Ciatti Global Market Report - August 2025

Navigating a path forward amid the headwinds

Welcome to the Ciatti Global Market Report on Substack – a new home, but with the same incisive and actionable market intelligence as before. The latest pricing tables, collectively now called the Global Pricing Grid, will be published separately in a few days.

The bulk market was quiet globally through July into early August, as is typical when the Northern Hemisphere is on its summer holidays and/or preparing for harvest. However, the quietness exceeded normal levels in some countries, and speaks to a feeling – borne out by some export statistics – that 2025 has seen an intensification of the sluggishness that has characterised the bulk market since the end of the pandemic's retail demand spike.

The same period last year was also slow, but August 2024's Global Market Report was able to state: "Shorter crops and the return of China as a buyer in Australia have helped make the landscape appear a little more active". For the first six months of 2024, "some exporters have experienced a better year". In some ways, then, 2025 has been a backward step, having more in common with 2023, a memorably slow 12 months as retailers worked through inventories and commitments accumulated during the pandemic.

Chile is a microcosm of this: for the first six months of 2024, its total wine exports were up 14% versus the easy comparable of January-June 2023, when they were down a not inconsiderable 25%. In the first six months of 2025, however, exports had returned to negative territory – down 5.29% – unwinding some of last year's recovery. International buyers in all bulk markets have scaled-back their demands in response to declining wine sales at European and North American retail and the rationalisation of SKUs, even if some individual retailers are doing a good job of selling the wines they do stock.

A recently-published survey from Wine Opinions in the US found that, among the 21-39-year-old wine drinkers it surveyed who said they were drinking less frequently than 1-2 years ago, 47% cited rising prices as a cause. It would not be a surprise if the same survey carried out in Europe drew similar conclusions: wine is less competitive on a price-per-alcohol-unit level than beer and spirits at a time when consumers are still dealing with post-pandemic inflationary pressures on their grocery bills.

The Wine Opinions survey also found wine was losing more market share to RTDs than beer and spirits are – "as wine drinkers are disproportionately RTD drinkers". More innovation in how wine is positioned and packaged could help combat RTDs, such as canned wine, canned wine spritzers, lighter wines (going well below 10% ABV) and – conversely – higher-alcohol wine-based products. The bulk market currently has the inventory – if there are entrepreneurs out there wishing to harness it – for a lot of experimentation.

Meanwhile, the Northern Hemisphere harvests are just getting underway and this month's report relays the latest on conditions, timing and crop-size expectations in the vineyards of California, France, Spain and Italy.

Read on for updates from each market and don't hesitate to reach out to us via info@ciatti.com or by clicking the button below. Ciatti's experienced broker team is on hand to bring suppliers and buyers together in mutually beneficial partnerships.

US Tariff Update

Information correct as of 14th August

The US government has increased its import tariff from the 10% baseline rate on a number of countries/blocs. Those changes pertinent to the bulk wine industry are: the EU (new rate 15%, effective from 1st August), New Zealand (15%, effective 1st August), and South Africa (30%, effective 7th August). Argentina, Chile and Australia remain subject to the 10% baseline rate. Read on below for how the US tariffs are affecting each market.

California

Harvest watch: Milder July; localised mildew; normal timetable

Much of California experienced a three-week stretch of cooler-than-normal weather through July. As a consequence, there were some localised outbreaks of powdery mildew – especially in those vineyards adjacent to mothballed or minimally-farmed plots – and grape maturation lagged behind normal timing in some areas. However, veraison largely appears to be adhering to normal timing, likewise the start of harvest.

In California's interior areas, most days were still in excess of 80°F (27°C), and by August temperatures were back at 90°F+ (32°C). Harvest there appears to be proceeding to a normal timetable, with some picking of Pinot Grigio and low-Brix grapes getting underway in the Central Valley from the end of July. Looking ahead, the weather forecast is for a likelihood of above-average temperatures through August, although an “exception is along the California coast, where cooler conditions along the coastal zone are forecast to keep temperatures likely closer to average”. Viticultural climatologist Gregory V. Jones, drawing on US National Oceanic & Atmospheric Administration data, provides the details here.

It remains too early to forecast a precise state-wide crop figure, but expectations are almost unanimous that it will be well below 3.0 million tons, given the amount of grapes that will not be harvested simply because there is no buyer. California’s five-year harvest average has steadily declined in recent years from 4.0 million tons – last exceeded in 2019 – to 3.4 million, as mothballing and the foregoing of picking uncontracted grapes joins with vineyard removals in reining-in production. Last year's crop came in at 2.88 million tons.

California’s grape market has remained lethargic all year. Consequently, the minimal farming or outright mothballing of vineyards has been extensive, with the Coastal areas more concertedly joining in with a mothballing process in evidence in the Central Valley since 2023. As our California Report states this month: “Until such time as retail sales stabilize, the only lever left available for the industry to pull in an attempt to rebalance the market is to reduce grape output and, in turn, wine production.”

The bulk market has been similarly quiet. In the Central Valley, activity has mainly consisted of opportunistic buyers hunting wines at low/clean-up pricing, in order to fulfil private-label requirements. Some of these buyers have also enquired in the Coast, given the softer prices there. Such buyers are largely competing for the tenders of warehouse club stores and grocery chains, retailers whose growing reach and size can – for those who supply them – offset the effects of the wider decline in wine sales at US retail.

The export market remains stable, with steady demand from the UK (mainly for White Zinfandel) and interest from Asia. Demand from Canada remains depressed; the unofficial embargo on US alcohol being conducted by Canada’s largest provinces has moved into a sixth month.

With inventory large, sales slow, and cashflow an issue for many in the industry, suppliers are increasingly open-minded regarding the avenues they could supply, including export. International buyers will find plenty of opportunities on California's bulk market to fulfil programmes with good-quality wines at attractive pricing – and multi-year deals are potentially available. California is able to supply high-quality Coastal wines for mid-tier programmes, standard California-appellation export wines, and low/no-alcohol options.

> Key Takeaways: July was milder in California generally, leading to some localised mildew issues; Central Valley conditions have been largely normal, so too the timing of harvest start. Widespread mothballing across the state – noticeably more prevalent in the Coast this year versus the past – together with the foregoing of picking uncontracted grapes, makes a second successive sub-3.0-million-ton harvest likely. The persistence of large inventories and the ongoing bulk market lethargy mean opportunities exist for international buyers to secure – at globally-competitive prices – high-quality wines for mid-tier programmes and standard-quality wines for more typical export programmes. Multi-year deals are potentially available.

Argentina

Harvest watch: Further cold temperatures; belated snowpack in Andes

Argentina's bulk wine market was quiet through July, as is normal, with minimal European demand and some domestic requests for 2025-vintage samples. North American demand has lagged, likely symptomatic of slow retail sales and possibly some tariff uncertainty. The Argentinian government has been working hard on a trade deal with the US that could remove tariffs on up to 80% of products – including wine – but the 10% baseline rate remains in place for now.

Sample requests are being met with a significant number of wines; as around the world, many suppliers in Argentina are sitting on burgeoning stocks and require cashflow. According to the Argentine Bulk Wine Chamber (CAVG), total wine stocks as of 1st July were up 2.8% versus the same date of 2024, at some 1.59 billion litres. Of this stock, 76% was red wine, with volume up 6.7% versus a year ago; white wine stocks, representing 24% of the total, were 8.1% lower. This is somewhat reflected by availability on the bulk market: all wines are in stock, but varietal whites are only available in limited quantities. Provisional statistics from the National Institute of Viticulture (INV) show Argentina's total wine export volumes were 6.9% lower in January-July 2025 versus the first half of 2024 (which itself saw a fall, by 3.8%).

Concentrated must exports for the same January-July 2025 period, however, were up 7.2%. The CAVG measured Argentina's must stocks at 118 million metric tonnes as of 1st July, up 17.1% versus the year before; the majority of the stock was sulfated must (+24.2%) ahead of concentrated (-3.4%). White grape juice concentrate is available and competitively-priced versus Europe, with pricing having softened over the past few months and now at approximately USD1,350-1,400 per metric tonne.

Argentina's bulk wine export pricing remains stable with previous months at a lower level than last year: standard Malbec continues at USD0.70-0.80/litre. The peso has weakened markedly against the dollar over the past month, from ARS1,275/dollar to ARS1,325 as of 14th August, as the government works to service its debt to the International Monetary Fund, political uncertainty builds ahead of the country's mid-term elections in October, and the dollar stabilises after its initial tariff shock. When Argentina's government removed currency controls in April, it said the peso would be allowed to float freely within the ARS1,000-1,400/dollar range.

Domestic wine consumption had shown growth in January through April, according to INV data, but sales volumes in the months of May (-10.2%) and June (-1%) correspond with our suspicion that the uptick was due to retailer restocking after a period of foregoing purchases, rather than a genuine increase in consumer demand. Argentina's monthly inflation rate was 1.9% in July, slightly up from 1.6% in June; annual inflation was at 36.6%, down from 39.4%. The benchmark interest rate has been at 29% since January.

A second Antarctic cold front in a month arrived in southern and central Argentina – including Mendoza – during the final week of July. It was not as severe as the first, but helpful snowpack was put down in the Andes after an acute snowfall deficit in the opening six weeks of winter. It is hoped August brings further snow to help boost slow-release water supplies for the 2025/26 growing season.

> Key Takeaways: Argentina's bulk wine market has been quiet and – as of 1st July – wine stocks were 2.8% larger than 12 months before. Export pricing is therefore stable at a lower level versus last year; standard Malbec is at USD0.70-0.80/litre and Argentina is particularly competitive on white GJC. The peso has weakened against the dollar over the past month due to internal and external factors, standing at AS1,325/dollar as of 14th August. Wine export volumes remained subdued in January-July, falling 6.9%. The cold winter continues, assisting vineyards in dormancy.

Chile
Harvest watch: Rainfall deficits cut by rainy July/early August

Chile's bulk market was quiet through July into early August, as is typical, with the Northern Hemisphere on its summer holidays and/or preparing for its own harvests. Domestic demand was steady; international business has been logistics-focused – distributing samples and, primarily, arranging shipping for those wines already contracted. While bulk wine export volumes were down 16.4% in the first half of 2025, a considerable amount of shipping has occurred in – or has been scheduled for – the second half of the year.

Chile's total wine export volumes were down 5.29% in the first six months of 2025 versus the equivalent period of 2024 (see export table below), although this is a tough comparable as exports were up significantly in the first half of 2024 (+14%) after a very slow 2023 for the bulk market globally. In general, there is a conservative mood on the market: volumes, when secured, are sometimes smaller than before, and demand in the past couple of months was quiet even by the standards of the time of year.

North American and Canadian demand has been minimal, with the occasional enquiry into pricing and availability on a particular wine type or varietal. Some longstanding buyers have shown a little lethargy in securing their 2025 wines – potentially an indicator of slow retail sales – and risk missing out on the best 2025-vintage qualities. However, other buyers are now starting to make enquiries into next year's vintage, as per normal. Chinese tenders are present on the market, for a range of varietals and quality levels, mainly entry-level and premium.

Availability is in line with last month: all 2025-vintage wines are in stock, with generic white in tightest supply. Likewise, the pricing picture is the same: stable, with some softening possible on particular wines if the supplier is seeking to make tank space. Chilean pricing has faced some stiff competition over the past year – from New Zealand on Sauvignon Blanc, for example, or from Australia on a number of wines – but there is a feeling that price reductions will not necessarily stimulate extra demand, given the retail sale picture around the world.

Chile's Ministry of Agriculture has published the official 2025 crush figure: 838.6 million litres. Roughly equivalent in size to the crushes of 2006 and 2007, it is the second consecutive crush below 1.0 billion litres and 9.9% down from last year's 930 million litres. However, it was still larger than the widely expected 750 million litres. This larger-than-expected crush figure, in combination with the slow bulk market, could potentially put a stop to grape-price increases. Vine removals are continuing.

The two largest-producing regions experienced smaller crushes versus 2024: Maule (taking in Curicó and Talca) crushed 397 million litres (-14.5%), representing 47.4% of production; O'Higgins (including Rancagua, San Fernando and Santa Cruz) crushed 270.2 million litres (-17.6%), some 32.2% of production. Output of wines with Designation of Origin represented 82.5% of the total crush at 691.7 million litres, down 14% in volume versus 2024. Wines without DO represented 16.3% of the crush at 136.6 million litres (+17.1%). Production of wines made with table grapes, meanwhile, represented 1.2% of the output at 10.2 million litres (+5.8%).

In terms of varietal, the most-produced, Cabernet, came in at 196 million litres, down 24.1% versus the previous year. Sauvignon Blanc output was down 19.3% to 108 million litres, while Chardonnay (-7.3%), Merlot (-15.4%) and Carmenere (-26.2%) also fell. However, generic Pedro Jiminez wine production was up significantly versus the prior year, coming in at 41.3 million litres (+136.7%), representing 6% of the total crush. This was due to reduced grape demand from the pisco industry and some decent water reserves in northern areas.

The threat of a US import tariff on copper of up to 50% weakened the peso out from CLP933/dollar at the start of July to CLP978/dollar by the end of the month. (The US is the second-largest market for Chilean copper, taking 11% of the country's exports in 2023.) However, the US government subsequently announced the tariff – which came into effect on 1st August – would not apply to primary copper inputs such as refined copper cathodes, which make up a reported 99.9% of Chile's copper shipments to the US. The peso consequently strengthened slightly, averaging CLP968/dollar through the first two weeks of August. The Central Bank of Chile cut its benchmark interest rate from 5% to 4.75% in July, the first reduction since October; annual inflation rose from 4.1% in June to 4.3% in July.

July and early August brought some much-needed precipitation to the central areas of Chile, with a number of rainy days – and some snow – alleviating the longstanding drought conditions that had extended into the second month of winter. Rainfall deficits were slashed, particularly in the northern parts of central Chile: La Serena's deficit reduced from -41.4% to -0.5% in a month, Valparaíso's from -31.8% to a +2.2% surplus. Santiago's deficit declined from -13.6% to -9.8%, and Curicó's halved from -23.8% to -12.8%. See this month's Rain Status table below. This recouping of water reserves, together with the freezing polar front at the end of June which brought dormancy-conducive cold hours to the vineyards, bodes well for the 2026-vintage growing season.

Key Takeaways: International demand on Chile's bulk market was muted through July into early August. The focus of activity was on shipping those wines already contracted; a considerable number of shipments have occurred in – or been scheduled for – the second half of this year. All 2025 wines remain in stock; generic white is in tightest supply. Export pricing is stable, but potentially softening if a supplier requires tank space; the peso has weakened out to the CLP960/dollar range versus CLP930/dollar six weeks ago. Winter rain belatedly arrived through July, slashing precipitation deficits and alleviating drought concerns.

Rain Status (millimetres) - Updated August 5, 2025

City	Total to date	Last year same date	Normal to Date	Deficit or surplus	Yearly normal
La Serena	62,8	85,6	63,1	-0,5%	83,2
Valparaíso	270,4	338,7	264,7	2,2%	363,2
Santiago	182,1	353,7	201,8	-9,8%	286,3
Curicó	365,9	499,6	419,6	-12,8%	596,0
Chillán	393,5	659,8	653,2	-39,8%	936,2
Concepción	551,9	754,0	674,5	-18,2%	984,3

Chilean Export Figures

Wine Export Figures	January 2024 - June 2024			January 2025 - June 2025			Volume
	Million Liters	Million US$ FOB	Average Price	Million Liters	Million US$ FOB	Average Price	Variance %
Bottled	197,28	597,44	3,03	202,72	605,53	2,99	2,76
Bulk	158,92	119,66	0,75	132,84	102,51	0,77	-16,41
Sparkling Wines	1,51	6,01	3,98	1,87	7,33	3,91	24,13
Packed Wines	11,09	20,61	1,86	11,85	18,62	1,57	6,83
Total	368,80	743,72	2,02	349,28	734,00	2,10	-5,29

France
Harvest watch: Mild July after heatwave; maturation slightly delayed

The intense heatwave that struck much of Europe in late June into early July gave way, in southern France, to a milder July than normal, with persistent strong winds from the north and two heavy rain episodes. Consequently, grape maturation in the vineyards was slower than initially forecasted, with timing perhaps normal to a few days/a week behind normal. August temperatures have so far been at their typical high levels.

Picking of Muscat – traditionally the first varietal harvested – and other aromatic whites commenced in the Languedoc in the final week of July. Grapes for sparkling programmes started to be picked in the first week of August, before the main body of the harvest, beginning with Sauvignon Blanc, gets underway through mid-August. In line with grape maturation, harvest is currently running somewhere between on time and a week delayed.

Early expectations are that the crop in southern France will come in at least average-sized following the shorter 2024 harvest. On 8th August, France's Ministry of Agriculture issued an initial national crop forecast of 40-42.5 million hectolitres, which would be 10-17% up from the 36.2 million hectolitres of 2024 and close to the 2020-2024 average of 42.8 million. Regional figures were not provided, but the release said Languedoc-Roussillon was expected to have a larger crop versus 2024, "despite the removal of more than 10,000 hectares since the last harvest".

The windy summer has encouraged a particularly severe wildfire season in southern France this year, with fires breaking out on a weekly basis and at times several blazes ongoing concurrently, mainly in the Languedoc but also in Provence. Few vineyards have been directly affected.

A fire that broke out in the Languedoc's Aude department on 5th August consumed 16,000 hectares of countryside within two days, becoming the largest wildfire in France since 1949. While parched summer underbrush was the tinderbox and high winds fanned the spread, vineyard removals in recent years have deprived the region of what had been longstanding firebreaks. Reportedly, some 5,000 hectares have been uprooted in Aude in the past 12 months alone, some as part of the most recent government-subsidised removal programme which pulled out 27,500 hectares across southern France at EUR4,000/hectare. The programme, announced last October, required removals to have been completed by this June.

With a normal-sized crop expected, wine sales continuing to struggle in Europe and North America, and the increase – effective from 1st August – in the US import tariff on EU products from 10% to 15%, many bulk suppliers are concerned about current and future inventory levels. Consequently, some have become highly price-flexible in an effort to empty cellars before the new crush.

Demand pressure remains minimal and July and August – traditionally the quietest months of the year for buying and loading – have felt quieter than normal. There have been some deals on discounted wines – particularly declassified, heavily-discounted reds – and some top-up volumes required on a just-in-time basis, but the days of bulk negociants swooping in at the end of the buying campaign to purchase low-priced wines on spec seem to be over, at least for now. Holding inventory is something to be avoided; negociants will now only buy wines for which there is a definite need, while bottlers now operate on a few days' turnaround, often without the capacity or desire to blend, meaning wine quality must be sufficient in the first place.

In terms of current availability, Chardonnay has joined premium rosé, Viognier, Pinot Noir and Syrah in becoming difficult to source. Sauvignon Blanc remains available in good volumes; there is also still some stock of standard-quality rosé. Removals of declassified AOP and IGP reds selling at Vin de France prices has been steady, so supply is potentially reduced, but fresh availability continues to arise intermittently on the market.

With AOP and IGP wines having been declassified and low in price, there are currently some excellent buying opportunities on the bulk market. As well as conventional wines, this includes organic and low-alcohol wines, and also highly-specific wines offering a unique point-of-difference – we have seen such wines receiving rising interest over the past year, particularly from wine clubs. Growers are becoming increasingly flexible in meeting buyers' grape specifications; likewise, wine suppliers are more open to considering multi-year partnerships as they seek medium-term solutions amid the ongoing sales challenges.

Looking ahead, next month's report will be able to provide more clarity on harvest yield and quality. August is forecast to be warm and sunny in southern France; some areas could see temperatures pushing past 35°C some of the time. August is also expected to be less windy than July; it is hoped this will help keep wildfires in check.

> Key Takeaways: Picking of the sparkling bases and early whites is underway in southern France, which – together with France as a whole – is expected to have at least an average-sized crop. This prospect, plus continuing slow sales and the recent US tariff increase to 15%, has further softened bulk pricing in southern France. Opportunities persist on good-quality wines at discounted prices, including declassified AOP/IGP standard and organic wines, low-alcohol wines, and highly-specific wines offering point-of-difference. Multi-year deals are potentially available. Chardonnay, Viognier, premium rosé, Pinot Noir and Syrah are hardest to source.

Spain

Harvest watch: Milder July after heatwave; picking delayed slightly

Once the Europe-wide heatwave passed at the start of the month, July's temperatures in central Spain were relatively mild compared to what has become the summer norm. Daytimes were pleasant, not exceeding 37°C; nights were warm, up around 20°C. This consistency moderated grape maturation slightly, so that harvest is expected to get underway through the second and third week of August, representing a delay of about a week on the generic white grapes – namely Airen – and a few days on the international varietals.

Picking times may be dragged back slightly if sugar levels are not yet sufficient; it will be a case of wait and see. August is forecast to be hotter than July was, with temperatures pushing 40°C in some areas.

The Rioja and Rueda regions have experienced mildew issues following a wetter-than-average few months, which could potentially take a toll on their final crop sizes. However, by comparison, hotter, dryer conditions helped prevent similar problems in La Mancha, which is expected to have at least an average-sized crop. Currently, the majority expectation seems to be a national crush – including juices and musts – of 38-40 million hectolitres, in line with the five-year average and potentially up from last year's 38.1 million hectolitres (which was 4.7% short of the average).

Market activity through July was quiet, as is typical. Softening late-season prices in France and Italy, in response to slow demand, disincentised French and Italian enquiries. Some private-label deals occurred. Sulfated must prices remain robust, hindering demand.

Availability of 2024 wines is now limited. Generic white supply is particularly tight – especially on the 12%+ alcohol options – and also reds over 13.5% alcohol; prices on the better-quality lots are firm. On all wines, some previously-contracted volumes that failed to be loaded may arise on the market through August, as is normal, but Spain's bulk suppliers largely appear content with the volumes sold during the buying campaign and were happy to depart for their summer holidays rather than push for end-of-campaign sales.

The shorter-than-average 2024 harvest helped offset some of the impact of slow demand pressure – in Spain as around the world – and many suppliers now have only small or negligible volumes in tank. Although prices were elevated during the 2024-vintage campaign, they started it at more typical Spanish levels and ended softer as well, in response to the demand slowness mid-campaign and the US tariff introduction from April, which worried the market. Throughout, in reaction to sluggish retail demand and the evolving price picture on the bulk market, many buyers proceeded through the year securing volumes intermittently.

Looking ahead, if the widespread perception is that the 2025 harvest has come in average-sized, bulk pricing is likely to start the new campaign in line with where it ended the previous one, as the pricing seems to have found a level at which both buyer and supplier can agree. There could potentially be a weakening/strengthening in December on publication of the official harvest numbers, if they diverge from the commonly-held crop perception.

The increase in the US import tariff on EU goods from 10% to 15% - effective from 1st August – is a concern for the Spanish industry but an indirect one, given the French and Italian wine industries are far more exposed to US tariff measures. Spain's total wine export volumes fell 7% in the 12 months to May 2025 versus the prior year – according to Spanish Wine Observatory (OEMV) statistics – and this is something of a concern, albeit one mirrored around the world. May's export performance was much better – growing 6.4% – and it is hoped this is not just a catching-up of loadings but the start of a more sustained export improvement. There is a good chance that buying will continue as it has done over the past 12 months: intermittently, with buyers transacting on smaller volumes, more often.

> Key Takeaways: Picking of Spain's generic white grapes and international varietals is likely to have moved underway a few days to a week later than normal, following a milder July. A national crop at least in line with the five-year average is expected, with good volumes in La Mancha offsetting some smaller crops elsewhere. Availability on the bulk market has been drawn down enough for there to have been few if any late-season clean-up deals; availability is especially tight on 12%+ alcohol white generics and 13.5%+ reds. Pricing at the start of the new buying campaign is expected to start in line with where it ended the previous one, if the harvest comes in as expected.

Italy

Harvest watch: Mild July; rain in areas; harvest slightly late

Temperatures throughout the Italian peninsula were milder than normal through July into early August, with a significant disparity in daytime and night-time temperatures that should guarantee good organoleptic development of the grapes and optimal ripening. Northeast Italy has experienced a fairly rainy growing season, causing some outbreaks of downy mildew in Pinot Grigio grapes; Glera grapes appear in better health. One consequence of the relatively wet season is that water supplies across Italy are not critical, although there has been some suffering from drought in the north of Puglia and in Sicily.

The only picking that had commenced by the end of the first week of August was on Pinot Grigio and Chardonnay in Sicily; the first indications are their tonnages will come in below average but above those of the previous two – very short – years. In the other areas of Italy, the harvest is slightly late and will not begin before the end of August. The weather conditions over the next few weeks will be important in determining both the quality and the final quantity of the harvest.

On the wine market, a certain slowness in transactions is still noticeable and there has been a general delay in the removal of volumes contracted through the year. Many red wines that belong to the denominations most exported to the US market have experienced a challenging sales performance given the general fall in wine sales at US retail and the introduction, from April, of the 10% import tariff on EU goods and, from 1st August, its increase to 15%.

Italy's most popular white wines have performed better in maintaining their sales to the US and around the world, and some have even – in the case of Prosecco – increased their sales. Prosecco DOC bottlings were up 5.4% in July versus July 2024, bringing the performance for the first seven months of the year to +6.1%. Pinot Grigio from the 2024 vintage is essentially sold out; prices remained strong in recent months.

The effects of an extended period of wine sales declines, worldwide, is now making itself visible. Many wine companies in Italy, as in every major producer country, are in financial difficulty. On the production side, the coming harvest may be the last for many producers who have grown tired of losing money. In 2026, Italy will have to start grubbing up vineyards in the least profitable areas in an attempt to bring production into balance with new consumption levels – although, as they are yet to stabilise, it remains to be seen what those consumption levels will be. This rebalancing will likely take years – and there will likely be far fewer operators in the wine business by the time the process is complete.

> Key Takeaways: A milder than normal July, with rain in some areas, has slightly delayed harvest in much of Italy except northern Puglia and Sicily, which have been suffering from drought. The main body of harvest should get underway from late August. The bulk market has remained slow, especially on those wines for which the US is an important export market. Removal of contracted wines has generally been sluggish. White wines continue to receive more demand, in general, than reds, with Prosecco DOC bottlings continuing to grow (+5.4% in July) and 2024 Pinot Grigio essentially sold out.

South Africa

Harvest watch: Good winter rainfall; dams at 90%+ capacity

As is traditional for this time of year, with the Northern Hemisphere on its summer holidays and/or preparing for its own harvests, the focus in South Africa has been on shipping those wines already contracted. The shipping pace has been good and Cape Town port operations have been running smoothly.

Since the initial securing of 2025-vintage volumes for ongoing programmes, further international enquiries – especially for new programmes – have been limited in number. Domestic demand has proceeded steadily.

Demand from the US is expected to be depressed by the 30% tariff the US has imposed on South African imports, effective from 7th August. The US is a significant market for South Africa's agricultural sector, mainly for citrus, nuts, and wine. Bottled wine producers were proactive in shipping to the US through June and July before the anticipated tariff increase in August, in order to build up inventory to last until – it is hoped – a reduction in, or the elimination of, the tariff can be negotiated between the US and South African governments.

Availability continues on all 2025 wines, including the generic whites, Chenin Blancs and varietal whites that remain the most sought-after by international buyers of bulk wine in South Africa; Pinot Grigio and entry-level Dry White supply is tightest. Some limited volumes of Shiraz rosé and Cinsault rosé remain available. There are also some low-alcohol options still in stock, but only in limited volumes given these are typically produced for specific markets and the buying campaign is now advanced. The quality of the 2025 vintage has been widely hailed as excellent. There is no 2024 carryover available on any wines.

Rand export pricing remains in line with where it started the buying campaign in February/March. Prices are potentially negotiable depending on volumes and shipping terms. Now is an opportune time for buyers to enquire: some suppliers will be price-flexible in order to help ensure a large part of their volumes leave the winery before the end of the calendar year. Furthermore, the range of availability is greater now than it will be from October onwards, which is typically when European buyers return seeking top-up volumes or to cover gaps in domestic supply.

The Rand's exchange with the US dollar, meanwhile, has continued to fluctuate in response to US tariffs and economic developments both in South Africa and the US. The Rand trended weaker towards the end of July into early August, after news of the US tariff increase, from the ZAR17.50/dollar range to the ZAR18.00 range, before recovering closer to ZAR17.50 by mid-August. The Rand has remained comparatively stable against the euro (ZAR20.50 range) and pound sterling (ZAR24.00 range).

July brought less rain to the Western Cape than June, and this winter's overall precipitation level so far is lower than last, but Cape Town dams were at 90% of capacity as of 13th August with another month of winter still to go.

Growers have been happy with conditions, especially the early rain of May and June that bolstered groundwater levels.

> Key Takeaways: Now is an opportune moment for buyers to enquire into South Africa's remaining 2025-vintage availability: suppliers are potentially price-flexible in order to help remove volumes before the end of the year, while availability will narrow from October onwards as European buyers return for top-up volumes. Supply of Pinot Grigio and entry-level Dry White is already tight. Rand export pricing has been stable and is potentially negotiable; the Rand itself has been stable against the euro and pound sterling. Bottled shipments to the US increased in June-July in anticipation of the US tariff rising from 10% to 30%; the increase came into effect on 7th August.

Australia & New Zealand

Harvest watch: Solid rainfall in Australia's irrigated regions; rain deficit continues

Australia's bulk market has remained quiet, as is normal for this time of year when the Northern Hemisphere returns from its summer holidays and commences harvest. Many potential buyers are seeking to confirm their own vintage intake before committing to purchasing material from other countries, including those of the Southern Hemisphere.

The latest Wine Australia Export Report has shown an increase in both the volume and value of Australia's total wine exports for the 12 months to 30th June 2025. Volume increased 3% to 639 million litres; value rose 13% to AUD2.48 billion. These gains were attributable to a surge in purchases from China after it removed its punitive import tariffs on Australian wines at the end of March 2024, but this restocking has since eased.

Top five export markets for Australian wine by value 1st July 2024 – 30th June 2025		
Country	**Value (AUD)**	**Change (%)**
Mainland China	893 million	+123
UK	350 million	–1.0
US	314 million	–12
Canada	157 million	+7
Hong Kong	127 million	–54
Top five export markets for Australian wine by volume 1st July 2024 – 30th June 2025		
Country	**Litres**	**Change (%)**
UK	204 million	–6
US	111 million	–10
Mainland China	85 million	+162
Canada	61 million	–10
New Zealand	25 million	–9
		Source: Wine Australia

Exports to the rest of the world declined 11% in value and 6% in volume. Although the steepest decline was to the US – with value down 12% to AUD314 million – Australian exporters are hopeful about the US market, given Australia looks set to remain subject to the US baseline import tariff of 10% while some rival countries/blocs face higher levies. Meanwhile, total bulk shipments for the 12 months to the end of June declined by 4% in value to AUD490 million and 2% in volume to 426 million litres. See Wine Australia's Export Report infographic below for further statistics.

The solid rainfall of 15-20mm received in the irrigated regions in late July has been widely welcomed, but the ongoing shortfall of winter precipitation has raised concerns regarding future water prices. Many grape growers need to make a decision as to whether they invest inputs in their vineyards in the lead-up to harvest, with the cost of temporary water currently ranging from AUD280-330 per megalitre. Growers are weighing up the potential cost of watering during a dry season versus the possibility of obtaining higher grape prices to offset that cost. Wineries are not expecting to offer an increase in grape prices given the excess supply available, the lack of buyer demand, and declining sales forecasts.

Penfolds has launched its new Australian-French blend ‘Grange La Chapelle' in China. The 2021-vintage wine, a blend of Grange (Australian Shiraz) and Paul Jaboulet’s Hermitage La Chapelle (French Syrah) retails for AUD3,500 per 750ml bottle. The Chinese launch comes alongside the release of Penfolds’ flagship 2021 Grange in Australia, retailing at AUD875/bottle.

The 2025 winners have been announced of the prestigious Maurice O’Shea Award (for a significant contribution to the Australian wine industry) and the McWilliam’s Excellence in Action Award (recognising those actively addressing challenges within the industry). Fine wine expert, historian and author of The Australian Ark, Andrew Caillard MW, received the Maurice O’Shea Award in honour of his 45-year career in the Australian wine industry. The McWilliam’s Excellence in Action Award went to viticulturist, advisor and vineyard owner Dylan Grigg for his work in the research and protection of Australian old vines.

In New Zealand, in the wake of the very large 2025 crop – expected to have exceeded 500,000 tonnes – suppliers continue to seek buyers with whom to offload their 2023 and 2024 bulk Sauvignon Blanc parcels. Pricing continues to remain competitive, putting pressure on other Sauvignon Blanc-supplying countries such as Australia and Chile.

The US government has announced an increase in import tariffs on New Zealand products from the 10% baseline rate to 15%, effective from 1st August. Sheep and lamb meat is New Zealand’s leading export to the US, followed by dairy. Wine follows closely in third place, with exports worth NZD769 million in the 12 months to the end of May 2025. It is estimated the 15% tariff will cost the country’s wine exporters approximately NZD112 million. The tariff on a typical bottle of wine has increased from around NZD0.10/bottle before the initial 10% tariff was introduced in April to closer to NZD1.10/bottle today.

Key Takeaways: Australia's bulk market has been quiet – not atypical for this time of year – while good July rainfall has alleviated drought concerns. The precipitation deficit continues, however, and temporary water prices are high enough to give growers pause; wineries have signalled an increase in grape prices for 2026 fruit is unlikely. Total export volumes were up 3% in the 12 months to June 2025, bolstered by China restocking after the removal of its punitive tariffs; this activity has since slowed. New Zealand's large 2025 crop has placed further downward price-pressure on its 2023 and 2024 Sauvignon Blancs; pricing is now more competitive with Australia and Chile. The increase in the US import tariff on New Zealand products to 15% is expected to have a costly impact on the country's wine industry.