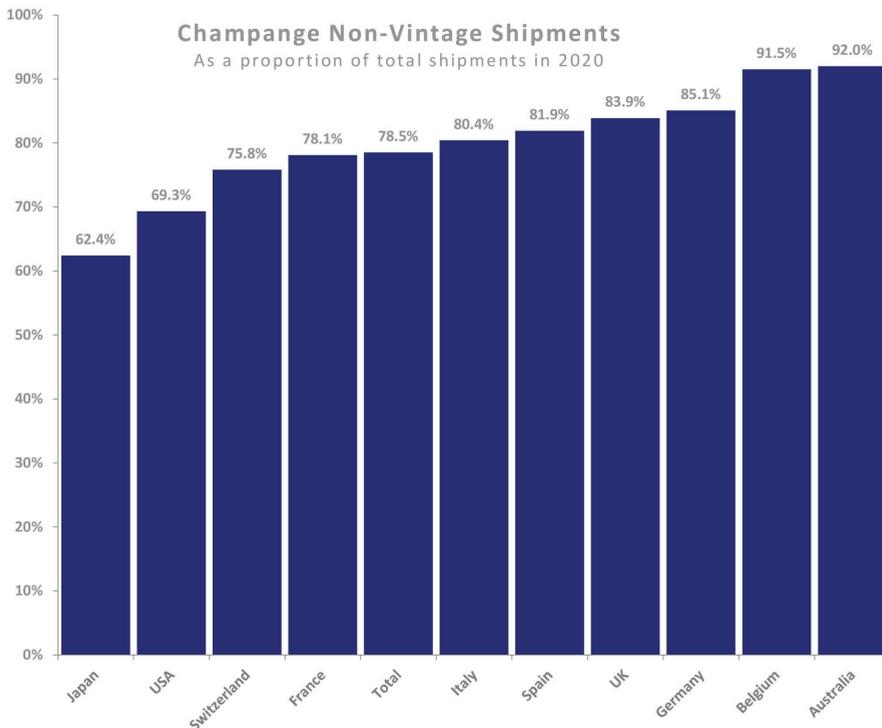
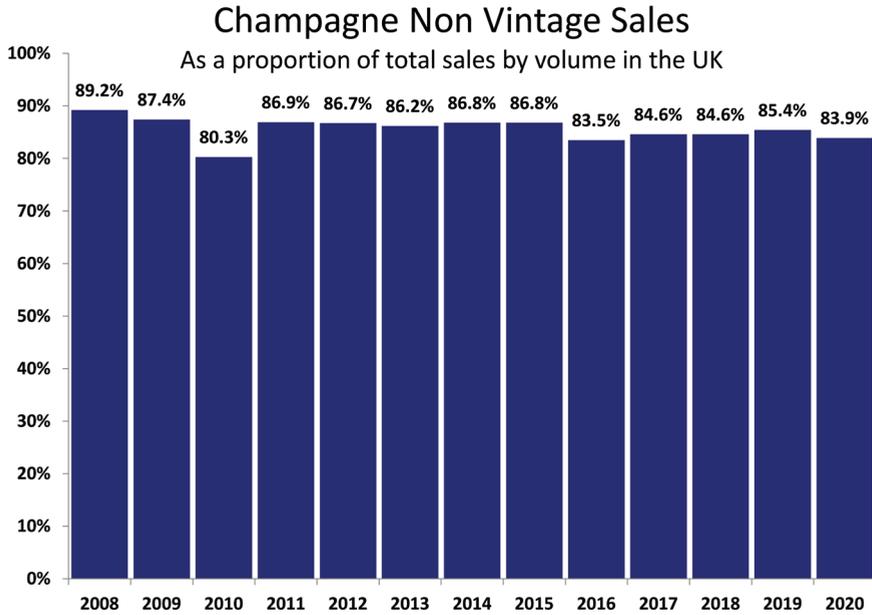


# Number of Coopératives in the UK



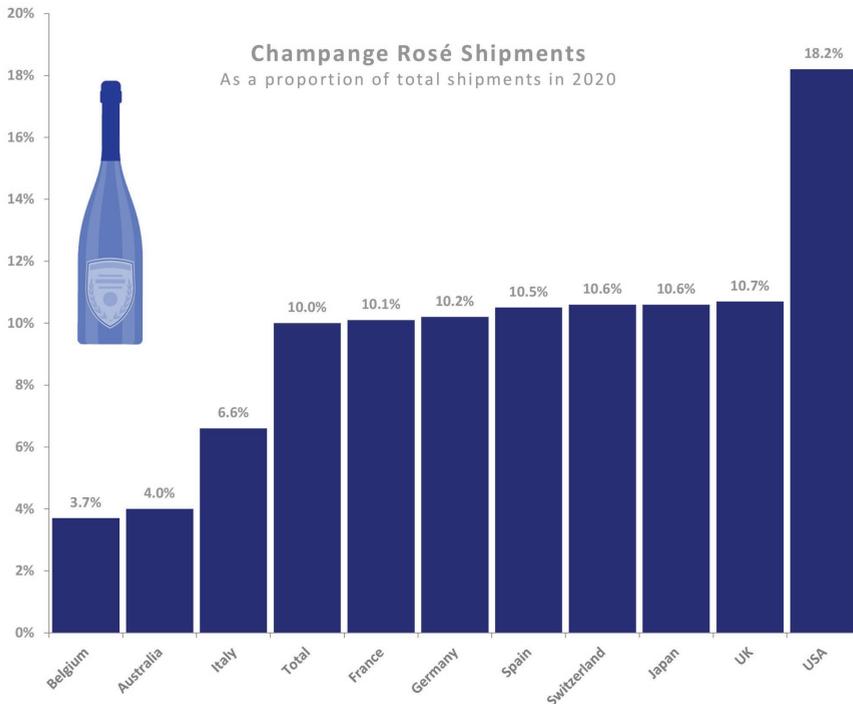
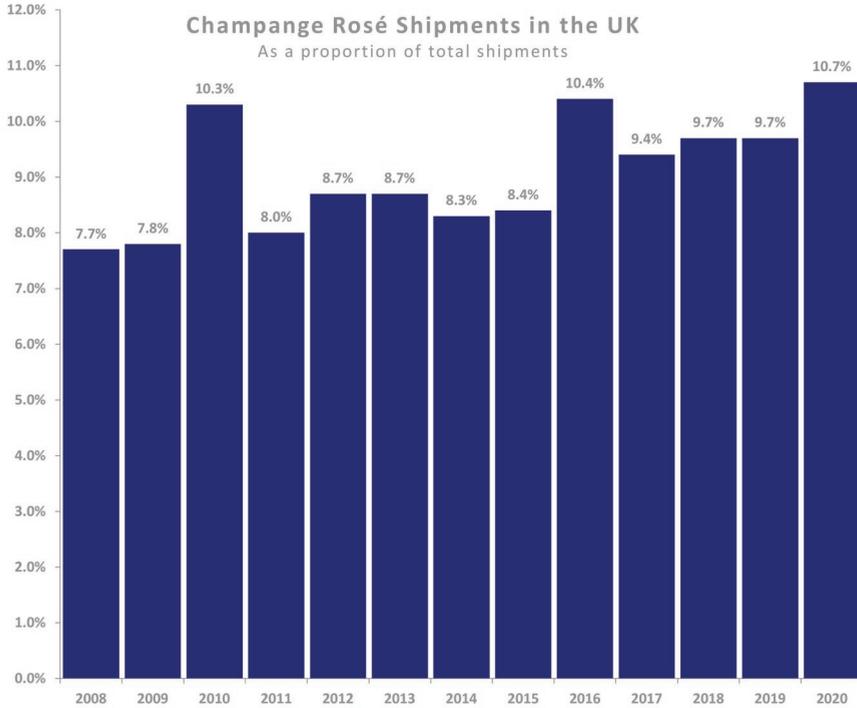
# Non-vintage preoccupation

Of Champagne's top ten markets, the UK's non-vintage focus is higher than average. For every 20 bottles of champagne sold in the UK, almost 17 are non-vintage. On average across all markets, it's less than 16 in 20. In Japan, it's less than 13. The UK's preoccupation with non-vintage has long fuelled its champagne obsession, and it's encouraging to see signs of a modest swing over the past decade to embrace the wonderful diversity of champagne and discover vintage, rosé and prestige. Non-vintage experienced its smallest market share in four years in 2020.



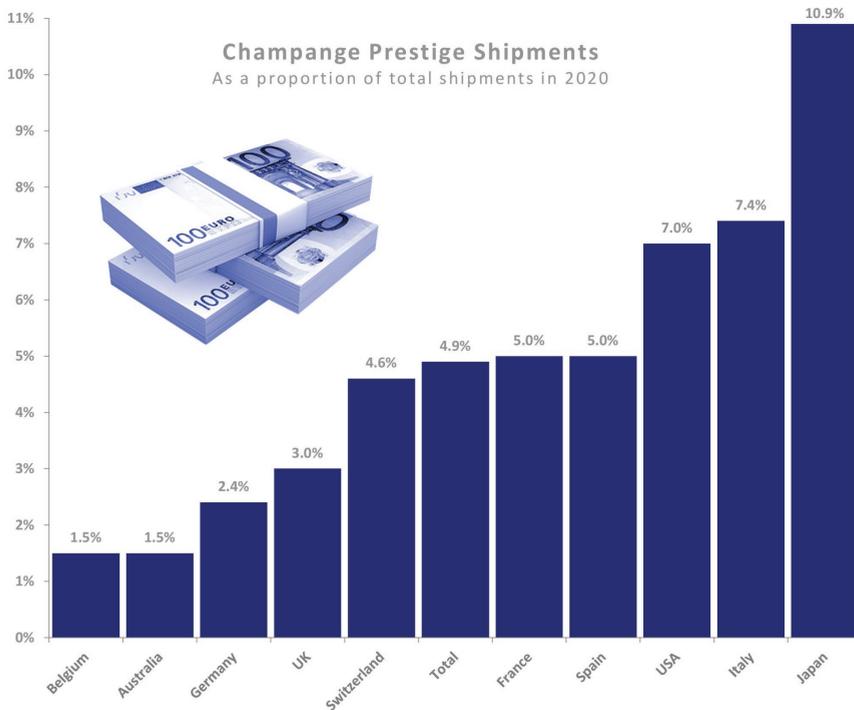
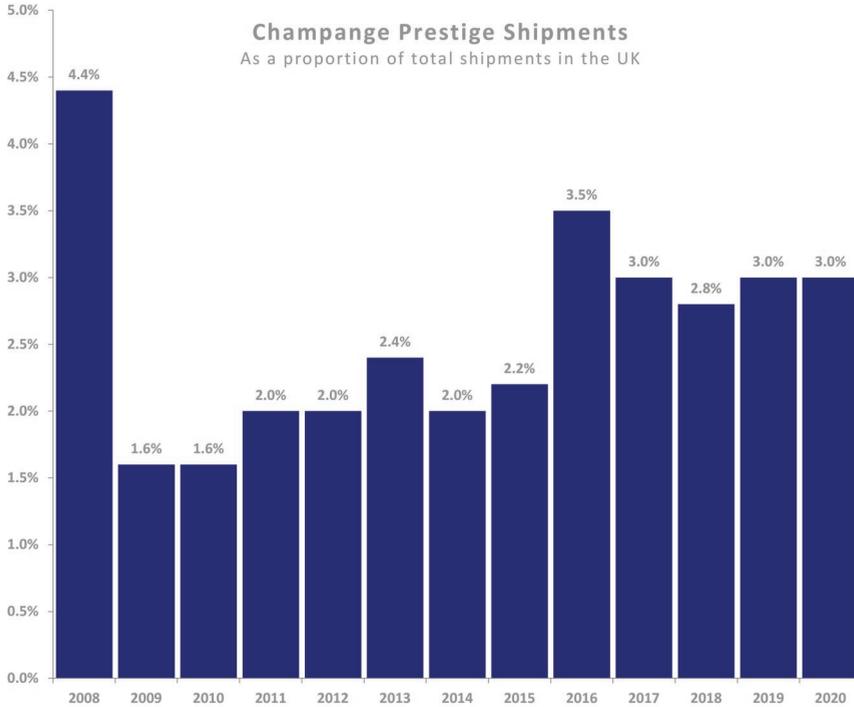
# Rosé on form

The UK's champagne's rosé imports continue a strong growth trajectory, hitting a record 10.7% of market share by volume (2.3 million bottles) in spite of a 12.8% drop in shipments in 2020. Across all its markets, one in ten bottles of champagne is now rosé. This puts the UK ahead of the global average and second only to the USA (which upholds a very strong lead of 18.2%).



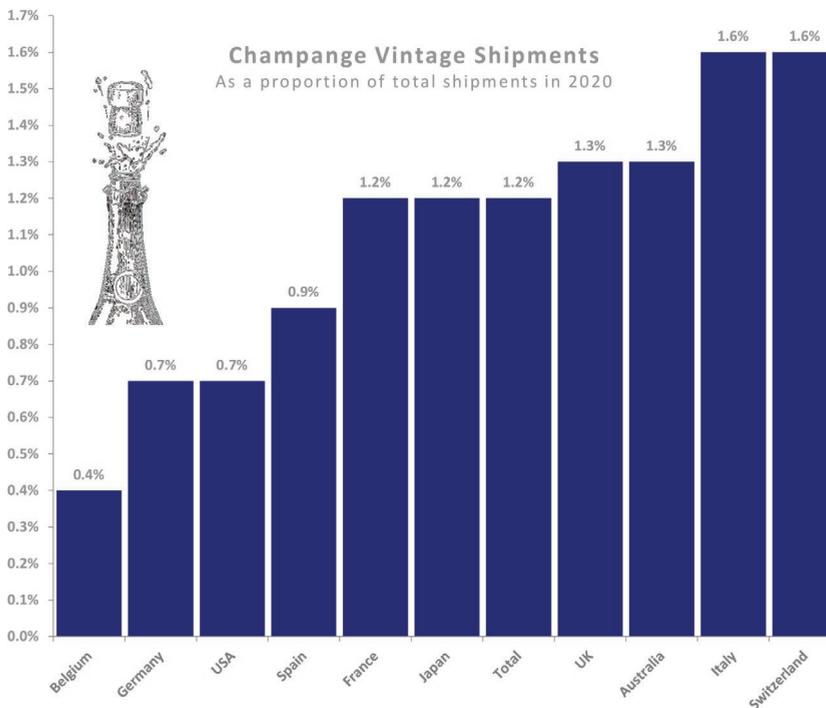
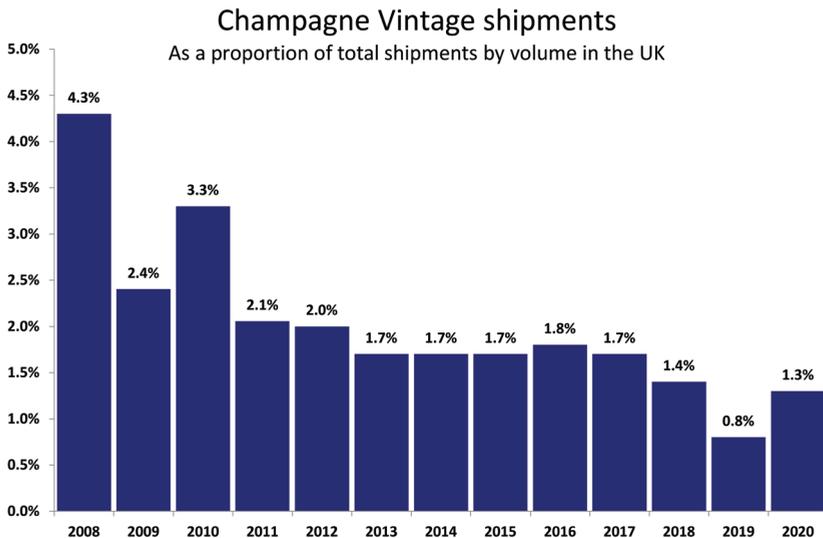
# Prestige stability

Prestige champagne held its market share through the pandemic, despite a dramatic crash in 2009 in the aftermath of the GFC, and again in the wake of the announcement of Brexit in 2017. Today, prestige represents fewer than one in 33 bottles of champagne popped in the UK. Only Belgium, Australia and Germany are lower. Globally, a little under one in twenty champagnes are prestige. In Japan, one in nine.



# Vintage recovery

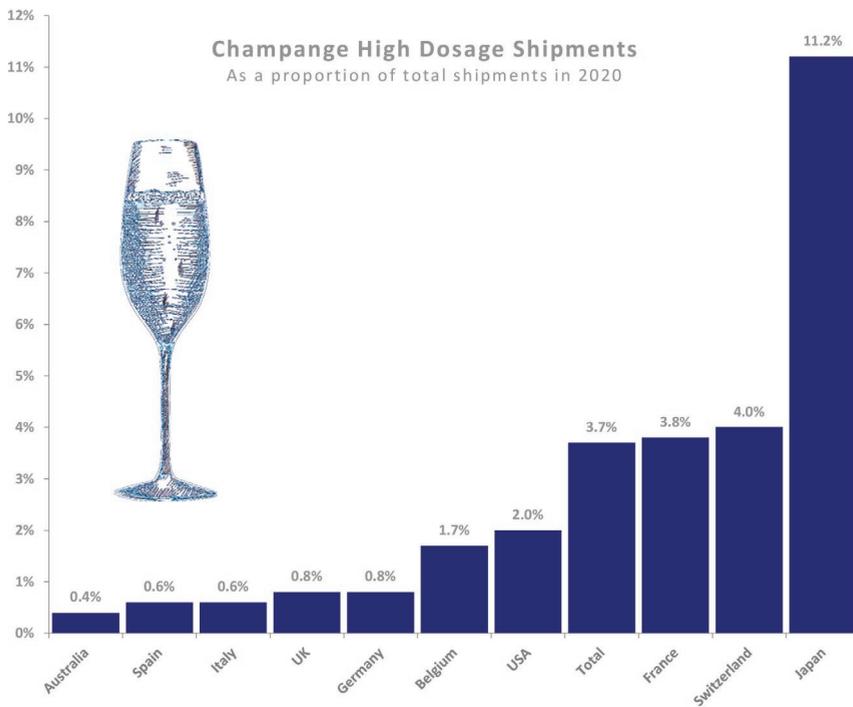
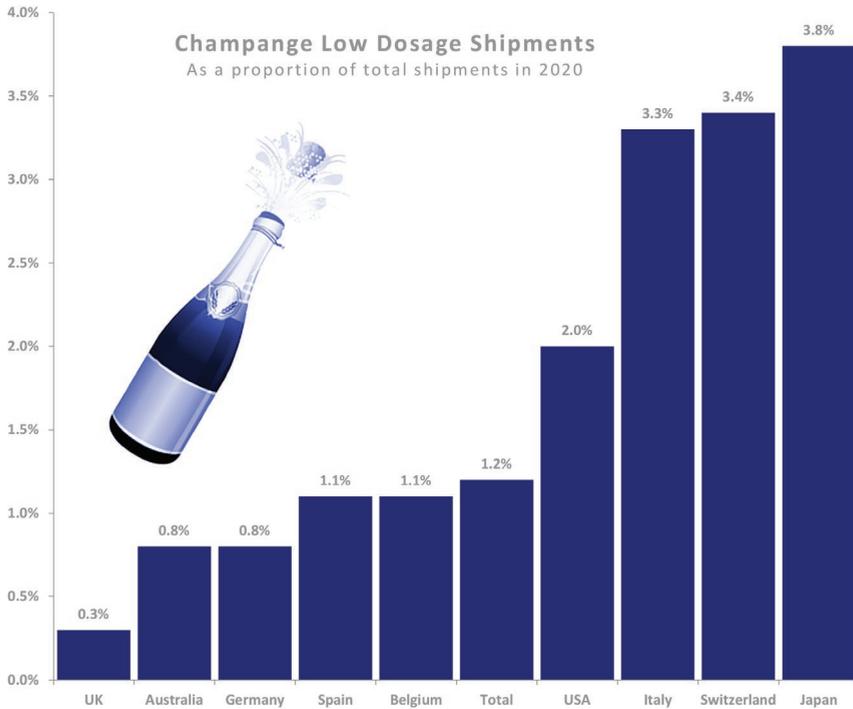
Vintage champagne was the only category that did not see decline in 2020, up 18.1% to 1.3 million bottles. However, this needs to be read in the context of a dramatic crash in 2019, when vintage hit an all time low of just 0.8% of the UK champagne market, having posted three years of sustained decline (down 26.4% per year on average between 2016 and 2019). After 2019, 2020 represented the lowest market share for vintage in recent history. This still places the UK among the strongest export markets for vintage champagne, ranking equal third alongside Australia. This is nonetheless hardly a champagne-popping achievement – the numbers are small everywhere. Vintage represents a tiny and declining category in champagne worldwide, making up fewer than one in every 80 bottles of champagne sold. And yet it is widely and rightly heralded as champagne’s most underrated category of all. Production is minuscule and typically a strong step up from entry non-vintage blends, yet largely underappreciated by the mass market.



# Low and high dosage on a low

The UK's shipments of extra brut and brut nature champagne remained steady at a tiny 0.3% of market share in 2020, ranking it far and away the lowest among Champagne's top ten markets for low dosage.

Extra sec, sec, demi-sec and doux champagne rose a fraction to 0.8%, well below the global average of 3.7%, ranking the UK with Australia, Spain and Italy as the smallest markets for high dosage cuvées.





# WINE EVENTS

WITH TYSON STELZER



INTERNATIONAL WINE & SPIRIT  
COMMUNICATOR OF THE YEAR



# TASTE CHAMPAGNE LONDON 2022



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showcase of the year!

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