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Wine Industry Leaders Warn Rising Costs and Regulations Threaten Sector’s Profitability

Executives at London conference say higher prices and bureaucracy risk shrinking product ranges and reducing consumer access to wine.

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The wine industry is facing a period of significant change, with growing concerns about pricing, business models, consumer engagement, and economic sustainability. These issues were at the center of discussions during the recent DB Conference in London,

organized by The Drinks Business, where industry leaders from across the United Kingdom and Europe gathered to address the sector’s future.

Simon Farr, chairman of Cru World Wine, highlighted a key challenge: the disconnect between price and perceived value. Speaking at the conference, Farr said that in the coming years, the price consumers pay for wine will need to better reflect its real value. He noted that as global wealth increases, higher prices are likely inevitable. However, he also pointed out that access to top wines has never been broader. “Now we can taste a Romanée-Conti without having to buy an entire bottle,” Farr said, referencing the rise of wine bars and tasting experiences that allow consumers to sample rare wines by the glass.

Accessibility remains a concern for distributors as well. Nick Martin, managing director of Wine Owners, told The Drinks Business that more work is needed to ensure wine remains reasonably accessible in restaurants and bars. Producing an affordable bottle is still a challenge for many wineries, especially as costs rise across the supply chain. Martin warned that entry-level wines are at risk of disappearing from shelves if these trends continue.

Rising costs and regulatory pressures are putting additional strain on the industry. Steve Finlan, CEO of The Wine Society, explained that selling wine has become much more difficult in recent years due to increased bureaucracy, higher contributions, new excise regimes, and environmental packaging requirements. Finlan reported that these changes have led to an increase in internal costs of about £6 million for his organization alone. He argued that complex regulations are forcing businesses to reduce their product ranges, cut investments, and shrink their workforce. According to data from HM Treasury cited by Finlan, alcohol excise revenues have already dropped by £0.2 billion—a sign that recent reforms may be harming both government finances and the industry itself.

The impact of rising bottle prices is being felt by consumers as well. Many are reconsidering their purchases or trading down to less expensive options. This shift is prompting producers and retailers to rethink their strategies for maintaining profitability.

At the DB Annual Conference, profitability was a central topic. Industry experts agreed that there are still opportunities for growth in global markets but stressed that success will require selectivity and a willingness to move beyond traditional business models. The ability to connect with new audiences is seen as crucial.

Cecily Chappel, CEO of Chelsea Vintners, challenged the narrative of decline in wine consumption among younger generations. She argued that young people remain open to drinking wine but approach it differently than previous generations. “They are curious consumers—less attached to iconic appellations, more informed, and less willing to wait decades before opening a bottle,” Chappel said.

Communication emerged as another major issue for the sector. Farr criticized what he described as a lack of energy in telling compelling stories about wine. “The problem isn’t the product—it’s how we talk about it,” he said. Farr believes that too many in the trade rely on familiar labels rather than introducing consumers to new experiences or narratives.

Despite these challenges—rising costs, health concerns, calls for moderation, and shifting expectations—wine continues to play an important role in social life. Farr reminded attendees that people still seek opportunities to disconnect from technology and reconnect with each other over a glass of wine. Historically, he said, wine has always been a tool for social connection.

Industry leaders agree that adapting to these changes is essential if wine is to remain relevant and profitable in the years ahead. The message from London was clear: without renewed focus on value perception, profitability, and engaging new audiences through better storytelling and accessibility, the future of wine could become increasingly limited.