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Beaujolais wine chief warns of business failures after a second straight weak harvest

Hail and heat waves cut output across up to half the region’s 12,000 hectares, deepening financial strain on producers

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Wine producers in France’s Beaujolais region are under growing financial pressure after a second straight year of weaker harvests, and the head of the region’s wine trade body has warned that some companies could run into serious trouble in the months

ahead.

In an interview published Monday by Le Progrès, Sébastien Kargul, the new president of Inter Beaujolais, said there is a risk of business failures as the vineyard area in the Rhône faces both lower production and the need to adjust to changing consumer habits. Inter Beaujolais is the industry body for Beaujolais wines.

Kargul’s comments come as this year’s grape harvest is ending in the Rhône. He told the newspaper that the season had started well until late June, before a series of weather shocks changed the outlook. According to Kargul, two hail events struck in quick succession, and the July 16 storm sharply cut output across an area he estimated at between 3,000 and 6,000 hectares. The Beaujolais vineyard has about 12,000 hectares in production.

He also said successive heat waves followed. In the interview excerpt published by Le Progrès, Kargul described a vineyard squeezed between a second consecutive year of falling harvests and a market that is changing as drinking habits evolve. The article available publicly does not give a full harvest estimate or a detailed production forecast, but the warning points to a difficult period for growers, cooperatives and merchants that depend on regular volumes to cover costs and keep sales channels supplied.

The immediate problem for producers is that lower harvests reduce the amount of wine available to sell while fixed costs remain. When weather damage affects thousands of hectares, the pressure can spread across the local economy, from growers and bottlers to transport firms and distributors. If weak output is repeated over two years, cash flow can tighten further, especially for smaller operators with limited reserves.

Kargul’s warning also suggests that the challenge is not only agricultural. He linked the production shortfall to the broader need for the region to adapt to new patterns of consumption. That means producers are being forced to manage two pressures at the same time: less wine to sell in the short term and a market that may require different pricing, marketing or product positioning over the longer term.

For the beverage sector, the issue goes beyond one French vineyard. Beaujolais is an established wine-producing area, and financial strain there could affect supply relationships, contract performance and pricing across parts of the wine trade if business failures occur. Any prolonged mismatch between lower output and softer or shifting demand could also influence how importers, wholesalers and retailers manage inventories and sourcing.

The warning from Inter Beaujolais adds to a broader concern in Europe’s wine industry, where producers have had to cope with more frequent weather extremes while also responding to changes in consumer behavior. Hail and heat can cut yields quickly, but the financial effects often appear later, when businesses begin to feel the impact of smaller volumes, delayed revenue and higher pressure on margins.

In the Rhône, that pressure now appears to be building at the end of harvest rather than at the start. Kargul’s account to Le Progrès indicates that conditions were favorable earlier in the season before the damage from mid-summer weather events altered the picture. The scale of the area affected by hail, if confirmed across the region, would represent a significant share of the vineyard under production.

Le Progrès reported Kargul’s warning as part of its coverage of how wine professionals are dealing with the current crisis. His remarks place the Beaujolais region in a difficult position: coping with climate-related losses in the vineyard while trying to adjust to a wine market that is no longer moving in the same way as before. For businesses already weakened by repeated production setbacks, that combination may determine whether they can absorb the shock or whether some begin to fail in the coming months.