

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Voluntary Public

Date: 11/28/2014

GAIN Report Number: IT14117

Italy

Post: Rome

Italy's Wine Production to Drop 14 Percent on Rainy Summer

Report Categories:

Wine

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Report Highlights:

According to Assoenologi, the Italian Association of Enologists, Italy's CY 2014 wine production is forecast to drop 14 percent from the previous campaign to 41.6 million hectoliters (Mhl), due to unfavorable weather conditions this summer. The United States is expected to remain the leading destination for Italian wine, reaching \$1.5 billion during 2014.

Production

According to Assoenologi, the Italian Association of Enologists, Italy's CY 2014 wine production is forecast to drop 14 percent from the previous campaign to 41.6 million hectoliters (Mhl), due to unfavorable weather conditions this summer. Italy's southern regions were most affected, with Sicily forecasting a 30 percent decline and Puglia's Salento area expecting 20 percent less output. Production in Veneto, Italy's biggest wine-growing region, is forecast to decline 15 percent to 7.8 Mhl. Output in Emilia-Romagna is forecast to fall 10 percent to 6.6 Mhl. Volume in Piedmont is predicted to drop 10 percent to 2.3 Mhl. Approximately one-third of Italy's wine production is Controlled Appellation (DOC and DOCG) - mostly from the Northern and, to a lesser extent, Central regions. According to industry contacts, the most popular grape varieties for red wine are Montepulciano, Barbera, Sangiovese, and Merlot. Tocai is the most popular choice of white wine and Montepulciano for rosé. In white wine, other popular grapes are Prosecco, Chardonnay, and Pinot Grigio. In rosé, Pinot Noir and Negroamaro grapes experienced an increase in their popularity.

Consumption

Wine consumption has been declining in Italy for decades. Causes for the trend include changing lifestyles and tastes, as well as anti-alcohol drinking campaigns. According to the Italian Association of Enologists (Assoenologi), Italy's 2013 per capita wine consumption was estimated at less than 40 liters, considerably lower than the 45 liters in 2007 and 110 liters in the 70s. Recent wine consumer surveys show that Italian origin and familiarity with the winery are the main elements in determining consumer choice. Despite economic austerity measures, Italian wine consumers are seeking higher quality wines but still in the modest price range. However, in general, consumer preferences are gradually shifting to other alcoholic beverages such as beer, liqueurs, and spirits. This trend is more noticeable when discussing occasional and out-of-home consumption than daily consumption, which is still centered on wine.

Trade

According to the latest data from Global Trade Atlas (GTA), Italy's wine exports are expected to increase by 7 percent to \$6.8 billion in 2014, thanks to increased exports to the United States (+7.3 percent) and the United Kingdom (+20 percent). The United States is expected to remain the leading destination for Italian wine, reaching \$1.5 billion during 2014. The next most important destinations are Germany (\$1.3 billion), the United Kingdom (\$868 Mln), and Switzerland (\$420 Mln). Italy's wine imports are expected to decrease by 6.8 percent to \$380 Mln in 2014, because of the decreased supply from Spain (-20 percent) and the United States (-4 percent). France (\$197 Mln), Spain (\$82 Mln), and the United States (\$58 Mln) are the leading suppliers to the Italian market, accounting for 88 percent of total imports.