



# *Global Market Report*

**April 2019**  
*Volume 10, Issue No. 4*

**Ciatti Global Wine  
& Grape Brokers**

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## April 2019

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In the past four weeks the picture on the Southern Hemisphere's 2019 harvests has sharpened into focus: the crops in Australia, New Zealand, Chile and South Africa appear to be down on their respective averages to varying degrees; only Argentina looks like having been untroubled by heat and/or drought conditions past or present. The Western Cape's harvest, according to latest SAWIS data, is coming in even smaller than the significantly short crop of 2018, a hangover from the three-year drought that ended last year.

Lack of rainfall has also been of concern in southern France, Spain and Italy, as growers move into the vineyards to prepare for the 2019 growing season. Castilla-La Mancha's vines will start the season tired after last year's bumper output and the subsequent dry winter. April has brought rain to southern Europe's growing regions, but in most cases not enough to recoup the winter shortfall. The forecast in southern France is for a cold and wet mid-April – both a source of hope and worry for growers as budbreak is underway and the frost risk remains. On 6-7th April, a hail layer several centimetres thick was deposited on areas between Montpellier and Nîmes.

This report has been relaying much unusual weather in the past 8-9 months that potentially makes the bulk wine and grape markets harder to predict. It is feasible that the softening price trend resulting from 2018's big global harvest will be at least somewhat reversed as we move into Q2 2019, when the Southern Hemisphere harvest outcomes are made official and the picture on Europe's is clearer. One market where prices are not likely to increase is California which – inversely conforming to the above weather pattern – has had a wetter than average winter. Its official 2018 harvest figure is finally out: 4.28 million tons, up 6.6% on 2017's 4.01 million tons. These two successive big-sized crops, combined with slow buying activity, mean Californian prices will continue to soften, potentially bringing them to the attention of international buyers considering starting or fulfilling Californian wine brands.

The conference season has been in full swing: this month's report reviews 2019's instalments of ProWein, China Food & Drink, and IBWSS London. This issue also includes an – exhaustive – update on Brexit, which was long-scheduled to happen on 29 March but due to a parliamentary impasse in the UK has been delayed. The EU has given the UK a deadline of 31 October – Halloween – by which time it must leave in an orderly fashion or face the (everyone agrees, empty) threat of ejection onto WTO trading terms. France's *Le Monde* newspaper agreed with the EU that "the Anglo-Saxon festival of witches and pumpkins" is a fitting date for matters to be brought to a(nother) head.

*Robert Selby*

# California

## *Time on target*



**HARVEST WATCH:** *Record 4.282 million tons in 2018*

There has been some international interest in California's wines over the past month, but it has been tentative. Domestic activity on the Central Valley's 2018 Chardonnay has been good and the varietal seems closer to balance than anything else in the Valley's marketplace. In general – as across the state – activity on bulk wine and grapes has been slow as buyers of all kinds sit back and try to understand the market.

On April 10th the USDA's 2018 crush report was published and it showed that California's 2018 winegrape crush totalled 4.282 million tons. This crop was up 6.6% on 2017's 4.015 million tons and surpassed the previous record – 4.246 million tons in 2013 – but was not as big as estimated. The interior region of the Central Valley collectively saw an increase of 4% of total winegrapes crushed in 2018, totalling 3.085 million tons. For more details, please see Ciatti's grape crush press release and May's issue of the *California Report*, which will deep-dive into the stats.

In addition to 2018 whites now being available on the Californian market, there is some remaining inventory of 2016 and 2017 red and white wines. Suppliers recognise the need to move inventory ahead of the coming 2019 harvest and not incur lengthy storage costs. As such, now is an opportune time for international buyers seeking to start or fulfil a Californian wine program to move onto the market. Prices on Californian wines remain high versus prices elsewhere in the world, but they are at their lowest in five years and wine quality is very good. Suppliers could potentially be open to negotiation on price and shipping terms in order to move their stock on.

E & J Gallo announced on April 3rd that it had entered into an agreement with Constellation Brands to purchase more than 30 – mainly wine – brands as well as more than a half a dozen facilities in the US and Chile. While Ciatti will keep a close eye on what will happen, it is apparent that Gallo's energy and renewed focus on these brands could have implications for grapes and bulk wine from the San Joaquin Valley and beyond, as well as far-reaching brand impact given the nature of their global distribution.

It was a cooler and wetter winter than the past several in Northern California (as far south as Paso Robles). April in the Coast brought further precipitation, delaying

handwork in the vineyards: growers there are keeping an eye on fruit set and bloom. The Central Valley has been drier than the Coast but – importantly for this region – the Sierra Nevada snowpack was at 161% of normal by the turn of April, the fourth-highest level in the last 40 years. For the first time in 12 years, no region in California is under a drought watch or warning.

**To find out more about California's bulk wine market you can read Ciatti's monthly *California Report*.**

 CIATTI GLOBAL WINE & GRAPE BROKERS	2017 Tons	2018 Tons	17-18% Δ	2017 Prices	2018 Prices	17-18% Δ
Red Wine	2,249,982	2,447,930	8.8%	\$998	\$1,052	5.4%
White Wine	1,765,810	1,833,755	3.8%	\$600	\$650	8.4%
Chardonnay	614,723	711,668	15.8%	\$978	\$1,001	2.3%
Pinot Gris	252,452	275,608	9.2%	\$581	\$559	-3.8%
Riesling	37,259	36,334	-2.5%	\$750	\$689	-8.1%
Sauvignon Blanc	106,716	118,050	10.6%	\$1,106	\$1,151	4.1%
Cabernet Sauvignon	602,027	680,308	13.0%	\$1,572	\$1,724	9.6%
Merlot	255,247	258,942	1.4%	\$805	\$815	1.3%
Petite Sirah	97,681	108,682	11.3%	\$1,019	\$973	-4.5%
Pinot Noir	263,793	313,824	19.0%	\$1,938	\$1,879	-3.0%
Syrah	100,836	94,329	-6.5%	\$837	\$862	3.0%
Zinfandel	364,940	387,965	6.3%	\$624	\$623	-0.1%
<b>Totals Statewide</b>	<b>4,015,792</b>	<b>4,281,684</b>	<b>6.6%</b>	<b>\$824</b>	<b>\$882</b>	<b>7.0%</b>

*See next page for more on California.*

# Key Takeaways

With pricing across the state at its lowest level in five years, now is an opportune time for international buyers seeking to start new Californian wine programs to cover their needs on spot or secure contracts lasting a year or more. There are opportunities on a range of good quality 2016, 2017 and 2018 wines from Coastal appellations (especially Cabernet) and the Central Valley.

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## California: Current Export Market Pricing (USD per liter)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2018	Generic White	0.85 – 0.99	↔	2018	Generic Red	0.85 – 1.05	↔
2018	Chardonnay	1.32 – 1.98	↔	2017/18	Cabernet Sauvignon	1.25 – 1.85	↓
2018	Pinot Grigio	1.19 – 1.72	↔	2018	Merlot	1.20 – 1.58	↔
2018	Muscat	1.12 – 1.45	↔	2018	Pinot Noir	1.59 – 2.11	↓
2018	White Zinfandel	0.86 – 0.99	↔	2018	Syrah	1.20 – 1.58	↔
2018	Colombard	0.86 – 1.12	↔	2018	Ruby Cabernet	0.95 – 1.05	↔
				2017/18	Zinfandel	1.20 – 1.85	↔



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# Argentina

## *Time on target*

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**HARVEST WATCH:** *Cooler March delays bulk of harvest*

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Harvest weather in Argentina's growing regions has been excellent, with no rain or hail, and the quality of the grapes picked very good. March was more autumn-like than in recent years, with lower daytime (18-22°C) and night-time (8-12°C) temperatures in the second half of the month than the first (25-30°C day, 10-15°C night). This caused grape ripening to slow, so it has taken longer for the Criolla grapes especially to get ripe and high enough in sugar. Because of this, the bulk of the harvest was coming in two weeks later in the harvest season than normal – the end of March and the first 10 days of April.

This is borne out by the official statistics which show 1.78 million metric tons crushed as of 7 April, versus 1.99 MMT on the same date in 2018. This 10% lower level as of 7 April is partly due to the picking delay, and partly down to it being a slightly smaller harvest this year than last. The government predicts a harvest of 2.35-2.45 MMT; we foresee 2.4-2.5 MMT.

The bulk market in Argentina is active, with ProWein proving fruitful for the country's suppliers and a lot of interest being received from non-European buyers. Argentina offers highly aggressive pricing open to negotiation: the starting price is USD0.25/litre for dry red and dry white, and USD0.70-0.80/litre for standard quality Malbec.

The delay in the bulk of the harvest has allowed financially-troubled growers the time to take up the offer of financial assistance from the Mendoza government, be that loans at a discounted interest rate (29%) or the buying-up of grapes. How many have sought help, and how helpful that help has been, is as yet unknown: it is an ongoing process.

Argentina's national government, meanwhile, continues to struggle to right the country's troubled economy. Argentina, like all emerging market economies, has seen investor pull-outs and hesitancy due to the ongoing US-China trade wars, though the US and China are now in talks. The peso is continuing to weaken against the dollar, with the peso in the 42.70-44.70 range to the dollar as of 9 April and forecasted by Rofex to be at ARS45/dollar by May, moving past the ARS50/dollar mark in July. The government said it would be selling USD60 million per day during the second half of April into May in a bid to keep the dollar down.

Another recent set of gas and gasoline price hikes across Argentina has further tightened the screw on businesses and individuals. Growers and wineries are paying more for their input costs every day: the country's inflation rate is forecasted to be 36% for the year. The central bank's official interest rate is at 62.5%.

## *Key Takeaways*

International interest in Argentina's 2018 wines has picked up, with big volumes available at aggressive pricing that is open to negotiation. The high inflation rate in the country – forecasted to be 36% in 2019 – is keeping the peso pricing stable. The peso continues its weakening trend against the US dollar, regardless of the government's endeavours, and is forecasted to pass the ARS50/dollar mark in July.

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*See next page for pricing.*

## Argentina: Current Market Pricing (USD per liter; FCA Winery)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2018	Generic White (Basic)	0.22 – 0.24	↓	2018	Generic Red	0.25 – 0.30	↓
2018	Generic White (Standard)	0.24 – 0.36	↓	2018	Cabernet Sauvignon	0.55 – 0.65	↓
2018	Muscat	0.30 – 0.35	↓	2018	Merlot	0.45 – 0.55	↓
2018	Torrontes	0.40 – 0.45	↓	2018	Syrah	0.45 – 0.55	↓
2018	Sauvignon Blanc	0.60 – 0.65	↓	2018	Malbec Standard	0.70 – 0.80	↓
2018	Chardonnay	0.60 – 0.70	↓	2018	Malbec Premium	0.85 – 0.95	↓
2018	Bonarda	0.35 – 0.45	↓	2018	Malbec High End	1.00 – 2.00	↓
2018	Tempranillo	0.35 – 0.45	↓				
White Grape Juice Concentrate <i>*Per metric ton in bulk</i>		925.00		Red Grape Juice Concentrate (Color 1,000) <i>*Per metric ton in bulk</i>		1,300.00	

# Chile

## Time on target



**HARVEST WATCH:** *Coming in shorter than expected*

As grapes are coming in slower than expected, Chile is still in the middle of its 2019 harvest. The crush is expected to be completed only in the first week of May. There has been no rain so far. Bunches in general are coming in lighter than average but winemakers are claiming a good quality year.

The following percentages are estimated numbers given by producers. It is estimated that Chardonnay is in 20-25% down on the average, and Tintorera down 10-15%. Sauvignon Blanc looks to have come in 10% down, with a drop of around 20% in Casablanca and even larger shortfalls in Leyda and San Antonio. It is a similar picture on the red varietals now coming in, with Merlot seemingly down 20%. It is too early for a clear picture on Cabernet, though yields in the premium areas on

high quality Cabernet look significantly short, down by as much as 40%.

The market has seen strong demand domestically, and now wineries are focusing on the 2019 crush. There has been high demand on white wines and there is increasing demand on reds, starting with Merlot. There is a limited amount of 2018 red inventory left.

January to April 2019 export figures show Chile's total wine export volumes essentially in line with the first four months of 2018 (-1.1% to 140.8 million litres) but bulk wine export volumes were up 8.2% from 61.5 million litres to 66 million litres. The average bulk price remained stable at USD1.00/litre.

The Chilean peso weakened against the dollar through the month of March, starting the month at CLP651/dollar and ending it at CLP681/dollar. It has since strengthened again, averaging CLP668/dollar in the first ten days of April.

*See next page for more on Chile.*

# Key Takeaways

Chile's 2019 crop is coming in lighter than expected, with a varying shortfall depending on the varietal. The harvest is not expected to end until the first week of May – there has as yet been no rain. White wine demand has been high, and demand for reds has been increasing; 2018 red inventory is limited.

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### Chile: Current Market Pricing (Pricing in bulk; FOB Chilean Port)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
NV	Generic White	0.50 – 0.60	↔	NV	Generic Red	0.50 – 0.60	↔
2019	Chardonnay	0.80 – 0.95	↑	2019	Cabernet Sauvignon (Basic)	0.70 – 0.80	↑
2019	Sauvignon Blanc	0.73 – 0.80	↔	2019	Cabernet Sauvignon (Varietal Plus)	0.80 – 0.95	↔
2019	Syrah	0.70 – 0.75	↔	2019	Merlot	0.75 – 0.85	↑
2019	Carmenere	0.85 – 0.95	↑	2019	Malbec (Basic)	0.80 – 0.90	↔
2019	Pinot Noir	0.85 – 0.95	↔				

### Chilean Export Figures

Wine Export Figures	January 2018 - April 2019			January 2018 - April 2019			Volume
	Million Liters	Million US\$ FOB	Average Price	Million Liters	Million US\$ FOB	Average Price	Variance %
Bottled	76,34	246,17	3,22	71,17	228,25	3,21	-6,78
Bulk	61,53	61,43	1,00	66,60	66,86	1,00	8,24
Sparkling Wines	0,50	2,36	4,68	0,47	1,87	3,99	-6,71
Packed Wines	4,18	7,55	1,81	2,62	4,68	1,78	-37,21
<b>Total</b>	<b>142,56</b>	<b>317,51</b>	<b>2,68</b>	<b>140,86</b>	<b>301,66</b>	<b>2,49</b>	<b>-1,19</b>





# France

## *Time on target*

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### **HARVEST WATCH:** *Rain, wind and hail in southern France*

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After an abnormally warm and dry winter and start of spring, April brought moderate rainfall to the southern French growing regions adjacent to the Mediterranean. However, the drying northerly winds that followed meant this rainfall offered limited replenishment. The forecast is for a cold and wet mid-April, which is both a source of hope and worry for the growers. Another issue is that the rain also ushered in severe hailstorms over the weekend of the 6-7th, in some areas between Montpellier (Pic St Loup area) and Nîmes (Cévennes area) leaving a hail layer several centimetres thick. The damage to the vineyards is still being assessed.

Budbreak is in full flow in the vineyards – particularly on the likes of Sauvignon Blanc, Muscat and Chardonnay – and some growers have not finished pruning, so unpruned vines can be seen next to vines with plenty of leaves. Areas away from the Mediterranean, such as South West, Gers, Charente and the Loire Valley, received more normal rainfall levels through winter.

The market in France is active as those buyers who speculated on prices falling on the white and rosé wine markets have seen that such a fall is not going to happen, so are now covering their last needs. There are some batches of Vin de France or IGP rosé coming back onto the market – originating from across France (Languedoc, Burgundy, Bordeaux etc) – because of cancelled reservations or unexercised options. The time to buy these for the upcoming summer season is now. It's the same story on the Vin de France or IGP white wines: there are batches popping up and buyers are active – some good quality Chardonnay and Viognier in particular is becoming available again on the free market.

The market for Vin de France and IGP red wines is behind as there is ample supply. Due to slow sales and a good 2018 production, prices on these are starting to soften. Buyers are actively searching but being choosy on quality; they know there is a wide range of qualities to go get, with the top-level wines in tighter supply but still available. As on the whites and rosés, cancelled or unexercised batches of reds are popping up on the free market.

The main impact of Bordeaux's increased availability this campaign – due to a good-sized 2018 harvest and a decline in Chinese demand – is on the AOP market, where the availability and competitive pricing of Bordeaux AOP reds is squeezing demand for the southern French AOPs such as Corbières and Costières de Nîmes.

The red wine market in France is thus full of opportunities and ample carryover stock will ensure prices do not rise. Suppliers are worried about cashflow and space, and are chasing up their buyers.

## *Key Takeaways*

The markets for 2018 whites and rosés in France are active and prices are stable. Vin de France or IGP rosé is in particular demand, with international buyers seeking alternatives to Provence rose from across southern France (such as AOP or IGP Languedoc or IGP Mediterranean). The red market is slower, with ample supply and prices softening. In addition to Languedoc AOPs, IGPs and Vin de France, there are opportunities on Bordeaux wines of all quality levels, including AOPs.

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*See next page for more on France.*

## 2018 French Harvest Estimate by Acre (AGRESTE, 1st October 2018, UNIT : 1,000 HECTOLITRES)

REGION	5-YEAR AVERAGE	2017	2018	2018/17	2018/AVERAGE
Champagne	2,511	2,238	3,497	56%	39%
Bourgogne-Beaujolais	2,221	2,204	2,665	21%	20%
Alsace	1,038	919	1,172	28%	13%
Savoie	107	97	117	20%	9%
Jura	71	46	117	154%	66%
Val de Loire	2,507	2,214	3,002	36%	20%
Charentes	8,162	6,877	8,915	30%	9%
Sud-Ouest	3,325	3,001	3,556	19%	7%
Bordelais	5,134	3,691	5,600	52%	9%
Languedoc-Rousillon	12,548	10,440	12,300	18%	-2%
Corse	334	288	315	10%	-5%
Sud-Est	5,292	4,268	4,708	10%	-11%

## France: Estimated Market Pricing (EUR per liter; Ex-Winery)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2018	Generic White	0.60 – 0.70	↔	2018	Generic Red	0.65 – 0.80	↔
2018	Chardonnay IGP	0.95 – 1.10	↔	2018	Cabernet Sauvignon IGP	0.90 – 1.10	↔
2018	Chardonnay VDF	0.90 – 1.05	↔	2018	Cabernet Sauvignon VDF	0.85 – 0.90	↔
2018	Sauvignon Blanc IGP	0.95 – 1.10	↔	2018	Merlot IGP	0.85 – 1.00	↔
2018	Sauvignon Blanc VDF	0.90 – 1.00	↔	2018	Merlot VDF	0.80 – 0.85	↔
2018	Generic Rosé IGP	0.90 – 1.00	↔	2018	Syrah / Grenache IGP	0.85 – 1.00	↔
2018	Generic Rosé VDF	0.75 – 0.90	↔	2018	Varietal Rosé IGP	0.90 – 1.20	↔





# Spain

## Time on target



**HARVEST WATCH:** *April brings welcome rainfall*

Castilla-La Mancha had been experiencing an unusually warm and dry winter and spring, with barely any rainfall since October/November. The start of April, however, finally brought some welcome rainfall. April needs to be considerably rainy to recoup the winter's precipitation shortfall; this and the fact the 2018 harvest was very large means the 2019 harvest will be necessarily smaller. Budbreak has been occurring in the first half of April on some international varieties (Sauvignon Blanc, Chardonnay and Muscat), well before the frost season ends in May.

Although Spain produced approximately 50 million hectolitres of wine in 2018, some 15 million more than in 2017, the increase in the amount of upper quality wines was not commensurate with this overall increase. There will continue to be good opportunities on the spot market for entry level wines, particularly whites, as the co-ops seek to make storage space ahead of the 2019 harvest. But the market is more balanced for those wines preferred by buyers with big programmes requiring good qualities on a longer-term basis.

The big local operators in Spain are currently actively covering their needs for good quality reds and international varieties such as Cabernet, Merlot and Shiraz for case good programmes and for export. Another factor is how the Southern Hemisphere harvests are coming in, particularly Chile's: if prices keep rising in these markets, they may do so in Spain as well. Spain is certainly receiving more interest from non-European buyers who might normally source in Australia or South Africa, for example.

As such, April could be a good time for buyers of good quality Spanish wines to act. We are now noticing that the good quality wines – deep coloured reds, higher alcohol wines – are seeing their price slightly increase since the beginning of April. The basic quality wines are remaining stable in terms of price. If the weather continues to be as warm and dry as it has been over the past few months there is a very low chance of prices falling further; there is, however, the potential for prices to see an uptick from May onward due to the pressures listed above. Buyers should be reviewing their sales, assessing their needs, and be getting ready to make a quick decision if there is a frost episode.

Regarding **grape juice concentrate**, the market price is on the rise due to important transaction of sulfured must in January/February between Spanish co-ops and European buyers. Therefore, the now balanced inventory has stabilised the market after several month of a falling price.

## Key Takeaways

**Buyers are urged to assess their needs and be ready to move onto the market quickly as the chances of prices on Spain's good quality wines increasing are greater than on them falling back further. Significantly, domestic buyers are active. La Mancha's very dry winter and spring – albeit alleviated somewhat in April – has caused concern and this, combined with the large size of the 2018 crop, means the vines will be less productive in 2019.**

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*See next page for pricing.*

## Spain: Current Market Pricing (EUR per liter; Ex-Winery)

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2018	Generic White	0.30	-	0.40	↑	2018	Moscatel	0.50	-	0.60	↑
2018	White Blends (Higher Quality)	0.40	-	0.55	↑	2018	Generic Red	0.40	-	0.50	↑
2018	Sauvignon Blanc	0.75	-	0.80	↑	2018	Generic Red (Higher Quality)	0.50	-	0.60	↑
2018	Chardonnay	0.80	-	0.90	↑	2018	Cabernet Sauvignon	0.60	-	0.75	↑
2018	Generic Rosé	0.35	-	0.45	↑	2018	Merlot	0.65	-	0.75	↑
2018	Varietal Rosé	0.50	-	0.60	↑	2018	Syrah	0.60	-	0.75	↑

# Italy

## Time on target

**HARVEST WATCH:** *Continuing dryness a concern*

As in southern France and Spain, there has been a lack of winter and early spring rainfall in many of Italy's growing regions, a cause of concern for growers. April brought some rainfall, but as yet not enough to bring meaningful replenishment. There have been no serious frost episodes but the frost risk will continue into May.

Due to preparations for Vinitaly (Verona, 7-10 April), the market situation in Italy has changed little since last month when we reported that – with good volumes available on the market – purchasers of entry-level wines know they can proceed by buying in small increments. The market for generic white wines in particular is lagging behind the more normal-paced generic red and varietal markets.

Vinitaly was its usual vast and idiosyncratic self, a boisterous mix of professionals and the public. With the UK one of the largest clients for Italian categories such as Pinot Grigio and Prosecco, much of the discussion at the fair was around the continuing Brexit uncertainty. See this month's Brexit Update for the latest.

## Key Takeaways

The market was paused in the lead up to Vinitaly, which was its usual very busy self. Talk at the show was around the abnormally dry winter and early spring in many growing regions – though April has brought some rainfall – and the ongoing Brexit uncertainty.

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*See next page for pricing.*

## Italy: Current Market Pricing (EUR per liter; Ex-Winery)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2018	Generic White (Alc. 9 - 10%)	0.31 – 0.35	↔	2018	Generic Red (Alc. 11 - 12%)	0.40 – 0.50	↔
2018	Generic White (Alc. 11 - 12.5%)	0.38 – 0.45	↔	2018	Generic Red (Alc. 13%)	0.53 – 0.70	↔
2018	Organic Generic White (Alc. 10 - 12%)	0.55 – 0.70	↔	2018	Organic Generic Red (Alc. 11 - 13%)	0.80 – 1.00	↔
2018	Varietal Chardonnay (Alc. 11 - 13%)	0.60 – 0.90	↔	2018	Varietal Cabernet Sauvignon (Alc. 12 - 13%)	0.75 – 1.00	↔
2018	Organic Pinot Grigio (Alc. 12%)	1.30 – 1.50	↔	2018	Varietal Merlot (Alc. 12 - 13%)	0.60 – 0.90	↔
2018	DOC Pinot Grigio delle Venezie	0.80 – 1.00	↔	2018	Varietal Syrah (Alc. 12 - 13%)	0.65 – 0.95	↔
2018	Pinot Grigio IGT (Different Regions)	0.90 – 1.00	↔	2018	Rossissimo (Alc. 12.5 - 14%)	0.90 – 1.05	↑
2018	Pinot Grigio IGT (Blends)	0.55 – 0.85	↔	2018	Primitivo IGT Puglia/ Salento (Alc. 12 - 14%)	1.25 – 1.50	↑
2018	DOC Prosecco (Cannot be sold outside of Italy)	1.50 – 1.65	↔	2018	Sangiovese IGT (Alc. 11.50 - 13%)	0.50 – 0.75	↔
2018	Soave or Garganega DOC	0.90 – 1.00	↔	2018	Trebbiano IGT (Alc. 10.5 - 12%)	0.40 – 0.55	↔
2018	Chianti	2.00 – 2.25*	↔				

**\*Bottled Price**

# ProWein Review

**This year's instalment of ProWein (17-19th March) was another very busy one, with over 6,900 exhibitors (from 64 different nations) and a record 61,500 visitors (from 142 countries) across its three days. The importance of this show in the wine calendar was highlighted by the fact that – according to the organisers – over 80% of these visitors were involved in purchasing decisions.**

The ten different exhibition halls hosted 600 non-European exhibitors as well as 1,650 Italian, 1,580 French, 980 German, and 660 Spanish, among others. An organic wine area hosted 300 exhibitors and, for a second year, one hall was given over to craft beer and spirits.

On the bulk side, ProWein reflected the state of the current market, with a large number of enquiries for wine from those countries holding good volumes at attractive pricing – namely Argentina, Chile and Spain – while other countries low in stock, such as South Africa, received less interest. Talk was of the ongoing Southern Hemisphere harvests, with an early sense that they were all coming in lighter than the average to varying

extents – this month's *Global Report* clarifies this picture on some of these. There was also concern regarding the unusually dry winter across Western Europe, especially in southern France and Spain. February was unseasonably warm in those countries and in Italy, raising concern of budbreak well before the frost risk has passed. April has subsequently brought rainfall – but also hail – and, again, this month's report seeks to clarify the picture.

Away from bulk, around the show there was particular discussion regarding wines that can prove zero waste and/or sustainability credentials (linked to the large and growing organics wine area), the rise of canned wine, a 'renaissance' in Chenin Blanc, and trends for high-altitude wines (Riesling and Argentinian wines, for example) and 'field blends' – interplanted vineyards of multiple grape varieties grown, harvested and vinified together.

ProWein announced that extensive renovation of the Düsseldorf fairgrounds will mean that, from 2021, the show will be expanded further.

# IBWSS London Review & Brexit Update

**The second London instalment of the International Bulk Wine & Spirits Show (IBWSS) came to the Royal Horticultural Halls on 11-12 March. A good level of footfall passed through the doors and the number of exhibitors was up from the 70-odd that attended last year.**

The conference schedule on the first morning included Ciatti's very own Catherine Mendoza, who set out bulk's importance to the global wine market – representing close to 40% of wine trade as it now does – and the UK's significance as an importer of bulk wine for bottling and consumption, second only to Germany. "This is partly due to private label brand programmes, which are becoming more and more successful and increasingly adopted by the UK's retailers," Catherine said. "It's cost efficient and the retailers have more liberty to create a blend." Canned wine programmes are also a growing trend in the UK.

Brexit was obviously a hot topic of conversation and was touched on in an afternoon panel discussion on 'worldwide wine sourcing trends and the new opportunities'. What was striking was that, beneath the national and international media hype about a crisis, the UK wine trade seems philosophical about Brexit and embodying the characteristic British attitude of 'Keep Calm and Carry On'. "It's almost business as usual as you can't make any specific plans," said one panellist, referring to the ongoing uncertainty as to whether it will be 'Hard Brexit', 'Soft Brexit' or no Brexit.

Paul Schaafsma, managing director of Benchmark Drinks, a leading wine and spirits distributor in the UK, summed it up when he said: "There's a bit of doom and gloom about what might happen but hopefully there's not too much disruption, I don't think any one of us really know at this stage. Different companies are taking different precautions and we'll just have to wait and see." Beth Pearce, buyer for UK wine retailer Majestic, said the company's two shops in the English Channel port of Calais were doing "very well at the moment, we are having to send employees over as people stock up on duty-free wine".

## So what is going on with Brexit?

Bare with me. Essentially, when Prime Minister Theresa May lost her parliamentary majority in the UK's 2017 general election, she lost the ability to ram through Parliament her and her Conservative party's particular vision of Brexit. In order to regain a secure majority after the disappointing election result, the Conservative Party entered into a confidence-and-supply arrangement – a coalition of sorts – with Northern Ireland's Democratic Unionist Party (DUP), which has 10 MPs in the UK Parliament.

So the Conservative Party, in coalition with the DUP, have a majority in Parliament. But May's Brexit deal with the EU – negotiated with the EU over two years and agreed in November 2018 – has now failed to pass through Parliament three times.

## Why?

Firstly, under the 'Withdrawal Agreement' part of May's deal, should future talks between the UK and EU fail to produce a free trade agreement, Northern Ireland – as it shares a land border with the EU – would stay aligned to some EU rules, including in some areas of the EU Single Market. This is known as the 'Irish Backstop'. This backstop is unacceptable to the DUP (and many Conservative MPs) whose very *raison d'être* as a party is to ensure that Northern Ireland remains a fully integrated part of the UK, with no regulatory differences. On this matter, then, the Conservative Party loses its coalition ally in the voting lobbies and lacks a majority.

Secondly, under the 'Political Declaration' part of May's deal, which is not binding, the aspiration is that the UK would withdraw from the EU's Single Market and Customs Union, but remain as closely aligned with the EU as possible in many areas. This is perceived as too 'soft' a Brexit by many Conservative MPs, and too 'hard' a Brexit by many opposition Labour MPs who want the UK to remain in the EU's Customs Union at least.

So, any chance of May having the numbers to get her deal through Parliament diminishes still further, as she cannot rely on the votes of her own party nor the main opposition party.

May's deal was thus defeated in Parliament by 432 votes to 202 on 15 January, by 391-242 on 12 March, and by 344-286 votes on 29 March – this last, ironically, the day the UK was originally long-scheduled to leave the EU.

After granting the UK an initial extension in March – to give May the time to try to pass her deal for a third time (which, as detailed above, ultimately failed) – the EU on 10 April granted the UK a further extension period to 31 October – Halloween – or the first of the month after that in which May's deal is passed, whichever comes first.

### So what happens now?

Nobody really knows. As the UK Parliament has ruled out a 'No Deal Brexit' – in which the UK would leave the EU without a deal and immediately switch to trading with it on WTO terms – and the EU is almost certainly not going to force the UK into a No Deal Brexit, the only foreseeable way for Brexit of any kind to happen in the time allowed is for May's deal, in one shape or another, to pass through Parliament. Her government has thus started negotiations with the opposition Labour Party to find some common ground that would enable the deal's passage – perhaps by committing more concretely in the Political Declaration to staying in the EU Customs Union. There is also support for putting May's deal not to another parliamentary vote but to voters in a referendum – this is referred to as a

'second referendum' (by people who oppose the idea) or a 'confirmatory vote' (by those who support the idea, and who see another referendum as the best chance of Brexit being cancelled altogether). The options on the ballot paper would presumably be: May's deal, or remain in the EU. The picture is complicated further by the fact that May's handling of the entire Brexit process has gone down particularly badly in her own party, and at some point between now and 31 October she may be deposed. There might also be an impromptu general election, in an attempt to break the political deadlock.

### How does this all affect the wine trade?

For the moment, not at all. The UK is not leaving the EU any time soon: even if May's deal is finally passed by Parliament or public vote in the next few months, there would then be a 'transition' period until 31 December 2020, during which time the UK would no longer be a member of the EU but would still be in the EU's Single Market and Customs Union, giving time for businesses to adjust.

### What do Brits make of all this?

They are keeping calm and carrying on. The UK economy is currently growing faster than the Eurozone's economy, so too its manufacturing index. The country's GDP grew 0.3% in the three months to February 2019, outperforming forecasts, and its trade deficit has marginally narrowed as exports have risen off the back of the weaker pound. Incomes are rising and the country's unemployment rate has fallen to its lowest rate in 44 years – 3.9%, half the eurozone average.



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# China Food & Drink Review

**From ProWein, Ciatti flew on to the vast China Food & Drink Fair, held in Chengdu's Western China International Expo City (March 21-23). Ciatti and craft beer provisions arm John Fearless shared a large stand in Hall 13, one of the many halls given over to imported wine and other beverages, and as in previous years welcomed a mix of clientele from the larger scale wineries to importers to traders.**

The organizers are yet to release statistics on the 2019 fair but the number of exhibitors felt in-line with last year, when it hosted nearly 3,000 from 40 countries inside its 16 halls. The slowdown in China's economic growth over the past 12 months probably explains a slightly quieter fair this year both in terms of the showiness of the stands (perhaps it the more serious players who have stayed on) and visitor numbers. Ciatti itself found less buzz around the big volume requests than we saw last year but, regardless, the stand still received a good number of enquiries and was busy for the first two days. As in previous years, the fair's final day was quiet and mainly given over to the public to come in and taste the wines.

Generic red wine from Australia, Chile, Argentina and Spain was in particular demand, closely followed by Chilean Cabernet and Merlot, Australian Shiraz, Cabernet and Merlot, and France's premium Rhone reds (such as Shiraz and Grenache blends and Marselan). Interest in South African and US wines was limited – the latter likely due to the so-called US-China 'trade war' in which China has hiked tariffs on US wine imports. Counterfeiting remains a problem in the Chinese market and copycat wine labels were again in plain sight at the fair. Penfolds continues to be one of the biggest victims of this.

Bulk versus case good enquires was split around 60/40, and it seems the more serious buyers prefer to purchase as bulk. There was a noticeable increase in the number of end-buyers seeking to cut out the importer. These buyers normally purchase foreign wines already landed in China from local traders but now wish to remove this extra link in the supply chain and make more profit for

themselves. It's likely that many of these buyers will gradually obtain their own import licenses.

Each year, for the four days preceding the fair there is the 'Hotel Show', so-called as it is held in hotel ballrooms across Chengdu. This leg of China Food & Drink is exclusively for the wine, beer and spirits sectors, and open to trade visitors only. It was originally introduced as many visitors to the three-day exhibition centre fair ran out of time covering everything they needed to. The organisers have increased the number of hotels participating in the Hotel Show and last year there were fifteen wine pavilions representing the major and emerging producer countries. At the Kempinski hotel alone there were more than 550 international and domestic exhibitors; at the Shangri-la, more than 600. There were over 80,000 trade buyers in attendance from across China, and an increasing number of international trade visitors at this portion of the show. One of them this year was John Fearless; see this month's John Fearless Update for more. Overall more than 350,000 people come to Chengdu, China's most important Food & Drink Fair.

**For matters that involve the Chinese market, please contact Simone George – our China/Asia Pacific broker – or Echo Long, who is based in Shanghai and a Mandarin speaker.**

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# South Africa

## *Time on target*



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**HARVEST WATCH:** *Approx. 1.21 million tonnes, down 2% on 2018*

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The latest estimate from South African Wine Industry Statistics (SAWIS) for the Western Cape's 2019 harvest is 1,219,411 tonnes, down 2% on last year's drought-hit short crop. Bunches and berries have come in lighter than normal due to adverse weather during the flower and set period in October and November, above-average wind experienced in early summer, and a hangover from the three-year drought which only ended in mid-2018.

Lingering drought in the Klein Karoo region and March rainfall in the Western Cape resulted in increased disease pressure and rot problems which is contributing to crop losses in certain wine regions, SAWIS said. Breedekloof and the Northern Cape expect normal crops.

Growers have been finishing harvest, seeing what they have available, and allocating accordingly with the aim of meeting their long-term clients' volume demands as best as possible. A second-successive short harvest – with hardly any 2018 carryover stock coming into it – has ended the prospect of a price softening in the Cape moving forward. Its 2019 wine pricing is continuing where the 2018 pricing left off, steady and robust, though still competitive versus where the global market was a year ago and potentially competitive again should prices rise in the Southern Hemisphere markets if their 2019 crop sizes are disappointing.

Latest SAWIS data for South Africa's domestic wine consumption shows a 5.4% fall in the February 2018 to January 2019 period, by 22 million litres to 386.2

million litres. This is in contrast with steady 3-5% growth every year in the preceding few years. This is likely due to higher bulk wine prices filtering through to higher wine prices on retail shelves – a rise particularly marked on entry-level wines – as well as increases in excise taxes.

Collectively, domestic sales and exports of still wine decreased over the February 2018 to January 2019 period by 6.4% (-54.8 million litres) to 795.8 million litres, SAWIS said. Some international buyers have switched to alternative countries to cover their needs, though Ciatti has seen a good level of loyalty to the Western Cape's wines. Demand from domestic buyers has been high, but with little carryover stock in recent months we have seen signs that domestic buyers are also beginning to consider sourcing from outside South Africa.

## *Key Takeaways*

The 2019 crop is estimated to have in 2% down in size on 2018's short crop. Rand prices remain stable, with little prospect of a softening. Interest from international buyers has been muted as the Western Cape's lack of carryover stock following the short 2018 harvest is well known. Demand from domestic buyers on remaining 2018 wines – for the home market and for bottling to export – had been good. There are signs wine sales on the domestic retail market have fallen back.

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*See next page for pricing.*

## South Africa: Current Market Pricing (SA Rand per liter, FOB Cape Town)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2018	Dry White	7.30 – 8.00	↑	2018	Generic Red	9.00 – 9.50	↑
2018	Chardonnay	10.50 – 11.50	↑	2018	Cabernet Sauvignon	11.00 – 13.00	↔
2018	Sauvignon Blanc	10.00 – 12.00	↔	2018	Ruby Cabernet	9.00 – 10.00	↑
2018	Chenin Blanc	8.20 – 8.80	↑	2018	Merlot	11.00 – 12.50	↔
2018	Colombard	7.50 – 8.00	↑	2018	Pinotage	10.50 – 11.50	↑
2018	Muscat	7.80 – 8.50	↔	2018	Shiraz	11.00 – 12.50	↑
2018	Generic Rosé	7.50 – 8.00	↑	2018	Cinsaut Rose	8.60 – 9.00	↑
2018	Cultivar Rosé	8.60 – 9.00	↔				

*NB: pricing is directly related to remaining available stock and - due to the current short situation - can change without notice*

# Australia & New Zealand

## Time on target



### HARVEST WATCH: *Tough conditions reduce yields in Au & NZ*

Australia's 2019 harvest is finally drawing to a close as many expect to finish picking and crushing by Easter. Overall, crush numbers are down in many regions and buyers are searching for excess stock from the 2017 and 2018 vintages in order to make up some of the shortfall. Large demand for dry red and entry level red varieties from both South Australia and South Eastern Australia is apparent. Inventory of these wines is now low. On white wines, 2018 and 2019 Chardonnays are in good demand. Many wineries are now seeking to allocate their wines for brands and grading before committing any excess to spot deals or new clients.

Some producers in South Australia have seen their harvests slashed by half as the hot, drought-like conditions continue to take their toll in this region.

Despite the smaller yields, however, producers have reported that grape quality is good. Last winter was dry, then there were some frosts in September and November in some regions before extreme summer heat enveloped in the first two months of this year. The Barossa Valley was also hit by hailstorms in late November; this year's vintage is expected to be the region's lowest yielding in the last decade.

Many overseas buyers remain committed to their Australian programs even with the higher grape pricing evident from 2019. The higher price has persuaded some to shift their source of supply to Chile or Spain, but we continue to see requests for Australian Shiraz and Chardonnay coming through strongly from European buyers. Chinese buyers, meanwhile, will source all reds available in a range of price points.

Penfolds has been recognised as 'The World's Most Admired Wine Brand 2019' by Drinks International in its annual poll, pushing Spain's Torres into second place. This is the second time Penfolds has won the

*See next page for more on Australia & New Zealand.*

award, having come top in 2016. There was also good news for New Zealand (see below).

Latest Wine Australia stats show that the total value of Australia's red wine exports in 2018 exceeded AUD2 billion, growing 12% in value from 2017. Mainland China was the leading destination, accounting for nearly AUD1 billion of these exports. Exports to mainland China also grew by the largest amount in the past year – AUD191 million. Other key destinations for Australian red wine are the UK, the US, Canada and Hong Kong. Whites, which accounted for 38% of Australia's wine exports, grew by 10% in value to AUD606 million. The US is the leading destination for Australian white wines by value, growing 6% to AUD186 million, while exports to Canada grew by the largest amount in 2018.

Wine Australia pointed out that despite the strong growth in China and North America, more Australian wine is shipped to Europe than any other continent – last year it was 40 million cases, compared to North America's 26 million and Asia's 24 million. The UK accounted for 70% of these Australian wine exports to Europe, making it not only Australia's largest European market by volume, but also globally, with an export volume of 27.3 million 9-litre case equivalents in 2018. Some 83% of Australian exports to the UK are shipped in bulk.

The domestic market remains Australian wine's biggest customer, accounting for 83% of sales. That said, imported wines are on the rise, particularly in the eastern states of Australia. Imports grew by 2.6% in Australia's off-trade in 2018 to total 16% of the off-trade wine market. In the on-trade, imports account for 34% of wine orders. Imports are mainly being driven by Marlborough wines from New Zealand and Veneto wines from Italy.

Over in **New Zealand**, water stress and poor flowering has seen Marlborough also report lower than average yields. However, the ripening period through to mid-March was fairly dry and there has been no botrytis pressure so far. Quality and flavours have been very good. Yields in the Hawkes Bay region are also looking a little lighter than expected.

Misty Cove Wines announced in April its acquisition of organic wine producer Konrad Wines. Misty said that Konrad "has forged a strong global reputation for

its single vineyard, Marlborough organic wines with distribution in 19 countries currently" and that it would complement and extend Misty's pre-existing highly-regarded organics program. Meanwhile, Villa Maria has been named in the top three of Drinks International's 'World's Most Admired Wine Brand 2019', the first time a New Zealand wine company has made the podium since the award was established in 2011.

In March New Zealand news website stuff.co.nz reported on the rise of "wine-beer hybrids", an off-shoot of the growing craft beer segment. Wine grapes are added to the wort – raw beer – and the mixture then fermented as one product. One example cited was a 51% beer, 49% Sauvignon Blanc mix that creates "what resembles a sparkling wine with an underlying breadly character".

## Key Takeaways

**Yields look to be down this year in both Australia and New Zealand following some unhelpful weather conditions in the past few months. Quality, however, looks good. Strong demand combined with a lower than average 2019 crop means prices in Australia have risen – some buyers have reacted by seeking supply in alternative countries, but demand for and loyalty towards Australian wines remains firm, especially from Europe and China. The UK and China remain the most important markets for Australian wines, with the UK taking 27.3 million 9-litre case equivalents in 2018 and China accounting for nearly AUD1 billion of Australia's AUD2 billion red wine exports.**

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*See next page for pricing.*

## Australia: Current Market Pricing (AUD/litre unless otherwise stated)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
NV	Dry White	0.85 – 0.95	↔	NV	Dry Red	1.10 – 1.25	↔
2018	Chardonnay	0.95 – 1.10	↔	2018	Cabernet Sauvignon	1.45 – 1.65	↔
2018	Sauvignon Blanc	1.10 – 1.20	↔	2018	Merlot	1.45 – 1.65	↔
<b>2018</b>	<b>NZ Marlborough SB</b>	<b>NZD 3.60 – 4.00</b>	<b>↑</b>	2018	Shiraz	1.45 – 1.65	↔
2018	Pinot Gris	1.20 – 1.40	↔	2018	Muscat	0.85 – 0.95	↔

*Price stated are indicative only; all offers subject to prior sale and subject to volume, drawdown and terms*

“...Coonawarra is Australia’s greatest red wine district and one of the producers of great reds of the world.”

- Len Evans ‘The Complete Book of Australian Wine’.

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The recent popularity of private label wines is an important trend that has significant implications for anyone involved in the wine and spirits industry. Most importantly, the growth of the bulk wine business, combined with the growing sophistication of private label brands, makes it possible to unlock new revenue streams.

That ability to unlock new revenue streams is one of the focal points of the upcoming International Bulk Wine & Spirits Shows, taking place in San Francisco, London and Shanghai on 2019.

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# John Fearless Update

**JOHN FEARLESS**  
PROVIDER OF CRAFT HOPS AND PROVISIONS



**In March John Fearless visited Chengdu for the 2019 instalment of the vast China Food & Drink fair (17th-23rd), attending the hotel-based show that comprises the first four days and then for the next three sharing a big stand with Ciatti at the exhibition center. Fearless has sold its first consignment of hops into China where the craft beer market is really taking off, and our products were very well received at both parts of the fair.**

China's large and rapidly growing middle class is boosting demand for craft beers that offer something different to national and international beer brands. At the moment the Chinese palate prefers more subtle, less hoppy craft beers than – for example – the average US consumer. Nevertheless, we have found that the country's craft brewers possess a global view on hops and are very in tune with which types are popular and hard to get around the world. They thus know exactly what hops they want, and we at Fearless are able to offer them a 30-strong range from the US, South Africa and New Zealand.

Fearless can also offer BrewShield, the all-natural liquid beer stabilizer from our partners Stoak Technologies. There was a lot of interest in this and similar Stoak products at the show, and we are subsequently commencing BrewShield trials with at least two Chinese brewers. In China, as in many other markets around the world, craft beer is often not pasteurized, so BrewShield's positive impact on shelf life is a particular selling point. Fearless is ready to do more business with Chinese customers on hops, BrewShield and any of the other products it can offer – please get in touch with us via Echo in our Shanghai office: [echo@ciatti.com.au](mailto:echo@ciatti.com.au).

Meanwhile, the 2019 hop harvests in New Zealand and South Africa have recently drawn to a close, with volumes coming in as expected and quality looking

good. New Zealand has significantly expanded its acreage of aroma hops in the past two years (with the aim of upping its total hop production by 50% in the next few years) and the 2019 harvest was the first in which some of the new plantings came on line. Similarly, South Africa has been replacing its bittering hop acreage with aroma acres.

Consequently, Fearless throughout the year will be able to meet more requests for the most in-demand New Zealand aroma hops (such as Nelson Sauvin and Motueka) and South African aroma hops (such as African Queen, Southern Passion and Southern Star). This will assist our craft brewer customers in year-round production of beers brewed using these hops and help such beers become perennial fixtures in their ranges, so get in touch!

## Key Takeaways

**John Fearless can provide: aroma and bittering hops from the US, South Africa and New Zealand; Humuflor hop essences; Stoak all-natural liquid oak extracts for wine, spirits and beer making; used wine, bourbon, whiskey and rum barrels; base and specialty malt; and fruit concentrates, purees, juices, and powders.**

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# Export Pricing: USD per liter

Currency Conversion Rates as of April 15, 2019

Argentina (Pricing in bulk; FCA)											
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2018	Generic White (Criolla)	0.22	-	0.24	↓	2018	Generic Red	0.25	-	0.30	↓
2018	Generic White Standard	0.24	-	0.36	↓	2018	Cabernet Sauvignon	0.55	-	0.65	↓
2018	Muscat	0.30	-	0.35	↓	2018	Merlot	0.45	-	0.55	↓
2018	Torrontes	0.40	-	0.45	↓	2018	Syrah	0.45	-	0.55	↓
2018	Sauvignon Blanc	0.60	-	0.65	↓	2018	Malbec Standard	0.70	-	0.80	↓
2018	Chardonnay	0.60	-	0.70	↓	2018	Malbec Premium	0.85	-	0.95	↓
2018	Bonarda	0.35	-	0.45	↓	2018	Malbec High End	1.00	-	2.00	↓
2018	Tempranillo	0.35	-	0.45	↓						

Australia & New Zealand (Pricing in bulk; FCA)						AUD Rate: 0.717239 / NZD Rate: 0.676049					
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Dry White	0.61	-	0.68	↔	NV	Dry Red	0.79	-	0.90	↔
2018	Chardonnay	0.68	-	0.79	↔	2018	Cabernet Sauvignon	1.04	-	1.18	↔
2018	Sauvignon Blanc	0.79	-	0.86	↔	2018	Merlot	1.04	-	1.18	↔
2018	NZ Marlborough SB	2.43	-	2.70	↑	2018	Shiraz	1.04	-	1.18	↔
2018	Pinot Gris	0.86	-	1.00	↔	2018	Muscat	0.61	-	0.68	↔

California (Pricing in bulk; FCA)											
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2018	Generic White	0.85	-	0.99	↔	2018	Generic Red	0.85	-	1.05	↔
2018	Chardonnay	1.32	-	1.98	↔	2017/2018	Cabernet Sauvignon	1.25	-	1.85	↓
2018	Pinot Grigio	1.19	-	1.72	↔	2018	Merlot	1.20	-	1.58	↔
2018	Muscat	1.12	-	1.45	↔	2018	Pinot Noir	1.59	-	2.11	↓
2018	White Zinfandel	0.86	-	0.99	↔	2018	Syrah	1.20	-	1.58	↔
2018	Colombard	0.86	-	1.12	↔	2018	Ruby Cabernet	0.95	-	1.05	↔
						2017/2018	Zinfandel	1.20	-	1.85	↔

Chile (Pricing in bulk; FOB Chilean Port)											
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Generic White	0.50	-	0.60	↔	NV	Generic Red	0.50	-	0.60	↔
2019	Chardonnay	0.80	-	0.95	↑	2019	Cabernet Sauvignon (Basic)	0.70	-	0.80	↑
2019	Sauvignon Blanc	0.73	-	0.80	↔	2019	Cabernet Sauvignon (Varietal Plus)	0.80	-	0.95	↔
2019	Syrah	0.70	-	0.75	↔	2019	Merlot	0.75	-	0.85	↑
2019	Carmenere	0.85	-	0.95	↑	2019	Malbec	0.80	-	0.90	↔
2019	Pinot Noir	0.85	-	0.95	↔						

France (Estimated Pricing in bulk; Ex-Winery)										Rate: 1.130100	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2018	Generic White	0.68	-	0.79	↔	2018	Generic Red	0.73	-	0.90	↔
2018	Chardonnay IGP	1.07	-	1.24	↔	2018	Cabernet Sauvignon IGP	1.02	-	1.24	↔
2018	Chardonnay VDF	1.02	-	1.19	↔	2018	Cabernet Sauvignon VDF	0.96	-	1.02	↔
2018	Sauvignon Blanc IGP	1.07	-	1.24	↔	2018	Merlot IGP	0.96	-	1.13	↔
2018	Sauvignon Blanc VDF	1.02	-	1.13	↔	2018	Merlot VDF	0.90	-	0.96	↔
2018	Generic Rosé IGP	1.02	-	1.13	↔	2018	Red Syrah / Grenache IGP	0.96	-	1.13	↔
2018	Generic Rosé VDF	0.85	-	1.02	↔	2018	Varietal Rosé IGP	1.02	-	1.36	↔

Italy (Pricing in bulk; Ex-Winery)										Rate: 1.130100	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2018	Generic White (Alc. 9 - 10%)	0.35	-	0.39	↔	2018	Generic Red (Alc. 11 - 12%)	0.45	-	0.57	↔
2018	Generic White (Alc. 11 - 12.5%)	0.43	-	0.51	↔	2018	Generic Red (Alc. 13%)	0.60	-	0.79	↔
2018	Organic Generic White (Alc. 10 - 12%)	0.62	-	0.79	↔	2018	Organic Generic Red (Alc. 11 - 13%)	0.90	-	1.13	↔
2018	Varietal Chardonnay (Alc. 11 - 13%)	0.68	-	1.02	↔	2018	Varietal Cabernet Sauvignon (Alc. 12 - 13%)	0.85	-	1.13	↔
2018	Organic Pinot Grigio (Alc. 12%)	1.47	-	1.70	↔	2018	Varietal Merlot (Alc. 12 - 13%)	0.68	-	1.02	↔
2018	DOC Pinot Grigio delle Venezie	0.90	-	1.13	↔	2018	Varietal Syrah (Alc. 12 - 13%)	0.73	-	1.07	↔
2018	Pinot Grigio IGT (Different Regions)	1.02	-	1.13	↔	2018	Rossissimo (Alc. 12.5%)	1.02	-	1.19	↑
2018	Pinot Grigio IGT (Blends)	0.62	-	0.96	↔	2018	Primitivo IGT Puglia/ Salento (Alc. 12 - 14%)	1.41	-	1.70	↑
2018	DOC Prosecco (Cannot be sold outside of Italy)	1.70	-	1.86	↔	2018	Sangiovese IGT (Alc. 11.50 - 13%)	0.57	-	0.85	↔
2018	Soave or Garganega DOC	1.02	-	1.13	↔	2018	Trebbiano IGT (Alc. 10.5 - 12%)	0.45	-	0.62	↔
2018	Chianti*	2.26	-	2.54*	↔						

*\*Bottled Price*

South Africa (Pricing in bulk; FOB Cape Town)										Rate: 0.071230	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2018	Generic White	0.52	-	0.57	↑	2018	Generic Red	0.64	-	0.68	↑
2018	Chardonnay	0.75	-	0.82	↑	2018	Cabernet Sauvignon	0.78	-	0.93	↔
2018	Sauvignon Blanc	0.71	-	0.85	↔	2018	Ruby Cabernet	0.64	-	0.71	↑
2018	Chenin Blanc	0.58	-	0.63	↑	2018	Merlot	0.78	-	0.89	↔
2018	Colombard	0.51	-	0.56	↑	2018	Pinotage	0.75	-	0.82	↑
2018	Muscat	0.56	-	0.61	↔	2018	Shiraz	0.78	-	0.89	↑
2018	Generic Rosé	0.53	-	0.57	↑	2018	Cinsaut	0.61	-	0.64	↑
2018	Cultivar Rosé	0.61	-	0.64	↔						

Spain (Pricing in bulk; Ex-Winery)										Rate: 1.130100	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2018	Generic White	0.34	-	0.45	↑	2018	Generic Red	0.45	-	0.57	↑
2018	White Blends (Higher Quality)	0.45	-	0.62	↑	2018	Generic Red (Higher Quality)	0.57	-	0.68	↑
2018	Sauvignon Blanc	0.85	-	0.90	↑	2018	Cabernet Sauvignon	0.68	-	0.85	↑
2018	Chardonnay	0.90	-	1.02	↑	2018	Merlot	0.73	-	0.85	↑
2018	Generic Rosé	0.40	-	0.51	↑	2018	Syrah	0.68	-	0.85	↑
2018	Varietal Rosé	0.57	-	0.68	↑	2018	Moscatel	0.57	-	0.68	↑



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