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Italian Wine Exports to U.S. Plunge by €110 Million as Tariffs Drive Up Retail Prices

European producers slash prices up to 26 percent, but American consumers see 4–5 percent price hikes and shrinking selection

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The American wine market is undergoing significant changes as new tariffs on imported wines from Europe take effect. The Supreme Court has yet to rule on the legality of these tariffs, but the impact is already being felt across the industry. Producers, importers, distributors, and retailers are all adjusting their strategies to cope with the increased costs. These adjustments include sharing the burden of tariffs, reducing taxable bases, and hedging against currency risks. While these measures may soften the blow in the short term, many in the industry believe that a decline in wine consumption is inevitable.

Earlier this month, the Unione Italiana Vini (UIV), which represents more than 800 Italian wine companies, raised concerns about the sustainability of self-imposed price cuts by European producers trying to remain competitive in the U.S. market. According to UIV, Italian wine prices for the U.S. dropped by an average of 15% in the third quarter of this year, while French wines saw a 26% decrease. The association estimates that losses for Italian wine exports to the U.S. reached nearly 110 million euros in just the last quarter compared to a year earlier. At the same time, retail prices for these wines in America increased by about 4 to 5 percentage points in October, and orders ahead of Thanksgiving remained weak.

Behind these numbers lies a wide range of responses from producers and importers. Sandra Feral, export manager at Vinovalie in southwest France, explained that her company split tariff costs evenly with its five or six U.S. importers. Although the U.S. is not yet a major market for Vinovalie—accounting for about 200,000 euros in sales over the past year—the company offered discounts to help absorb half of the extra costs imposed by tariffs under the Trump administration. Administrative delays have compounded these challenges; federal government shutdowns have frozen several projects, including approvals for new labels by the Alcohol and Tobacco Tax and Trade Bureau (TTB). As a result, it has become harder to introduce new products or expand market presence.

In Italy, responses vary depending on company size and structure. Marco Volpi of Cantine Volpi in Piedmont said his winery reduced prices by 5%, but retail prices remained fixed due to contracts between importers and distributors. Despite this effort, Volpi reported a 20% drop in sales to the U.S., with uncertainty stalling any new projects. In contrast, StraItalian chose not to lower its prices further because margins were already tight and it wanted to support its growers. Instead, StraItalian restructured its operations by focusing on its best-selling products and suspending new launches.

StraItalian’s direct presence in the U.S., through an American subsidiary, has helped manage operational costs and limit exposure to currency fluctuations—a factor that can add up to 15% to prices. However, even these precautions have not prevented a decline in sales this year. Gaetano Peragine, director of StraItalian, said he refused

orders with payment terms as long as 180 days to avoid non-payment risks, choosing instead to lower sales targets and require payment before shipping.

Retailers have also had to adapt quickly. Jonas de Maere, who was head wine buyer at Ahold Delhaize USA until August, described how his company brought together all stakeholders after tariffs were announced. The goal was to keep consumer prices stable by sharing tariff costs across producers, importers, distributors, and retailers. Because contracts for 2025 were already signed when tariffs were announced in April and most wines were already bottled or stored, companies could plan accordingly and keep shelf prices steady through June.

As negotiations begin for 2026 pricing with the arrival of new vintages, some importers are reaching the end of their currency hedging contracts and will need to renegotiate them under less favorable conditions. Bulk wine prices from countries like Spain are also rising. Retailers expect that they will no longer be able to absorb tariff costs as they did before; price increases are likely between February and June next year as new vintages reach shelves.

American retailers are also streamlining their product portfolios rather than introducing new labels during this period of uncertainty. Some are considering replacing imported wines with California products that are not subject to tariffs—especially for entry-level wines where origin matters less to consumers.

The complexity of America’s three-tier distribution system—producer/importer, distributor/wholesaler, retailer—has made it difficult for all parties to track inventory levels accurately or respond efficiently to market changes. High stock levels can accumulate without clear communication between tiers. To address this issue, Jonas de Maere launched Vintaflow, a platform designed to collect and analyze data across all tiers so businesses can make better decisions about inventory management.

Looking ahead, some exporters hope that legal challenges will end tariffs soon or at least prevent their extension beyond current limits. However, if tariffs remain in place into 2026, many expect further declines in consumption as higher prices reach consumers who already pay $13–14 for wines that cost just two euros at European wineries—a price that could soon rise even higher.

While short-term solutions exist for absorbing tariff costs within the three-tier system, industry leaders warn that these measures are not sustainable over time. If tariffs persist or increase further next year, both European exporters and American consumers may face lasting changes in what wines are available—and at what price—in stores across the United States.