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South American wineries face three separate pressures in 2026

A new report cites Argentina’s 4.7% September sales drop, Chile’s export slump, Uruguay’s 13.2% harvest gain as sources of regional margin pressure

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South America’s wine industry is moving through three different strains at the same time: weaker domestic demand in Argentina, softer export demand in Chile, and larger stocks in Uruguay after a bigger harvest. The combined picture points to a region where wineries are dealing with uneven consumption, tougher placement of supply,

and growing pressure on margins.

According to a WineMag.it report published on Wednesday, November 11, the latest 2026 data show that the stress is not concentrated in one market or one type of wine. Instead, each of the three countries is facing a different problem inside the same industry, forcing producers to adjust sales plans, product mixes, and market strategies.

In Argentina, the pressure is coming mainly from the local market. Wine shipments for domestic sale totaled 707,145 hectoliters in September 2026, down 4.7% from September 2025. The decline was sharper than the trend for the first nine months of the year, when domestic sales slipped 0.2% to 5.48 million hectoliters. That suggests the full-year picture remains more stable than the September reading alone, but the monthly slowdown was still notable.

The weakness in Argentina was not evenly spread across categories. Varietal wines posted the steepest drop, down 14.3% in September and 18.1% in January through September. Wines without a varietal indication fell 0.2% in September. At the same time, sparkling wines rose 3.6%, and other categories increased 13.4%.

Consumer demand also split along color lines. White wines grew 8% in September, while red and rosé wines fell 9.3%. That mix suggests the market is not contracting across the board, but is shifting within categories, with the pressure concentrated more heavily on some segments than others.

In Chile, the main problem is external demand. Bottled wine exports fell 5.3% by volume and 5.2% by value from January through September 2026, according to the report. The decline fits into a broader export slowdown. WineMag.it cited Chile’s October bulletin from Odepa, the country’s agricultural office, which showed total wine exports down 8.8% in volume and 6.4% in value over the same period.

Bulk wine was under even greater pressure. Liters shipped abroad in that segment dropped 11.4%, a sign that the difficulty is not limited to premium or branded channels. The data indicate that absorbing available supply remains difficult, especially in parts of the market that depend on larger-volume trade flows.

Chile’s export performance was also uneven by destination. Bottled wine sales increased in Brazil, the United Kingdom, and Russia, while they declined in the United States, China, and Japan. That split helps explain why producers are trying to diversify rather than rely on a single recovery in global demand.

WineMag.it said Chilean companies are pairing the search for new markets with changes in commercial strategy. Those include investment in wine tourism, more selective brand portfolios, and a stronger focus on fresher, lighter, and lower-alcohol wines, including dealcoholized alternatives. The shift reflects changing consumer preferences and shows how wineries are trying to respond to competition not only within wine, but across the broader beverage market, where drinkers have more low-alcohol and non-alcohol options than in the past.

Uruguay is dealing with a different issue: more wine to sell in a market that is not absorbing it easily. The 2026 harvest produced 70.39 million liters, up 13.2% from 2025, from about 93.2 million kilograms of grapes. The harvest, which ended in April, benefited from favorable weather. WineMag.it reported that the absence of problematic rain allowed grapes to be picked at optimal ripeness, without the early harvesting sometimes forced by sanitary concerns.

But the recovery in production has met weak domestic consumption and accumulated inventories. The report said Uruguayan media have described unsold wine in winery cellars and commercial difficulties that could weigh on company liquidity. That matters because tighter cash flow can affect decisions on grape buying for the next season, passing pressure from wineries back to growers.

Logistical and port issues have also been cited in Uruguay as obstacles to commercial management, although the available information does not measure their exact impact. Even without a precise estimate, the combination of larger output, weak demand, and existing stocks points to a harder selling environment for wineries.

Taken together, the three markets show different forms of stress across the South American wine chain. Argentina is confronting slower internal demand, especially in varietal wines. Chile is facing weaker export performance, with declines in both bottled and bulk shipments. Uruguay is coping with a larger harvest that has added to

inventories in a soft market.

For the beverage sector, these signals matter beyond wine alone. A drop in domestic sales, weaker export channels, and rising inventories can influence pricing, promotional activity, and product development, while also pushing producers toward lighter, lower-alcohol, or alternative offerings as they compete for consumers whose drinking habits are changing.