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Sicilian cooperatives seek €50 million to rescue the island’s wine sector

The groups want the regional budget to fund crisis distillation, producer aid and cooperative capital after €19 million was cut

Tuesday, November 17, 2026



Sicily’s main cooperative organizations are asking the regional government to allocate at least €50 million in the upcoming budget law to support the island’s wine sector, arguing that wineries and growers need immediate relief from surplus stocks, weak

prices and rising costs.

The appeal was made public on Nov. 12 by AGCI, Confcooperative, Legacoop, UNCI and UNICOOP. The groups said the money should cover three priorities: crisis distillation to reduce excess wine stocks, direct aid to wine producers through the EU de minimis framework, and measures to strengthen the capital base of cooperative wineries so they can invest and improve access to credit.

The request follows the removal of wine-sector measures from a regional budget amendment package. On Oct. 15, Gaetano Galvagno, president of the Sicilian Regional Assembly, said, with the agreement of Regional President Renato Schifani, that 52 articles would be stripped from the budget variations in order to concentrate resources on measures considered more urgent. Among the provisions removed was Article 60 of bill 1200/A, which had set aside €19 million for wine businesses that are members and grape suppliers of cooperative wineries.

The cooperative groups say that move interrupted an expected support package at a time when many wineries are under financial pressure. They are now asking the region to turn the issue into a firm budget commitment rather than another temporary discussion. Michele Cappadona, president of AGCI Sicilia, said Sicily’s productive economy could not continue to live with delays.

According to the organizations, the cooperative system represents about 70% of Sicilian wine production and provides a market outlet for grapes grown by tens of thousands of farmers. That makes the financial condition of cooperative wineries important not only for growers’ income, but also for production continuity across large winegrowing areas of the island. Because those cooperatives handle such a large share of Sicilian wine, their liquidity, inventory management and ability to invest could also affect supply conditions and commercial stability across an important part of the beverage sector.

The groups have been warning about the situation for months. During a Sept. 17 hearing before the productive activities committee of the regional assembly, industry representatives said many wineries still had tanks full as the new harvest began. They also pointed to falling prices and higher energy and logistics costs. Even at that stage,

they were calling not only for distillation measures to clear stock, but also for a more structural intervention to increase cooperative capital and strengthen borrowing capacity and investment plans.

The €50 million request combines those short-term and longer-term goals. Crisis distillation is intended to reduce pressure from unsold inventories by removing part of the excess wine from the market. Direct aid would aim to give immediate support to growers. Capitalization of cooperative wineries would be meant to reinforce the balance sheets of the businesses that process and market members' grapes, allowing them to invest in modernization and innovation.

The debate has also widened into a political dispute over who should receive aid and how it should be structured. Cia Sicilia Occidentale has called for direct area-based support for all winegrowers, alongside measures for wineries. On Oct. 30, Stefano Pellegrino, the Forza Italia group leader in the Sicilian assembly, proposed moving the €19 million intervention into the regional budget law and redirecting it toward producers' income through a one-time payment based on cultivated area, combined with measures to address excess stocks.

That did not end the criticism. On Nov. 13 and Nov. 14, Dario Safina of the Democratic Party and Cristina Ciminnisi of the Five Star Movement said the government's proposal lacked specific wine-sector measures. Pellegrino responded by saying the measures would be recovered during parliamentary debate, with direct aid for producers and action on surpluses.

The organizations behind the Nov. 12 appeal are pressing for a broader package than the one first discussed in October. Their position is that protecting growers' income and strengthening cooperative wineries are linked goals, since the wineries are the main channel through which members' grapes are processed and sold. In their view, limiting support to only one part of the chain would not be enough to stabilize the sector.

The regional government and lawmakers are now under pressure to decide whether the wine package will reappear in the budget law, and in what form. The answer matters well beyond a single line item in the regional accounts. Sicily is one of Italy's most important wine-producing areas, and the fate of its cooperative wineries could shape

how quickly growers are paid, how surplus stocks are handled and how much capacity the sector has to keep investing in production and marketing.