

Voluntary Report – Voluntary - Public Distribution

Date: September 05, 2025

Report Number: UP2025-0028

Report Name: Wine Market Overview

Country: Ukraine

Post: Kyiv

Report Category: Wine

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Report Highlights:

The United States was one of the smallest new world suppliers to Ukraine in 2024; however, it has been the fastest growing, doubling its market share in the last decade. After a significant drop in 2022 due to the start of the Russia-Ukraine war, Ukraine's wine market strongly recovered in 2023 and 2024 and continued its growth in 2025. U.S. wine exports exceeded \$1.1 million in 2024 and grew by 40 percent in the first five months of 2025. Industry notes per capita consumption is growing in Ukraine.

Executive Summary

U.S. wine exports strongly recovered after a significant drop in 2022 due to the full-scale Russian invasion. In 2024, U.S. market value exceeded \$1.1 million, with 40 percent growth in the first five months of 2025. U.S. wines are well-represented in both supermarkets and specialized wine stores. They share a market niche with other new world wines, competing against these wines and traditional imports from the EU. U.S. wines have doubled their share in the new world category in the last decade, but exports remained depressed due to war-related economic hardships, logistical problems, and population outflows.

EU exports are the main threat to U.S. wine exports, as EU suppliers enjoy geographic proximity, historical ties, low pricing, and lower trade barriers due to the Deep and Comprehensive Free Trade Area agreement. Ukrainian consumers are open to new tastes and experiences, and U.S. wines are welcomed, but consumption often stays at a testing level. Except for in-country bottling, the price of U.S. wines remains higher than for EU wines.

Overall wine consumption fell considerably in 2022 but stabilized in 2023-2024; however, per capita consumption grew notably. The main factors for the drop were significant population outflows, the Russian occupation of densely populated territories in the south and east of Ukraine, a fall in disposable incomes, and currency devaluation. Under martial law, the Ukrainian government introduced a total ban on alcoholic beverage sales, which was later reduced to evening and night hours and then abandoned entirely in 2024. Retail and HoReCa (hotels, restaurants, and cafés) outlets remain closed during curfew (midnight to 5 a.m. in most regions), negatively impacting consumption. The stabilization of population outflows and improved economic situation contributed to the rebound in consumption.

Consumption

Market Size

Wine consumption in Ukraine dropped significantly in 2022 but stabilized in 2023 and 2024 as population outflows slowed. Pre-2022, Ukraine's population was 41.1 million. According to the United Nations High Commissioner for Refugees, the country lost almost 6.9 million people to refugee migration. Many refugees are women who traditionally comprise a substantial share of wine consumers.

Consumer Profile and Preferences

Ukraine is an upper-middle-income country and remains in this category despite the ongoing war. Per the [World Bank](#), Ukraine's 2023 per capita GDP of \$13,169 is equivalent to \$22,850 in purchasing power parity. Ukraine is very urbanized, with a robust middle class. Ukraine is also one of the world's most [economically equal countries](#), similar to Belgium or the Netherlands, achieved through Ukraine's economy and employment structure, not by taxation and wealth redistribution.

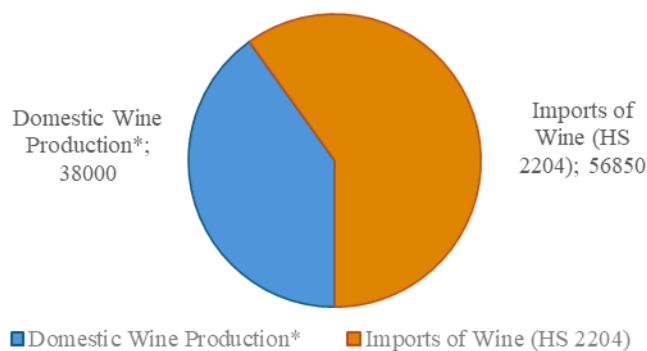
Ukraine's wine consumption culture is well established, with historical and cultural legacies dating back decades. Previously, Ukrainian consumers preferred sweetened, fortified, and dessert wines. This consumption pattern was formed in the Soviet Union by traditional production methods used in the main winemaking regions of Crimea, the Caucasus, and southern Ukraine. Due to Soviet-era anti-alcohol campaigns, wines were viewed as a source of cheap alcohol, with little attention paid to other wine consumption factors (i.e., food pairings, wine quality, and cultural aspects of wine consumption).

Consumer preferences were slow to change, though there is a notable shift toward drier wines. Publicly available [market research](#) (in Ukrainian) from 2013 shows Ukrainian consumers' preference for semi-sweet (55 percent), semi-dry (15 percent), sweet (15 percent), and finally, dry wines (12 percent). In the following decade, preferences gradually shifted to more Western-like consumption patterns, emphasizing dry wine, and tastes continue to evolve. Modern-day dry wine preferences still remain biased toward “sweeter,” “fruitier,” and “tastier” wines.

Overall, per capita wine consumption is growing in Ukraine. Industry notes younger consumers prefer white, rosé, and sparkling wines, while their consumption of red wine is falling. In addition, as in other markets, sales of zero or low-alcohol-by-volume beverages are increasing for this group of consumers.

Import volumes grew from 39 percent of the market in 2019 to 60 percent in 2024, with an even larger value share (Figure 1). The main reasons for the substantial import market share growth are the Russian occupation in southern Ukraine, increased production risks, gradual income growth, consumer taste changes, and competition with cheap European wines.

Figure 1: Ukraine's Wine Consumption in 2024, Thousands of Liters



Source: State Statistics Service of Ukraine

*FAS/Kyiv estimate due to limited publication of production data during the Russia-Ukraine war

Market Structure

Affordable Market Segment

The affordable market segment in Ukraine is generally dominated by domestically produced wines and wines from the former Soviet Union wine-making republics of Georgia and neighboring Moldova. These two countries were responsible for over half of all imports during the post-Soviet years. They gradually lost market share over the past decade to European competitors due to the aforementioned changes in taste preferences and their weak position in the middle and top market segments. The wines generally appeal to the older generation due to their historical reputation. Some Moldovan and Georgian wineries began targeting the higher price segment, where they compete with Italian, Spanish, French, and German dry wines. The EU also offers a variety of wines in the affordable market segment.

Upper Market Segment

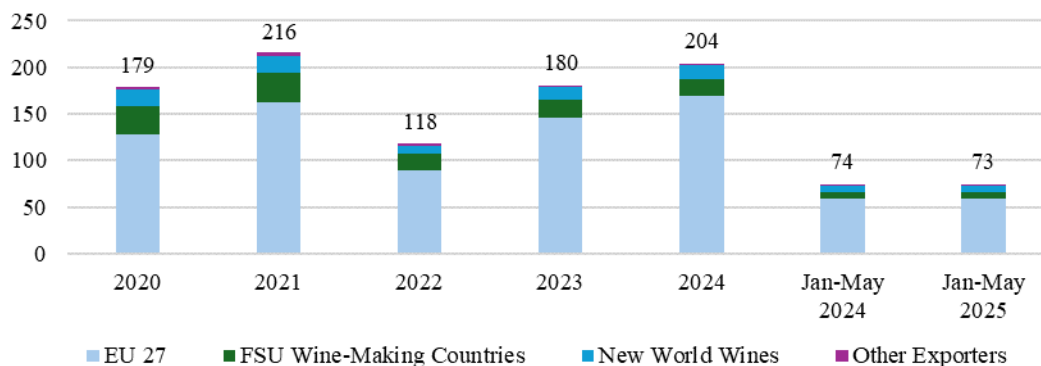
Wines from EU countries, most significantly France, Italy, and Spain, dominate the upper market segment. European winemakers usually target more affluent consumers in larger towns and cities. EU producers established their presence in Ukraine in the mid-1990s. Consumer preferences, lower disposable incomes, and well-established trade links with the former Soviet winemaking republics initially constrained their market share. Geographic proximity, reasonable pricing, good marketing, and increased tourism and travel subsequently paved the road for European wines in Ukraine.

New world (Argentina, Australia, Canada, Chile, New Zealand, South Africa, and the United States) wines arrived later and met tough competition from already well-established European wines. Most Ukrainian retail chains maintain designated small new world aisles or corners. As of 2025, new world wines are quickly developing their niche. In most cases, new world wines are relatively more expensive compared to their EU competitors; however, the wine market is highly fragmented, and the situation can differ for each wine type, winery, and year. New world producers must work to overcome their “niche” identity and establish themselves in mainstream Ukrainian wine consumption.

Imports

Wines from EU countries dominate the import market, with nearly 81 percent market share in 2025. Georgia and Moldova's combined market share decreased to 9 percent. At the same time, new world wines maintained their market share at 9 percent (Figure 2). While the Ukrainian market became more price-sensitive during the war as disposable incomes dropped, comparatively expensive new world wines were resilient, losing a smaller percentage of the market compared to EU wines.

Figure 2: Wine Exports to Ukraine, Million USD



Source: Trade Data Monitor

According to industry, imports of new world wines, including U.S. wines, are higher than they appear, as companies are bottling in Europe for re-export. Market sales reports and import statistics show increased imports of wines bottled in the EU and UK by companies such as Les Grands Chais de France (France), Peter Mertes (Germany), and Zenzen (Germany). This practice lowers EXW prices by 20-30 percent compared to the country of origin, mainly due to reduced transportation and marketing costs. FAS/Kyiv located multiple new world wines under the Dr. Zen Zen brand (predominantly from Chile) and Les Grands Chais de France (sourced from various regions, [including the United States](#); link in Ukrainian) in many popular online stores. Bottling businesses are also behind the growth in market share

for unorthodox suppliers, such as Lithuania. While lacking substantial grape production, the country became Ukraine's 17th largest wine supplier - just two steps behind the United States.

Ukrainian companies are also expanding into bulk imports and wine bottling. Ukraine's largest online retail store, Rozetka, is the first Ukrainian bottler of Californian wines. The company developed brands to appeal to younger consumers while offering good value. For example, the Peaky Tongue Cabernet Sauvignon is available on the Rozetka website for UAH 299 (\$7.20) per bottle, with pricing below that of other competitive importers (Figure 3). This approach also repositions U.S. wine into the mainstream UAH 200-300 (\$4.80-7.30) category, where most sales occur. California [Zinfandel](#) and [Chardonnay](#) are available from Rozetka at the same UAH 299 price. Any significant expansion of in-country bottling of U.S. wines will likely result in sales growth as it chips away at EU producers' competitive advantage associated with their geographic proximity and cheaper delivery costs.

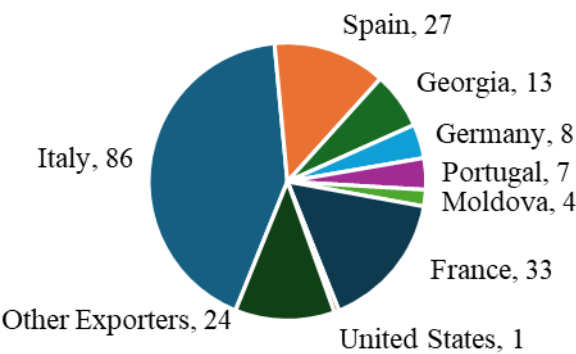
Figure 3: Ukrainian Bottled California Wine



Source: FAS/Kyiv

Italy is Ukraine's largest wine supplier, followed by France and Spain (Figure 4). Imports from Germany, a non-traditional supplier, have grown notably in recent years. In 2024, Germany outpaced many prominent winemaking countries, including Portugal and Moldova.

Figure 4: Major Wine (HS 2204) Exporters to Ukraine in 2024, in Million USD

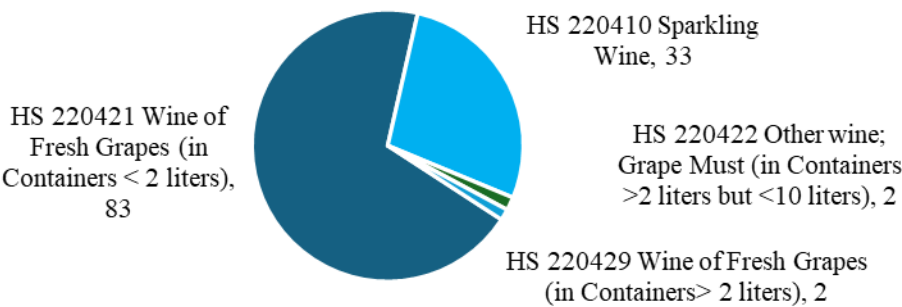


Source: Trade Data Monitor

Most imported wines are still dry wines in glass bottles (Figure 5). Oversized “party-size” cardboard packaging is gaining popularity but remains marginal. Most wines sold in “small bulk” are cheaper, domestically produced wines. Imported wines are usually in the middle and upper market segments; therefore, consumers do not expect them to be found in cartons or boxes.

Sparkling wines lost some market share following the start of the Russia-Ukraine war, but the demand rebounded in 2024. As in other countries, sparkling wines are consumed during celebrations, with local consumption peaking during the Christmas season.

Figure 5: Ukraine's Wine Market Import Structure, Million USD

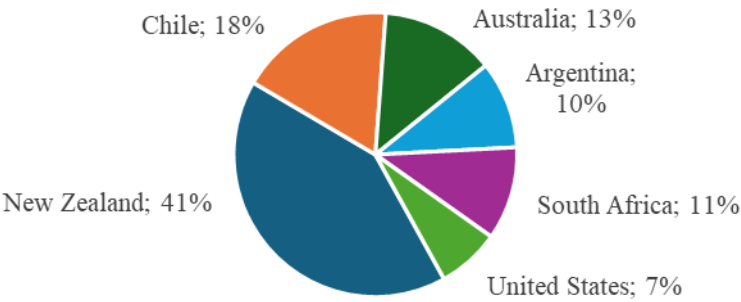


Source: Trade Data Monitor

U.S. Wines

The United States was one of the smallest new world suppliers in 2024; however, it has been the fastest growing, doubling its market share in the last decade (Figure 6).

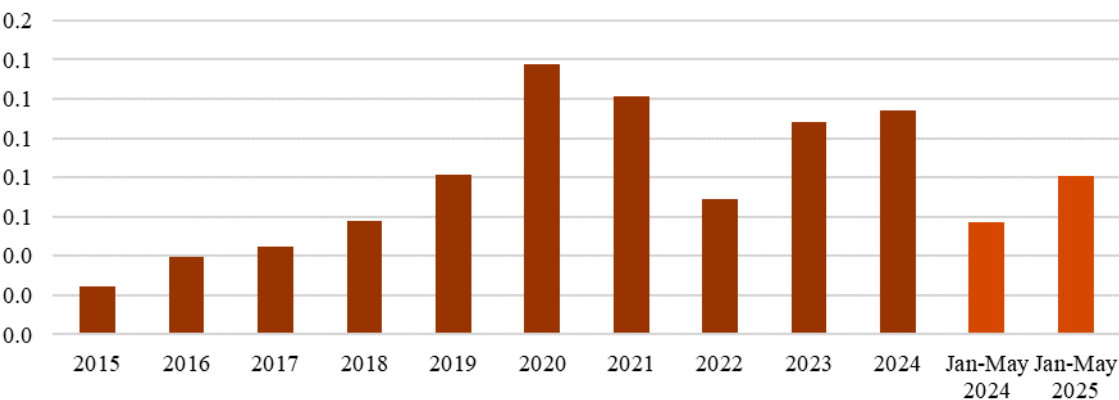
Figure 6: Market Shares of the New World Suppliers in 2024



Source: Trade Data Monitor

In 2022, imports of all wine, including U.S. wines, dropped notably due to the start of the Russia-Ukraine war (Figure 7). U.S. market share recovered strongly, and sales exceeded \$1.1 million in 2024. Economic stabilization, population outflows, and the start of in-country bottling are the primary market-shaping factors in 2025. From January to May 2025, imports of U.S. wine increased by 41 percent, making it one of the fastest-growing U.S. food and agricultural exports to Ukraine; however, any trends depend on war developments.

Figure 7: U.S. Wine Exports to Ukraine, Million USD



Source: Trade Data Monitor

Market Entry Strategy

In Ukraine, peace-time retail trade in alcohol products is relatively liberal, with little or no restrictions on store floor space and sales times. Most wines are sold through supermarket chains and sales through specialized wine boutiques are also significant. Wines are also available in smaller convenience stores and gas stations. Please contact FAS/Kyiv for a list of retailers.

Almost all food and beverage exporters work through a Ukraine-based subsidiary, importer, or buyer's procurement service, which is generally the most convenient route if there are only two or three potential buyers. Local importers are more flexible, sometimes functioning as distributors, usually have established marketing channels, and can provide local customers with short-term credit in kind. Some Ukrainian importers have established representative offices in major exporting countries. Ukrainian

retail chains also possess significant market power. They often delay payments to the importers/distributors from 20-30 days to 180 days. Many Ukrainian retailers are surviving and expanding at the expense of importers and local distributors. Due to the unavailability of other sales channels for many imported products, importers/distributors have no option but to work with these terms.

Importers are responsible for the entire logistical chain and inland transportation. Due to the Russia-Ukraine war, the border with the EU remains the only available border for commercial trade. Previously, some new world wines were imported through Odesa. It is a widespread practice in Ukraine to purchase directly from the producer. Even if a producer's policy requires importers to work through a foreign (usually EU-based) distributor, most Ukrainian partners will still attempt to contact and work directly with the producer.

U.S. wine exporters should note that some larger Ukrainian retail chains often import directly and use their own procurement centers. Few wholesalers undertake nationwide distribution, and very few carry a complete range of products. Supplier choices are often based on informal personal relationships and ownership ties rather than quality and price factors.

For more information on market import regulations and standards, please refer to the [most recent Food Import Regulations and Standards \(FAIRS\) GAIN Report](#). For more details on the Ukrainian food and agricultural import market, please refer to the most recent [Exporter Guide](#).

Previously, there were a limited number of trade shows and events where new-to-the-market companies could present their wines. The start of the war resulted in the cancellation or suspension of many.

The [Be Wine International Wine Show](#) (in Ukrainian) remains one of the few current shows. It is both business-to-business and business-to-consumer, featuring domestic and foreign suppliers. The main floor accommodates 2,500 visitors, with master classes accommodating up to 150. In-store promotions and tastings remain the only safe and reliable market research and testing tool. Perspective importers should contact FAS/Kyiv for more information.

KEY CONTACTS AND FURTHER INFORMATION

United States Department of Agriculture Embassy of the United States of America Foreign Agriculture Service – Kyiv E-Mail: agkyiv@usda.gov Websites: www.fas.usda.gov https://www.smachnousa.com.ua/ http://www.fas-europe.org/	Links to Key Resources: Ukraine Import Tariffs Ukraine: Country Commercial Guide by U.S. Foreign Commercial Service State Statistics Service of Ukraine Ministry of Economy of Ukraine State Service of Ukraine on Food Safety and Consumer Protection
California Wine Institute Representative for Ukraine E-Mail: ukraine@Discovercaliforniawines.com Website: https://discovercaliforniawines.com/	

Annex: Ukrainian Domestic Production

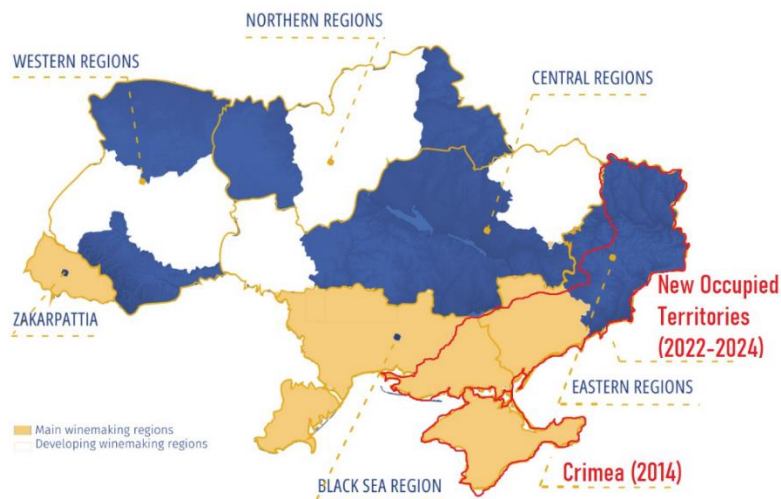
While Ukraine has a centuries-old winemaking tradition, current wine production is limited. After a peak in the mid-1970s, the industry collapsed in the mid-1980s during an anti-alcohol campaign undertaken by the Soviet government. Grape areas in the primary production regions in southern Ukraine decreased significantly but recovered slightly by the early 1990s. The industry did not develop after the Soviet Union's collapse in 1991 and the economic turbulence of the 1990s but stabilized by the late 2000s.

Most Ukrainian wines of the 2000s and 2010s matched traditional tastes, emphasizing semi-sweet, sweet, and, sometimes, fortified wines. Those preferences differed significantly from U.S. and Western European consumption preferences. To some extent, these preferences still exist in Ukraine. Many wine-evaluating websites and applications, with Vivino being one of the most popular, still show this bias in wine rankings and comments. However, a movement toward drier wines has become apparent and accelerated in the past decade.

Ukrainian vineyards are concentrated predominantly in Odesa, Kherson, Mykolaiv, Zaporizhzhia, Zakarpattia oblasts, and the Crimean Peninsula (Figure 1). The Russia-Ukraine war has profoundly affected Ukrainian wine production. Crimea previously had the most significant production share, but production decreased significantly after Russia's occupation beginning in February 2014. Ukrainian businesses then invested elsewhere, emphasizing vineyards in the Black Sea region, predominantly Odesa oblast. Following Russia's full-scale invasion of Ukraine in February 2022, grape-producing areas of Mykolaiv and Zaporizhzhia oblasts were partially occupied, leading to a drop in production, while oblasts in eastern Ukraine largely stopped production.

Although wine enthusiasts distinguish six major geographic wine regions with 15 macrozones and 58 microzones, most consumers distinguish wines only by the central production regions. A small number of registered Ukrainian wine-related geographical indications exist, some of which cannot be used due to the Russian occupation of Ukraine.

Figure 1: Wine Producing Regions of Ukraine



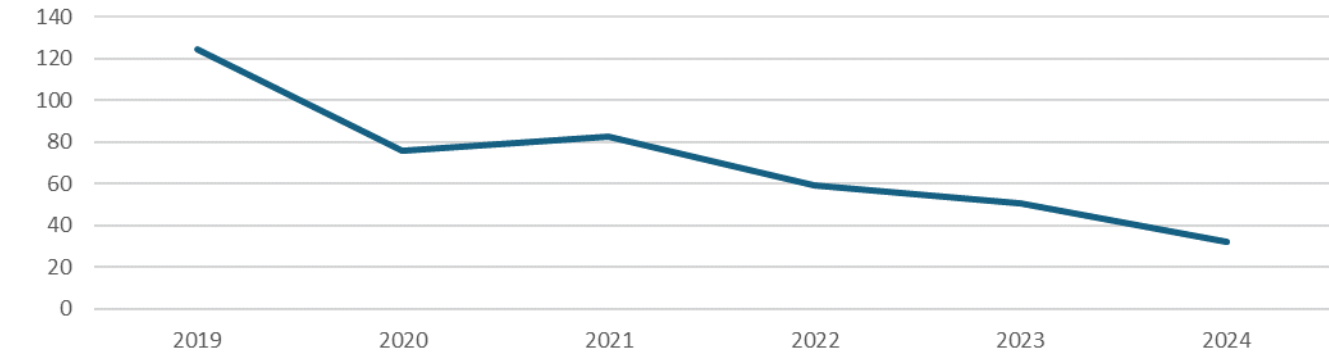
Source: <https://ukr.wine/>; frontline <https://deepstatemap.live/>, as of November 2024

In 2022, the total area under vineyards of all sizes decreased to 26.0 thousand hectares, almost a third less than the 34.7 thousand hectares in pre-war 2021. The area drop followed the Russian occupation of parts of Kherson and Zaporizhzhia oblasts and decreased domestic demand.

There is no official production zoning, although Ukraine adopted a very sophisticated EU-like [wine production regulatory framework](#) (in Ukrainian) in August 2024. Recent hotter summers and shorter and milder winters have resulted in wine production growth in central and even northwestern Ukraine.

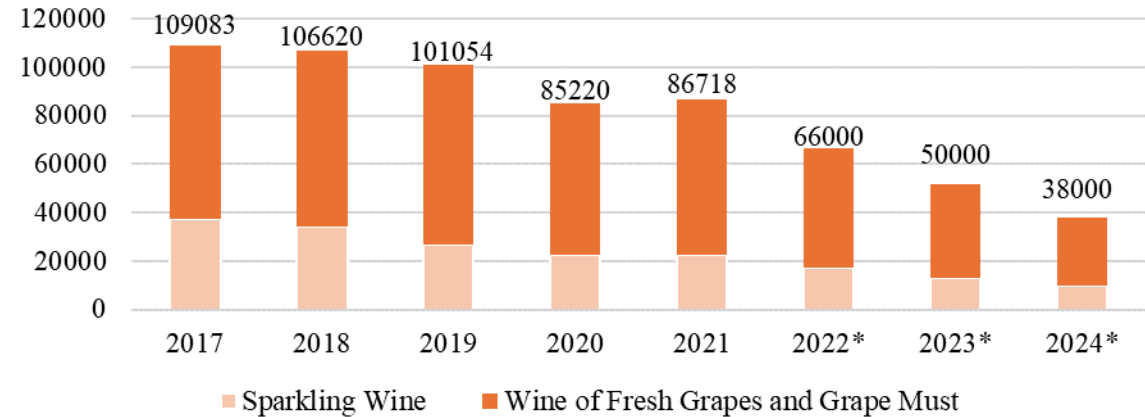
Wine production decreased following the drop in the grape-planted area (Figures 2 and 3). In addition, several wineries in Odesa, Mykolaiv, Zaporizhzhia, and Kherson oblasts suffered direct damage from missile strikes, and one wine bottle production facility was destroyed. In May 2022, a 10,000-square-meter warehouse belonging to one of Ukraine’s largest wine importers, Wine Bureau, LLC, was attacked and destroyed. The company claimed a loss of 1.6 million wine bottles, including 15,000 collectible top-quality wines (Figure 4).

Figure 2: Quantity of Ukraine-Produced Grapes Processed into Wine, Thousand Metric Tons



Source: State Statistics Service of Ukraine

Figure 3: Ukraine's Domestic Wine Production, Thousands of Liters



Source: State Statistics Service of Ukraine

*FAS/Kyiv Estimate

Figure 4: Wine Bureau Warehouse after Russian Missile Attack in May 2022



Source: Wine Bureau, LLC

Winemakers also noted a lack of imported inputs, abrupt currency devaluation, currency exchange restrictions, western border crossing problems, workforce shortages due to mobilization, and electricity outages that followed Russian attacks on Ukraine's infrastructure, which suppressed production.

Previously, small Ukrainian wineries increased their share following [licensing deregulation](#) (in Ukrainian) in 2018. However, as of 2024, their role remains too small to influence total production numbers.

Another factor depressing Ukrainian large-scale production is competition with cheaper imported wines. Recently, many EU exporters have been able to offer wine priced under \$2.10 EXW. Leveraging their market power, large retail chains were able to cut procurement prices even further to \$1.37-\$1.68 EXW. Cheaper imports allowed retailers to build their market share to 30-50 percent. There is pending legislation to increase the minimal retail sparkling wine price in 2025. The anticipated increase will put local sparkling wine prices in the same price category as imports; therefore, FAS/Kyiv expects a further drop in domestically produced wine sales in 2025.

Attachments:

No Attachments.