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Italian wine prices fell 2.3% in September, squeezing producers.

The industry group said discounting failed to lift volumes, leaving wineries to absorb higher energy, packaging and transport expenses.

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Italian wine producers are facing another squeeze as retail wine prices continue to fall while inflation and production costs keep rising, according to the Italian Wine Union, or UIV, citing Istat data.

UIV said Thursday that consumer wine prices in Italy fell 2.3% in September from a year earlier. That moved in the opposite direction from the broader inflation rate, which the group said was up 4.2%. At the same time, wine sales by volume have not increased, a sign that lower shelf prices have so far failed to bring buyers back in larger numbers.

The industry group said the pressure is especially severe for wineries because some of their main cost items are still increasing. UIV pointed in particular to electricity and gas, which affect cellar operations directly and also raise costs indirectly through glass production. The group also cited higher expenses for transport and logistics, oenological products, packaging and other materials.

That has widened what UIV described as the gap between inflation upstream and price deflation downstream. In practice, wineries are paying more to produce and move wine while finding it harder to pass those increases on through price lists. The result is tighter margins across the sector.

“The simultaneous decline in prices and sales also shows that the lower price on the shelf is not producing a recovery in demand, at least for now,” UIV said in substance through its analysis of the Istat figures. That combination is a concern for producers because it suggests price cuts alone may not be enough to support consumption in the current market.

Lamberto Frescobaldi, the president of UIV, said wine companies need more public support. He said the group is looking for further action from the Italian government and, even more, from the European Union. He referred to the appeal made by Prime Minister Giorgia Meloni in her letter this week to European Commission President Ursula von der Leyen, asking for action to address exceptional inflation pressures.

Frescobaldi said wineries need structural measures on energy costs, stronger public guarantees to make credit easier to obtain and tax tools that encourage investment in energy efficiency and lower production costs. His comments underline how closely the wine sector’s financial health is tied to broader energy and financing conditions, not only to consumer demand.

UIV’s observatory said the Italian wine industry generates 14 billion euros in revenue, with 55% coming from exports. The sector also delivers a trade surplus of 7.2 billion euros, making it one of the country’s major food and beverage export businesses.

The figures matter beyond wine alone because they point to a pricing problem that could ripple across the beverage industry. When inflation at the production level stays high but retail prices weaken, suppliers can come under pressure in commercial talks with supermarkets and other large buyers. For producers of wine, beer, spirits and other drinks, that can complicate planning, investment decisions and the balance between protecting market share and protecting margins.

For Italian wine producers in particular, the latest data suggest that discounting has not yet translated into stronger volumes, even as input costs remain elevated. That leaves companies trying to manage shrinking room for profit in both the domestic market and, potentially, in export strategies shaped by higher financing, packaging and transport costs.