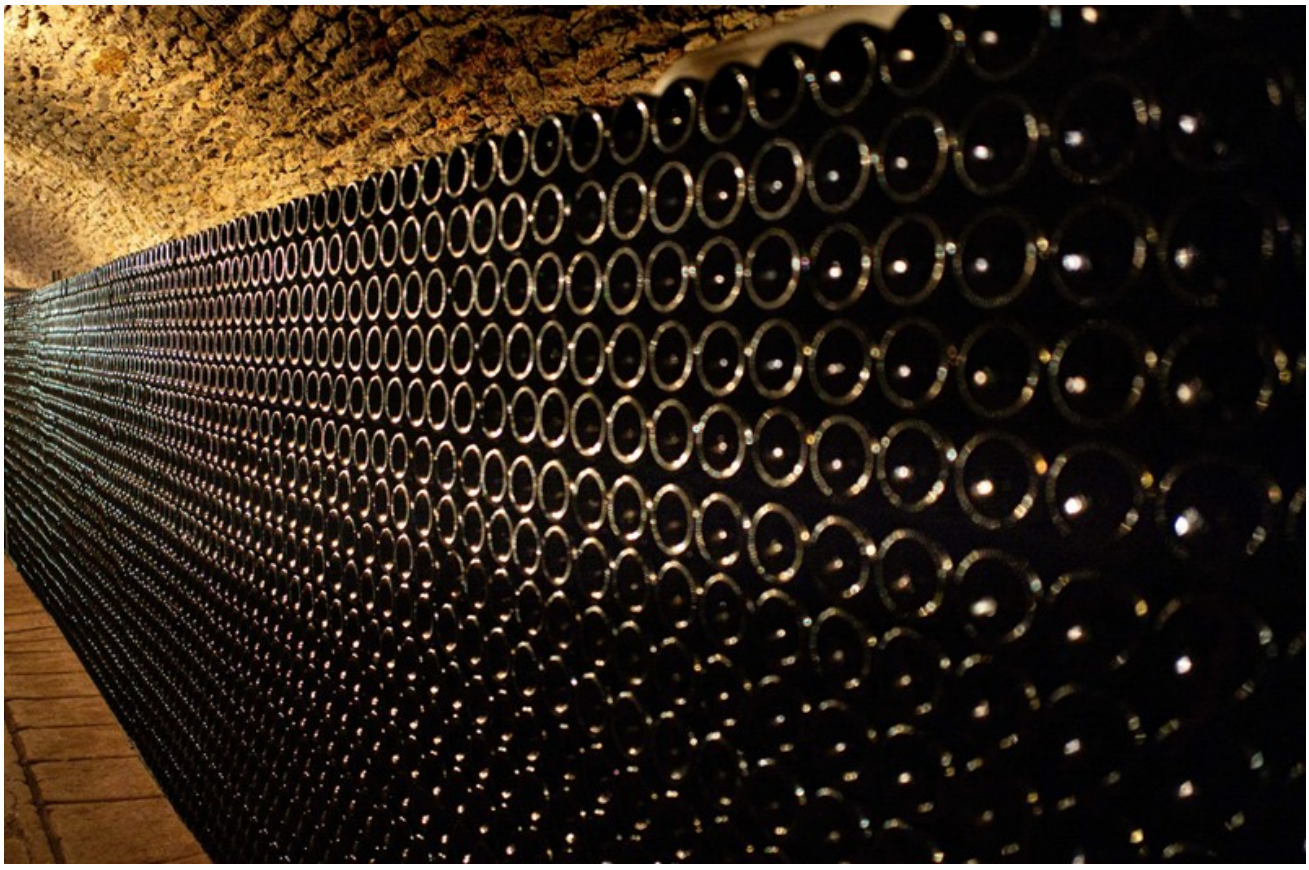
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South America’s wine producers face rising commercial pressure before the end of 2026

Argentina is shipping less at home; Chile is exporting less abroad; Uruguay is carrying more stock after a 13.2% harvest increase

Monday, November 16, 2026



South America’s wine producers are heading toward the end of 2026 under growing commercial pressure, but the strain is coming from different places in Argentina, Chile and Uruguay. In Argentina, wineries are shipping less wine to the domestic market. In

Chile, exporters are selling less abroad. In Uruguay, a larger harvest has added to inventories at a time of weak local demand.

The result across the region is a heavier burden on the wine chain, from grape growers and wineries to distributors and retailers, even though the immediate causes vary by country.

In Argentina, domestic wine shipments totaled 707,145 hectoliters in September, down 4.7% from the same month a year earlier, according to industry figures cited in an analysis by Vinetur. Over the first nine months of the year, the decline was much smaller, at 0.2%, with shipments reaching 5.48 million hectoliters from January through September.

The Argentine data show that the drop has not been uniform across all categories. Varietal wines posted the steepest decline, falling 14.3% in September and 18.1% in the January-September period. At the same time, sparkling wines rose 3.6% in September and white wines increased 8%. Those shifts suggest that overall domestic demand has softened, while some segments are still finding buyers.

That pattern matters because Argentina’s home market remains a central outlet for wineries. When domestic shipments slow, producers can face pressure on pricing, inventories and cash flow, especially in higher-value categories that have already weakened more sharply than the broader market.

In Chile, the pressure is coming mainly from foreign trade. From January through September, bottled wine exports fell 5.3% in volume and 5.2% in value, according to official data cited in the report. Chile’s Office of Agricultural Studies and Policies, known as Odepa, said in its October bulletin that total wine export volume was down 8.8%, while bulk wine exports fell 11.4%.

The Chilean figures point to uneven performance across destinations. Sales increased in Brazil, the United Kingdom and Russia, but fell in the United States, China and Japan. Those three markets are especially important because they have long been key destinations for Chilean producers. Losses there can outweigh gains elsewhere, particularly in a market where producers are already competing on price, brand

position and distribution reach.

For Chilean wineries, the export slowdown comes at a time when many producers are already adjusting to weaker global wine consumption. According to the report, some have responded by expanding wine tourism, narrowing their product portfolios and pushing styles marketed as fresher, lighter or lower in alcohol, including dealcoholized options. Those moves reflect an effort to diversify revenue and adapt to changing consumer preferences rather than rely only on traditional export growth.

Uruguay is facing a different problem. Its 2026 harvest was larger, but the domestic market has not been strong enough to absorb the added supply. Production reached 70.39 million liters from 93.2 million kilograms of grapes, after favorable growing conditions and an absence of damaging rains. That was a 13.2% increase from 2025.

A bigger crop can be positive when demand is rising, but it can become a source of stress when sales are weak. In Uruguay, the rebound in output has coincided with existing stocks in wineries and a soft local market. That combination can leave more wine unsold in storage, putting pressure on working capital and raising questions about how much fruit wineries will be willing to buy in the next harvest cycle.

The implications extend beyond the cellar. If inventories remain high, wineries may seek to move product more aggressively through discounts, promotions or expanded placement in restaurants and retail channels. That can help clear stock, but it can also squeeze margins and add uncertainty for growers who depend on winery purchases each season.

Taken together, the three cases show a regional industry under pressure without a single regional cause. Argentina is dealing with slower movement in its domestic channel, particularly in varietal wines. Chile is managing weaker export performance, with declines in several major overseas markets. Uruguay is trying to absorb a larger harvest in a market that has not kept pace.

For producers, that means strategy is becoming more local and more immediate. Argentine wineries must watch whether the weakness in domestic shipments broadens beyond varietals. Chilean exporters need to determine whether gains in markets such

as Brazil and the United Kingdom can offset losses in the United States and Asia. Uruguayan wineries face the more basic problem of stock management and liquidity after a strong harvest met soft demand.

The broader commercial effect is the same across the region: more pressure on pricing, inventories and sales channels at a time when wine producers are already dealing with changing consumer habits and tighter competition. That pressure is likely to shape decisions on grape buying, product mix, marketing and market expansion as wineries move into the final stretch of the year.