



A SUMMARY OF THE ISMEA REPORT ON TUSCAN WINES - 2017

Wine Production

The harvest of 2017 has felt the effects of climate change more than other recent years. As a result, wine production in Tuscany dropped to 1.6 million hectolitres, one million less than the previous year, a 38% downturn. Nationally, ISMEA and the Italian Wine Union estimate production levels of around 40 million hectolitres, down by 26% on 2016.

In its makeup, Tuscany is a land of red wines. About 88% of Tuscan wines are red. Of these, most are DOP, that is DOC and DOCG wines. Nearly the entire area under vine in the region falls under DOP production, about 93% for reds and whites combined, while nationally the average is 56%.

More specifically, the 2017 harvest brought in 230 million kilograms of grapes, which were used to produce 1.167 million hectares of DOP wine and 391 thousand hectolitres of IGP wine.

Tuscany has over 22,000 businesses operating with vineyards, and just over 15,000 of them grow grapes for DOP wines. They are generally small or medium-small cellars, although there are a certain number of large-scale wineries. The twenty wine cooperatives make up 13% of the total regional production.

Vineyard Features

The general picture in Tuscany highlights a lively and dynamic type of vineyard, and one open to innovation. Over the past ten years, the acreage under vine in Tuscany has shrunk only very slightly, by less than 6%. Recently, expansion has started once more and the vineyards are undergoing improvement, helped through EU policy tools managed by the Tuscan Regional Authorities. More than 43% of all Tuscan vineyards have been renovated, and 24% of them, the equivalent of over 14,000 hectares, have carried out this work in the past ten years.

According to regional data, sangiovese is the most wide-spread variety of grape in Tuscany, accounting for 62% of the entire surface area recorded in the vineyard register, followed by merlot and cabernet sauvignon, at 8% and 6%, respectively. Tuscany has 58 DOP (Protected Designation of Origin) and IGP (Protected Geographical Indication) designations.

Underpinning these 58 DOP and IGP designations is the region's cornucopia of grape varieties. The 52 DOP designations are split into 41 DOC (Controlled Designation of Origin) and 11 DOCG (Controlled and Guaranteed Designation of Origin) designations, with 6 IGP designations.

Despite the high number of designations, the reference points in terms of wine volume produced are Chianti and Chianti Classico, accounting for 44% and 21% of the vineyard area, respectively. Brunello and Nobile lag far behind, at 6% and 4%. In 2017, over 12,000 hectares were associated to the IGP designations, with a nearly exclusive production of Toscana IGP wines.

Production Value

The ex-works value of the supply chain of Tuscan DOP and IGP bottled wine is estimated to be in the order of one billion euros, of which about 850 million relate to the DOP wines and 148 million





Regione Toscana



to the IGP wines, equal to 12% of the total of 8.2 billion euros estimated by ISMEA for Italy as a whole.

The tangible and intangible value systems linked to wine reverberate widely outside Italy. Nearly 60% of the certified regional production, taking a normal production year, finds its way onto international markets, equivalent to about 20% of the total of still DOP wines exported. Every year, 900,000 or so hectolitres of Tuscan wine find a place on the international market. Up to now, the ratio between European and extra-European countries has remained somewhat stable, about 43% and 57% respectively, with a turnover of over 560 million euros. There is clearly the capacity to look further afield towards distant markets outside the usual Italian Food & Beverage sphere, which is generally focused on markets closer to home.

Market Trends

While the United States and Germany remain the two main destinations for Tuscan wine, and together make up over 50% of the Tuscan DOP wine market, we can see a gradual shift in flow from the traditional and consolidated markets towards smaller ones, far away geographically but in rapid growth.

In detail, the top five destinations by value lost 5% of the market in 2016, remaining stable in 2017, while the other destinations grew by 2% in 2016 and by 3% in 2017. This slackening was recorded in all the principal countries buying Tuscan wine, apart from the UK and Russia, where there was a decisive growth in demand. Exports to Canada and Switzerland have also increased.

Further evidence emerging from the analysis concern positioning and market share in the more traditional destinations. These markets by no means provide a comfortable guarantee, being susceptible to market factors as well as largely uncontrollable geo-political considerations. They require constant work and attention, together with continuous commercial exertion, even when relying on the solid and well-known brands that Tuscan winemaking can rightly be proud of.

A systematic analysis of sales figures for foreign markets highlights that, against a total average value up by 5% over the past three years, Tuscan wines performed best outside Europe's boundaries, where the "average" sales price went up by 7%, while remaining stable in the EU.

