Wine price increase: better not to hide the truth

scritto da Fabio Piccoli | 4 Maggio 2022

I admit to be in hard place. **This may be one of the hardest editorials I have ever written.**

In the newsroom we are literally bombed by **contrasting opinions**: on one hand some producers encourage, or beg, us to tell the truth about a series of problems, first of all the raw materials price increase that, in just a few months, will have a devastating impact on the wine final prices; on the other hand, some realities, instead, advice us not to emphasize too much the difficulties otherwise there is the risk of worsening the situation (at least from an emotional point of view).

It is not easy to move around this situation because, since time immemorial, **I consider specialized information as a particular journalistic typology which, besides telling the "truth"** (a basilary ethical principle for those who do journalism) **also needs to keep in mind the fact that what has been written or said has an important impact on the production chain,** also from an economical point of view.

Just to give a concrete example, a few days ago a producer called me saying that, after giving an interview in which he "complained" about possible price increases by one of their clients from the great distribution, this client called him "advising" him to avoid this type of comments, **otherwise their collaboration would have come to an end.**
It is clear that the price, at the actual state of things is the most sensitive and so it represents the so-called material to handle with extreme care.

However, today pretending that the impressive raw materials price increase, first of all the energetic one, will not have a devastating impact also in the contest of our wine field is evidently useless and dangerous. For this reason, I think that those categories – like **Unione Italiana Vini, Federvini, and in the past few days also Alleanza Cooperative Agroalimentari Vini** –, who are underlining and are accounting for how those prices increase will impact our wine production chain, are to be appreciated.

And, in regard to this, **from the Censis- Alleanza Cooperative studio are emerging more than 1,1 billion euros bills because of the energies and raw material costs.**
According to this study, considering the 2021 turnover of the production chain (which has been 13,5 billion euros, applying this data to the 78,4% necessary production intermediate consuming quote), the value of the chain production intermediate consumption is determine at 10,7 billion.

Using the wine product's production cost between February 2021 and February 2022, 10,5%, the actual value of the intermediate consumption will reach 11,8 billion euros.
The difference, in absolute terms, is 1,124 billion euros, which expresses – commented **Luca Rigotti, Vino di Alleanza**

Cooperative Agroalimentari coordinator – "an adding charge to companies' profitability which will inevitably erode their margins, compromising also their competitiveness capacity on international markets (and we add not just those market RD)".
Practically, in the same hours in which Rigotti lunched this difficult alarm, **Laurent Dealunay, deputy chairman of what we may consider the most prestigious denomination at a global level, the Burgundy,** affirmed that "we cannot hide the fact that prices will be higher for the consumers"

Two affirmations that, in some measure, close what we can today call the "**cursed circle**" so the inevitable relation between production prices increase and the consuming prices consequences.
A theme that I understand may be feared particularly by the great distribution which, for months now has been trying to avoid to create alarmism.
By now it is not just a matter of possible hypothesis, but of **effective realities of which we will briefly have the most concrete impact.**

And it is clear that in a situation like this, to majorly paying the price they will be the weakest links of the production chain starting from the non-viticulture that already today in some regions are working in loss. The "management of the vineyard production" cannot be interrupted if we do not want to lose it forever.
In the horizon we cannot see solutions to such dramatic problems but it would be aggravating acting as if nothing has happened.
Surely international agreements of large breadth will be necessary even though and particularly to avoid all these speculations phenomenon that are in act today and that cannot be ascribed to real reasons (like, for example, the predicted delivery delays that determine raw materials shipping blocks, from paper, to glass, just to make a concrete example.
We must be aware that the stakes are high: there are companies

which are already tired by the last two years of pandemic, by the **HORECA block**, by already fragile structures. We cannot look the other way.