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Date: 10/7/2013
GAIN Report Number: IT1368

Italy

Post: Rome

Italy to Become Top Wine Producer in 2013

Report Categories:
Wine

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Report Highlights:
According to Assoenologi, the Italian Association of Enologists, Italy's 2013 wine production is expected to hit 44.5 Mhl (Million Hectoliters), 8 percent more than the previous campaign (41 Mhl). Veneto, Emilia Romagna, Apulia, and Sicily together are expected to produce 24.5 Mhl, about 60 percent of total output. Italian wine producers have touted this great news as a much-needed boost, especially since domestic wine sales have been declining. However, international demand for Italian wines rose 10.7 percent the first semester ($3.1 billion) of 2013, compared to the same period last year ($2.8 billion). The United States remained the leading destination for Italian wine, reaching a value of $683 million for the first six months of 2013, an increase of 11 percent compared to the same period last year.

Italy

Wine Production

According to Assoenologi, the Italian Association of Enologists, Italy’s 2013 wine production is expected to hit 44.5 Mhl (Million Hectoliters), 8 percent more than the previous campaign (41 Mhl). Wine production is expected to increase by 5 percent in Piedmont, Lombardy, Veneto, Emilia Romagna, and Tuscany; 10 percent in Sicily and Sardinia; 15 percent in Campania, Apulia, and Trentino Alto Adige; and 20 percent in Abruzzo. Only Friuli Venezia Giulia is expected to see a decrease of 5 percent in its wine production. Italy's harvest was just 10-15 days later than usual in Northern Italy and 7-10 days later in the South, but is now proceeding under ideal conditions allowing for extended hang time and flavor development.

Veneto, Emilia Romagna, Puglia, and Sicily together are expected to produce 24.5 Mhl, about 60 percent of total output. About 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 varietals 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.

Table 1: Italy’s wine production by region (Hl)

Region	Average Production 2008/2012[1]	Production Estimate 2012	Production Estimate 2013	% change 2013/2012
Piedmont	2,677,000	2,366,000	2,480,000	+5%
Lombardy	1,282,000	1,222,000	1,280,000	+5%
Trentino Alto Adige	1,176,000	1,210,000	1,390,000	+15%
Veneto	8,219,000	7,740,000	8,130,000	+5%
Friuli V.G.	1,205,000	1,281,000	1,220,000	-5%
Emilia Romagna	6,524,000	6,273,000	6,590,000	+5%
Tuscany	2,604,000	2,098,000	2,200,000	+5%
Marche	848,000	918,000	960,000	+5%
Lazio and Umbria	2,271,000	2,002,000	2,100,000	+5%
Abruzzo	2,692,000	2,443,000	2,940,000	+20%
Campania	1,747,000	1,542,000	1,770,000	+15%
Apulia	6,230,000	5,338,000	6,140,000	+15%
Sicily	5,605,000	5,169,000	5,690,000	+10%
Sardegna	519,000	503,000	550,000	+10%
Other**	913,000	969,000	1,060,000	+10%
Total	**44,512,000**	**41,074,000**	**44,500,000**	**+8%**

Source: Assoenologi
[1] Istat provisional
** Valle d'Aosta, Liguria, Molise, Basilicata, Calabria

Wine Consumption

According to Assoenologi, Italy's 2013 per capita wine consumption is expected to be less than 40 liters, considerably lower than the 45 liters in 2007 and 110 liters in the 70s. 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. Recent wine consumer surveys show that Italian origin and familiarity with the winery are main elements in determining consumer choice. Despite economic austerity measures, Italian wine consumers are seeking higher quality wines but at a fair price. 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.

Wine Trade

International demand for Italian wines registering a 10.7 percent increase reaching $3.1 billion during the first semester of 2013, compared to the same period last year ($2.8 billion).

The United States remains the leading destination for Italian wine, reaching $683 million during the first six months of 2013, an increase of 11 percent compared to the same period last year. Italy's wine imports reached $174 million during the first semester of 2013, an increase of 4 percent compared to the same period last year. France ($60 million), Spain ($52.8 million), and the United States ($34.2 million) were the leading suppliers to the Italian market, accounting for 84.4 percent of total imports in value terms.

Table 2: Italy's main wine export partners (January – June 2013)

Year To Date: January - June						
Partner Country	2011		2012		2013	
	USD	Quantity (Hl)	USD	Quantity (Hl)	USD	Quantity (Hl)
World	**2,830,197,222**	**11,165,656**	**2,793,426,330**	**10,057,274**	**3,066,528,215**	**9,752,595**
United States	634,130,180	1,420,182	615,214,020	1,388,413	683,192,581	1,445,624
Germany	599,857,571	3,327,004	581,907,167	2,919,357	644,779,723	2,952,505
United Kingdom	324,226,774	1,354,179	315,771,785	1,361,602	356,726,609	1,310,440
Switzerland	174,143,963	337,474	177,552,518	336,612	193,023,972	325,087
Canada	150,963,150	309,281	166,873,710	357,562	172,100,406	338,692
Japan	76,410,306	179,374	101,474,643	233,432	94,045,659	207,180
Sweden	65,600,013	186,624	76,634,495	222,424	89,139,757	248,739
France	74,467,034	573,344	73,127,748	411,222	86,945,015	440,119
Denmark	89,035,964	191,374	73,548,813	167,779	78,424,808	185,341
Netherlands	77,123,694	244,522	68,465,143	218,388	68,827,299	209,768

Source: Global Trade Atlas

Table 3: Italy's main wine import partners (January – June 2013)

Year To Date: January - June						
Partner Country	2011		2012		2013	
	USD	Quantity (Hl)	USD	Quantity (Hl)	USD	Quantity (Hl)
World	**151,503,598**	**1,082,129**	**167,308,062**	**1,574,072**	**174,177,786**	**1,264,393**
France	74,784,167	102,789	62,691,843	95,537	60,045,713	98,759
Spain	30,607,605	633,883	60,297,322	1,148,502	52,827,745	728,377
United States	28,219,913	260,349	25,482,042	249,611	34,214,078	236,772
South Africa	169,978	1,243	160,936	1,159	8,057,149	101,294
Germany	4,366,678	10,506	4,724,628	10,685	4,032,956	19,391
Portugal	3,446,019	10,670	3,197,802	10,670	4,016,074	19,387
United Kingdom	1,151,378	617	1,877,157	302	1,629,170	1,376

Chile	984,022	2,989	771,005	2,259	1,573,480	13,803
Austria	1,158,862	2,816	1,746,674	7,332	1,400,232	7,844
Netherlands	372,409	476	423,969	535	1,054,279	773

Source: Global Trade Atlas

Abbreviations and definitions used in this report

Harmonized System (HS) codes:

Grape wine total: 2204

Sparkling wine: 220410

Bottled wine: 220421

Bulk wine: 220429

DOC= Denomination of Controlled Origin
DOCG= Denomination of Controlled and Guaranteed Origin
PDO = Protected Denomination of Origin
PGI = Protected Geographical Indication
HL = Hectoliter = 100 liters
Mhl = Million Hectoliters
Ha = Hectares