UIV assembly, does Italian wine learn to say no? Constantly shrinking demand but we keep expanding vineyard areas

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The UIV General Assembly highlighted a severe crisis in the Italian wine sector, characterized by record overproduction and shrinking international demand, particularly in the US. With over 53 million hectoliters in stock and massive wine downgrading, industry leaders are urgently proposing strict measures like blocking new vineyards and focusing on the European market.

President Lamberto Frescobaldi delivered it like a manifesto, stating that a wrong decision remains preferable to no decision. This represents the synthesis of a day where UIV Observatory data depicted a sector at a crossroads. **Producers must choose whether to continue producing as before or acknowledge that previous consumption habits, markets, and geopolitical balances have fractured permanently.**

Stock increase: the equivalent of an entire harvest

We start with a number that perfectly illustrates the gap between supply and demand. In May 2026, Italian stocks of wine and must exceeded 53 million hectoliters, marking a 7.3% increase compared to the same month in 2025. **This represents the highest level since 2022, a year that inherited an extraordinary harvest of almost 50 million hectoliters, whereas the 2025 harvest stopped at 44.4 million.**

In other words, Italian wineries currently store the equivalent of an entire unused harvest, despite three consecutive below-average harvests from 2023 to 2025. This paradox speaks volumes and clearly indicates a deeper issue. **The core challenge stems from stock accumulated over the years rather than the specific quantity produced during this current season.**

Consumption figures clearly capture the pressure on this oversized inventory, and they appear quite discouraging. On the domestic market, large-scale retail saw a 2% volume drop between January and May 2026 compared to the same period in 2025, with still wines dropping by 3%. **Things look worse on foreign markets, as first-quarter exports lost 4% in volume and a significant 8.3% in value.** This gap indicates that wineries are already selling at a discount just to move their products.

The downgrading of a fifth of the bottles

Here enters the phenomenon central to this year's UIV Observatory. Downgrading involves reclassifying a wine to a lower category, moving from Docg to Doc, from Doc to Igt, down to the lowest step of common wine. **While this practice exists historically, the 2025 figures show an impressive scale, and the Observatory warns they will likely repeat in 2026.** An astonishing 6.6 million hectoliters of Dop and Igp wine, equal to 20% of the harvest potential, underwent downgrading.

Out of those downgraded volumes, 4.9 million hectoliters ended up directly in the common wine category. The phenomenon affects even the most prestigious denominations. **Over 373,000 hectoliters of Docg faced downgrading in 2025, with more than a third ending up directly as common wine.** However, the widest gap appears in the Igp category, where 1.5 million hectoliters arrived from upper tiers while 3.6 million slid downward.

This resulted in a net balance of 27% of the potential shifting towards the poorest segment of the Italian wine market. In this exact tier, the average price stalled at 54 cents per liter, suffering a 14.4% collapse compared to 2025. **UIV General Secretary Paolo Castelletti explained that one in five bottles gets downgraded today, risking a devastating avalanche effect.** The wine drops in category, volumes accumulate at the base of the quality pyramid, and prices inevitably get crushed.

Experts have already calculated the economic cost of this avalanche. Dop wines lost 364 million euros in value, while Igp wines lost 152 million euros. **This creates a total erosion approaching 516 million euros, equating to an 11% average drop.** Bulk wine prices, acting as a precise thermometer for winery struggles, confirm this negative trend. During the first five months of the year, Dop wines lost about 6%, and Igp dropped over 7%.

The Observatory explains that this mechanism has intensified in recent weeks. Until March, common wines saw the most movement, but from April the trend reversed. **Dop and Igp began registering abnormal movements of 12 to 17 percent, which represent new internal downgrades rather than actual sales.** Castelletti warns that this silent transfer will accelerate as the next harvest approaches.

America is no longer the same as before

While the domestic front struggles to absorb volumes, the international market offers no consolation, starting with the main global outlet for Italian wine. The first four months of 2026 ended with US exports falling by 15.4% in value, following an already negative 2025. **Castelletti specified that exports to the US dropped by 17% between April 2025 and March 2026, creating a gap of about 340 million euros.**

The general secretary observed that the idea of Americans never giving up Italian products despite tariffs sounds nice but proves increasingly difficult to manage in reality. **He recalled that wine is not the only sector suffering, as other iconic Made in Italy industries like food, mechanics, and furniture face similar hurdles.**

The most interesting insight, making the Rome event more than a usual quarterly data bulletin, came from Federico Petroni, America coordinator for Limes. According to the analyst, the United States faces changes beyond just a new generation of consumers, shifting the very composition of the country. **Petroni explained that a structural paradigm shift stems from the end of the baby boomer era and the emergence of a more plural America.**

This new America, diverse in terms of generation, ethnicity, and geography, requires fresh communication strategies from Italian wine rather than outdated languages. Gallup data cited during the Assembly confirms the magnitude of this change. **In**

2025, wine slipped to third place among Americans' favorite alcoholic beverages for the very first time. It fell behind both beer and spirits, marking a significant cultural shift.

Furthermore, over half of US citizens currently report a negative perception of alcohol consumption, whereas twenty-five years ago that percentage barely reached 25%. Regarding tariffs, Alfredo Conte from Maeci offered a pragmatic reading, stating that the uncertainty concerns form more than substance. **Meanwhile, ITA president Matteo Zoppas reassured attendees regarding public support, recalling the commitment of additional resources to promote Italian wine in the US.**

De-risking: Europe as a safe haven

Facing an increasingly unpredictable American market, the Assembly's keyword became de-risking, meaning reducing dependence on a single destination. The focus returns to the European single market, which grew by 31% over the last six years, doubling the growth of non-EU markets. **Italian sparkling wine specifically achieved a 72% increase in Europe, with growth exceeding 100% in thirteen Union countries.**

Even France heavily increased its purchases of Italian bubbles by 121%, a figure Frescobaldi jokingly compared to selling ice to Eskimos. However, the single market remains incomplete despite its solidity. **Carlo Alberto Carnevale Maffè quantified the cost of regulatory fragmentation in the agri-food sector at 57 billion euros.** This burden includes duplicated compliances, unharmonized rules, and divergent taxation, forcing companies to navigate 27 different markets.

Producing less to be worth more: the proposals on the table

In his concluding speech, Frescobaldi looked beyond the economic numbers, discussing a new historical phase for Italian wine. Producers can no longer interpret the situation using past tools, as both the market and the entire wine ecosystem have transformed. **This reality demands unavoidable choices, including blocking new planting authorizations to 0% for two years and strengthening production potential traceability.**

Other crucial proposals involve aligning the vineyard register with the Sian system and reducing production yields even for Dop and Igp wines. The association strongly opposes uprooting plans financed with OCM funds. **These resources must remain dedicated to supporting investments, competitiveness, and promotion, rather than funding a generalized retreat from the sector.**

Within this framework, a seemingly paradoxical fact stands out clearly. Italy remains the world's leading wine producer and the only major producing country to have expanded its vineyard area over the last five years. **This expansion happens while the global market shows an increasingly selective and contracting demand for wine products.**

Planting vines in a market demanding less wine inevitably leads to bursting cellars and collapsing prices. Blocking new planting authorizations points in the right direction, but relying solely on this risks being a mere bandage on a deeper wound. **Continuing to produce unsellable volumes in non-competitive areas only postpones the problem, feeding the downgrading spiral that erodes the entire supply chain's value.**

The categorical refusal of UIV regarding OCM-financed uprooting makes sense to avoid wasting resources, but it might require a case-by-case review. Where productive vocation lacks entirely, targeted uprooting represents responsibility rather than surrender. **Therefore, a national strategic reflection involving companies, associations, and institutions appears necessary, mirroring actions taken by other producing countries like France.**

This strategy must translate into short-term interventions and a five-to-ten-year vision based on adapting production to real demand and strengthening Italian competitiveness internationally. Frescobaldi repeatedly stated that change must be governed rather than passively endured. **After years of chasing volumes, Unione Italiana Vini seems ready to face an uncomfortable truth, realizing that the real risk lies in continuously postponing crucial decisions.**

Key Points

1. **Record wine stocks have surpassed 53 million hectoliters**, highlighting a critical supply and demand imbalance.
2. **Massive wine downgrading affects one in five bottles**, severely eroding the overall value of the industry.
3. **US market decline continues sharply**, forcing producers to seek safer opportunities within the European single market.
4. **Blocking new vineyards is proposed as a necessary measure to stabilize production** and protect market prices.