Newsletter Italy – October 2021

The latest official production forecast by Ismea, Assoenologi and UIV – released on 8th September – estimates Italy's 2021 production at 44.5 million hectoliters down 9% from 49 million in 2020. Most of the largest production regions are expected to see a decline versus 2020 to varying extents – Veneto (-7%), Puglia (-5%), Emilia Romagna (-15%), Abruzzo (-18%) – though Sicily is expected to see an uptick (+9%).

The drop in overall crop size is not as significant as those experienced by Europe's' other large producers France and Spain. It is also not as significant as it could potentially have been, considering the very problematic and heterogeneous weather conditions that have occurred all across the Italian peninsula, with frosts, hailstorms and heavy rains in some regions and extreme heat and drought in others. Quality is expected to be good and there could be some excellent quality in evidence if the climate remains conducive trough to the end of harvest.

Export and domestic consumption data is impressive: both are up versus 2020 but, more significantly, also versus 2019. Sparkling wines are driving growth, followed by the globally popular Italian DOCG/DOC/IGT wines, confirming a trend among consumers.

Italy's grape pricing is in general showing a 30% increase; this included Prosecco, Primitivo, Pinot Grigio and red and white generics.

Italy is enjoying strong demand internally and internationally that is putting further pressure on prices of raw material. Cooperatives are taking more time to close contracts because still think could obtain better conditions.

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