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Global Bulk Wine Trade Stalls Under Cost Pressure

Buyers stayed cautious in April and early May as inflation, higher input costs and weak consumption kept demand subdued.

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The world’s bulk wine market remained quiet through April and into early May as higher costs and economic uncertainty continued to weigh on buyers, according to Ciatti Company’s May Global Market Report, which said the slowdown was being reinforced by the war in Iran and by persistent caution among retailers and distributors.

The report said many markets have seen sharp increases in at least one of several key inputs, including fuel, transportation and fertilizer. In some countries, annual inflation has also risen, pushing interest rates higher and adding more pressure to already hesitant buyers. That combination has left much of the global bulk wine trade static at a time when producers in the Southern Hemisphere have finished their 2026 harvests and are beginning to sample new wines.

For growers and wineries, the next few weeks will be important. As new wines become available and pricing is set, producers will get a clearer picture of demand for the 2026 vintage. Many are carrying significant inventory from earlier crops, which makes the market response especially important. The report said that demand in the coming weeks will help determine how active the buying campaign for the new vintage will be.

Ciatti cited the International Organisation of Vine and Wine's newly released State of the World Wine Sector in 2025 report, which estimated global wine production last year at 227 million hectoliters. That was only 0.6% above 2024, a year that marked the lowest global output recorded since at least 1961. Smaller harvests in recent years have helped reduce some inventories and have supported higher grape and bulk wine prices over the past year.

But the report also pointed to a deeper problem for suppliers: consumption continues to fall. The OIV estimated that global wine consumption in 2025 was down 2.7% from 2024 and 14% below 2018 levels. Among the ten largest wine-drinking countries, all saw declines in 2025 except Portugal, which rose 5.6% and moved into the top ten ahead of Australia, where consumption fell 2.2%, and China, where it dropped 13%.

That decline has weakened pressure from retailers seeking supply. Buyers are facing their own cost increases and know that stocks still exceed demand in many markets, making them more price-sensitive than before. Ciatti said suppliers now have to contend with a marketplace in which buyers can turn to alternatives more easily than they could in tighter years.

The report also noted that excess supply has encouraged some experimentation as producers try to match changing consumer preferences. It pointed to growth in low- and no-alcohol wines and in wine-based ready-to-drink products. But it said both

categories remain small: low- and no-alcohol wines are expanding from a very low base, while wine-based RTDs still make up only a small share of a broader RTD market dominated by spirits and malt-based drinks.

Price remains another central issue. In some markets, consumers are seeing lower shelf prices because premium wines have been redirected into bulk channels and because private-label wines and discounted brands are being pushed aggressively at retail. Those lower prices, combined with reduced volumes, may not be sustainable for many wineries or growers over time. The report said delayed payments and vineyard mothballing or removals are already widespread in parts of the industry.

Ciatti said its latest pricing grid includes bulk wine prices in local currencies and U.S. dollars, along with new 2026-vintage pricing for Chile, New Zealand and South Africa.