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Italy expects wine output to fall 6% to 8% in the 2026/2027 season

Sicily could lose 1.8 million hectoliters, prompting a €25 million plan to distill 400,000 hectoliters.

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Italy’s wine sector is heading into the 2026/2027 season with lower expected output, pending changes to labeling rules, and a possible crisis distillation program in Sicily, according to an update released by Confagricoltura Vicenza after a Sept. 16 meeting at the Agriculture Ministry, known as MASAF.

Confagricoltura said the meeting reviewed several issues affecting wine producers, with early national harvest estimates pointing to a production decline of between 6% and 8%. The figures are still provisional, and the group said a clearer national picture, with input from the public market institute ISMEA, should be available by the end of the month.

The sharpest drop is expected in Sicily, where output is estimated to fall by 30%, or about 1.8 million hectoliters. Veneto, one of Italy’s most important wine regions, is also expected to post a significant decline, with the ministry estimating a 10% reduction. Puglia is moving in the opposite direction. Confagricoltura said it is the only major producing region currently expected to grow, with output up 10% to about 9 million hectoliters.

Those figures matter for more than farm income. Lower harvests in some regions and growth in others can change supply patterns across the wine trade, and any further intervention to manage excess stocks could affect prices and planning for producers, bottlers, distributors, and other beverage companies tied to the Italian wine market.

At the same meeting, ministry officials presented a proposed change to European Union Regulation 2019/33 on wine labeling. Confagricoltura said the draft would require a pictogram on the label alongside the QR code already used to provide nutrition information and the list of ingredients in digital form. The change is expected to take effect after the regulation is published, which is currently anticipated around December 2026.

Products labeled before that date could still be sold until inventories are exhausted, without any need to relabel them. That transition period could ease the immediate burden on wineries and bottlers, but the rule still points to new compliance work for beverage producers that sell wine in the EU market. Companies will need to review label design, packaging timelines, and inventory management to avoid unnecessary costs once the new rule is in force.

The ministry also briefed industry groups on a request from the Sicilian regional government for a crisis distillation measure. According to Confagricoltura, the proposal is backed by a technical dossier and would use €25 million to remove about 400,000

hectoliters of wine from the market for distillation.

Crisis distillation is typically used when stocks are too high and market conditions are under stress. By sending wine to distillation instead of normal commercial channels, authorities aim to reduce pressure on prices and inventories. Confagricoltura said farm organizations told the ministry they are willing to consider targeted crisis measures, including distillation and vine removal, in specific areas where they can be justified. The groups also said those measures should use resources outside the EU wine support program known as the OCM, and that they are open to discussing cuts in authorizations for new plantings and lower overall yields.

If Sicily’s request moves forward, the impact could go beyond the island. A program of that size could alter near-term supply in one of Italy’s major producing regions and influence pricing and investment decisions in parts of the wine and broader beverage business that depend on stable volumes and predictable inventory levels. The exact market effect would depend on how much wine is withdrawn and on conditions in other regions during the rest of the harvest.

Another issue raised at the meeting was the national vineyard register, a long-running administrative problem for producers dealing with discrepancies in recorded vineyard areas. Confagricoltura said an amendment on the register was not included in the “Coltiva Italia” bill. The group urged the government to find another legislative route to revise the current rules under Article 69 of Law 238/2016.

In particular, Confagricoltura asked for more flexibility when there is a mismatch between alphanumeric data and graphic mapping of vineyard surfaces, and it called for an end to the current use of an absolute tolerance value. According to the group, MASAF signaled agreement on the issue and raised the possibility of allowing a tolerance of up to 5%.

That change would be important for producers because errors or mismatches in vineyard records can affect eligibility for planting rights, support measures, and other regulatory procedures. A wider tolerance could reduce disputes and administrative burdens, especially for wineries managing multiple parcels and complex records.

The ministry also reviewed the financial position of Italy’s National Support Plan for the wine sector, which has an annual budget of about €329 million. Confagricoltura said that, as of Sept. 16, about €16 million in unspent funds remained available.

MASAF’s current plan is to absorb those savings by increasing the funding rate for some measures from 50% to as much as 80%, and by raising advance payment levels to as much as 90%. For producers, that could improve access to support and ease cash-flow pressure for approved investments or projects. At the same time, Confagricoltura said the ministry is not currently allowing those funds to be used for vine removal. That measure, it said, is expected to fall under Italy’s broader Common Agricultural Policy strategic plan instead.

The update leaves the sector with several moving parts at once: a smaller harvest in much of the country, a formal request for crisis intervention in Sicily, new labeling requirements approaching at the EU level, and possible regulatory changes in how vineyards are recorded and supported. For wine businesses, the coming weeks are likely to be important as more reliable harvest data arrive and the ministry decides how far to go on both market intervention and regulatory changes.