



Global Market Report

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**Ciatti Global Wine
& Grape Brokers**

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The Southern Hemisphere harvests are now underway and presently the prognosis is mixed: the harvest in Australia is proceeding smoothly thanks to good weather, ditto those in Argentina and Chile where crushes are expected below – but much closer to – the long-term average than those of the previous two years. In New Zealand, Marlborough has experienced significant rainfall in the past 2-4 weeks, raising some disease pressure concerns. South Africa's harvest is looking most vulnerable: the Western Cape's longstanding drought grows ever more acute, and the early signs are that bunches are coming in lighter, with the berries ripening small.

Another place receiving negligible precipitation is La Mancha in Spain, despite it being winter there. Spain's drought is of course nowhere near as severe as the Western Cape's, but there is already anxiety about the size of La Mancha's 2018 crop. On the Spanish market, 2017 international varietal bulk wine is almost sold out, while prices on the generic reds are continuing to rise. With generic inventory in Spain available in quantities good but not considerable, and tighter supply across Europe and South Africa, buyers generally have – albeit reluctantly – accepted the offer prices and are shipping as per the loading terms. There is a similar situation in Chile, on varietals, where prices are over USD1.00/litre but the market is very active, as buyers accept the market situation and the offer prices. There has been a lot of pre-harvest contracting in Chile, including by buyers who usually wait until post-harvest, such as the Chinese.

Italy's offering cannot alleviate the pressure on the international varietal market as it has a shortage of these. The introduction of the new Pinot Grigio DOC delle Venezie in northeastern Italy has caused some concern/confusion among buyers: we set out in a special report what the changes mean for the buyer, hopefully conveying that any changes are slight and to give Ciatti a call if you have any queries. Italy's northeast accounts for 85% of the country's total Pinot Grigio output, and 43% of the varietal's global production, so it's a case of embracing the changes. Meanwhile, as in La Mancha, Italy's central and southern growing areas have experienced above-average winter temperatures and below-average rainfall, raising fears for the 2018 harvest.

Finally, the USDA's Preliminary Grape Crush Report was released on 9 February and shows California's 2017 harvest just surpassing the 4 million ton mark (at 4,007,136 tons), down only 0.6% from 2016. The main talking point is Cabernet's continued rise – up 5.9% this time from 2016's record yield, coming in just 13,000 tons behind Chardonnay (down 9.2%). In 2018, Cabernet could be set to become the leading Californian varietal by tonnage. **Readers with a particular interest in the Californian market should note that, as of this month, Ciatti is producing a *California Market Report* alongside the *Global Market Report*. Go check it out.**

Robert Selby



California

Time on target

HARVEST WATCH: *2017 crush reached 4 million tons, in line with 2016*

The USDA's Preliminary California Grape Crush Report, released 9 February, showed California's 2017 wine grape crush at 4,007,136 tons, down 0.6% from 4,031,571 tons in 2016. Red wine varieties came in at 2,242,984 tons, down 1.6% from 2016; the white wine crush totalled 1,764,152 tons, up 0.7% from 2016. The average wine grape price reached USD820/ton, up 1.8% from USD806/ton in 2016.

Chardonnay continued to account for the largest percentage of California's total crush – but only just. The varietal's volumes came in at 613,990 tons, down 9.2% from 675,966 tons in 2016 and the third successive year with a sub-700,000 tonnage. The average Chardonnay price was USD971/ton, up 3.4% on USD939/ton in 2016.

For Cabernet, meanwhile, it was a second successive record-breaking year: 599,833 tons were harvested, up nearly 5.9% on the historic high of 566,486 tons in 2016. The average price was USD1,568/ton, up 4.5% on USD1,501/ton in 2016. Like Cabernet, Pinot Noir (with 262,590 tons) and Pinot Grigio (252,393) also saw their largest harvests ever. For a breakdown of the preliminary harvest results, see Ciatti's press release [here](#), and for more detailed insight into the California market check out the inaugural edition of Ciatti's new California Market Report.

The latest Unified Wine & Grape Symposium in Sacramento, January 23-25, was relatively upbeat, with sales seemingly having rallied somewhat for many in the final quarter of a difficult year. California's sluggish wine and grape market, meanwhile, has not quickened noticeably in recent weeks. Ciatti is receiving a lot of enquiries and samples from sellers and there is plenty of inventory out there, more than this time last year – all indicative of a sales slowdown.

Prices for grapes and wines continue to be at historic highs: margins for program owners are thus getting squeezed to various extents depending on from where the supply is sourced (a squeeze that is being compounded by distributor consolidation). The result is movement away from a specific appellation to a 'California' one as buyers look further afield for supply that is equivalent in quality but more amenable priced. This movement could create opportunities on the market if prices were to come down on some of the abandoned supply areas. Again, see this month's inaugural California Market Report for more details.

See next page for more on California.

In general, Chardonnay and Sauvignon Blanc are the most in-demand items on both wine and grapes. Availability of Sauvignon Blanc is tight and prices are high. There is interest in all segments of 2017 Chardonnay, with good activity on wine and grapes, and pricing has firmed-up. There remain opportunities however: give Ciatti a call. The Cabernet market is currently the opposite of Chardonnay's: inventory is good-sized and the market is normal-paced as buyers wait and see on price. With the movement towards 'California' appellations, the mid-market of Cabernet is starting to matter – premium 'California' Cabernets at USD7.00-12.00/gallon. The Pinot Grigio market, meanwhile, is stable, while coastal and premium area Pinot Noir supply is tight and prices are high, both on wine and grapes.

Generic white wine availability is significantly down, both in California and – due to weather events – across the world. Much of what's there in California is going towards extending other whites such as Chardonnay. The high proof market is seeing price increases, and tighter availability. White grape juice concentrate, is in a short position, and red concentrate is available as well.

California has been experiencing a drier than average winter and the Sierra Nevada snowpack was measured at just 27% of normal on February 1st. It seems a high pressure ridge sitting above California and indeed most of the Northwest, is pushing storms north, into Canada which is experiencing a normal winter. There is still the possibility of a wetter February and March but so far, February has commenced dry.

Key Takeaways

The movement from a distinct appellation to a 'California' one as brand owners feel the margin squeeze could create new opportunities on the market – from a buyer's point of view in the Coastal areas where demand for wine/grapes could become less intense as a result, and from a supplier's point of view in the premium Central Valley/'California' areas. Despite tight inventories, Ciatti has opportunities for the buyer of 2017 Chardonnay in all premium segments, ditto premium, North Coast Sauvignon Blanc. Ciatti can also help suppliers of 2016 and 2017 Paso Robles Cabernet find buyers, and vice versa, and can help sellers from across California with their Zinfandel.

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California: Current Export Market Pricing (USD per liter)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2016	Generic White	0.79 – 0.99	↔	2016	Generic Red	0.85 – 1.05	↔
2016	Chardonnay	1.59 – 2.11	↑	2015/16	Cabernet Sauvignon	1.32 – 2.11	↓
2016	Pinot Grigio	1.19 – 1.72	↔	2016	Merlot	1.32 – 1.58	↔
2016	Muscat	1.19 – 1.32	↔	2016	Pinot Noir	1.85 – 2.25	↑
2016	White Zinfandel	0.79 – 0.99	↔	2016	Syrah	1.32 – 1.58	↔
2016	Colombard	0.86 – 1.12	↔	2015/16	Zinfandel	1.59 – 2.11	↔

Argentina

Time on target



HARVEST WATCH: *on course for 2.3 million metric tons*

Mendoza's 2018 wine grape harvest is now underway; most material will be harvested in March. Summer weather has been good. January was not quite as hot as normal, with highs in the mid-30°Cs instead of up to 40°C; February is expected to be hotter than January, increasing the risk of hailstorms, but so far hail has not been much of an issue unlike in recent years. The authorities are yet to release a harvest forecast figure for 2018, but the industry is currently thinking in the region of 2.3 million metric tons – down slightly from the average of 2.5 million metric tons, but significantly better than the poor, sub-2 million ton 2016 and 2017 harvests.

The grape and wine markets in Argentina, both domestically and for export, are quiet as buyers wait to see how the 2018 harvest goes. Growers would like to keep grape prices as high as they were in 2017, or even higher, due to Argentina's high inflation rate: energy bills and gasoline prices have risen significantly in recent times and jumped again in January. However, if the 2018 harvest comes in as close to the average as 2.3 million metric tons, such high prices will not be realistic; they may even be lower than 2017, due to the poor level of sales observed last year.

The domestic market for bulk wine is slow. Domestic buyers have lost sales due to the economic situation in Argentina, which is denting per capita wine consumption. They are thus still covered for wine at this stage, and will not be prepared to pay last year's prices this year. Stock of uncontracted 2017 wines is not huge, but there is more than enough to meet demand. This fact, combined with a devaluation of the Argentine peso in January, has softened the dollar asking price for 2017 bulk Malbec: it is now at USD1.50-1.60/litre, down from USD1.80/litre in the final third of 2017. The peso

weakened to approximately 20 pesos to the dollar as of 14 February, down from 19 pesos and – as the dollar exchange rate is still behind inflation in Argentina – more devaluations can be expected throughout 2018. The Argentine government will intervene if the peso jumps extravagantly one way or another, but is relaxed about a steady weakening against the dollar as it will boost the country's export competitiveness. They are meanwhile telling the electorate not to think in dollars, but pesos. The government is improving the image around the world of Argentina as a country in which to do business, while benefitting at home from their political and union opponents being mired in corruption scandals.

In short: a combination of a devaluating peso and a good-sized 2018 crush could mean 2018 Malbec prices below USD1.50 after March, when the harvest is over, with prices on remaining 2017 stock even lower. It's a case of wait and see, with things much clearer from ProWein (18-20 March) onward. Ditto on the grape juice and grape juice concentrate markets, meanwhile: buyers need to wait until March to see what percentage of the 2018 crush goes to wine and what to grape juice concentrate. Almost nobody is taking a position on the grape juice market at present.

Export statistics for full-year 2017 are out from Argentina's national vinicultural institute and show the country's total wine exports came in at 2.1 million hectolitres, down 18.3% on 2.5 million hectolitres in 2016. Of this, bottled exports reached 1.8 million hectolitres, down 11.9% from 2 million hectolitres in 2016, while bulk came in at 297,231 hectolitres, down 43.6% from 526,575 hectolitres in 2016. On the flip-side, imports of bulk wine increased considerably, from 90,627 hectolitres in 2016 to 764,079 hectolitres in 2017, as Argentina's domestic buyers shipped in wine from neighbouring Chile. Argentina's grape juice concentrate exports, meanwhile, slumped 43.7% in 2017 to 58,573 hectolitres.

See next page for pricing.

Key Takeaways

Bulk wine buyers are waiting for the imminent 2018 harvest size indication from the government, and then how the main body of the harvest goes in March. Grape juice concentrate buyers, meanwhile, must wait until March to see what percentage of the crush goes toward GJC. The harvest is proceeding smoothly; should this continue, and the peso continues to weaken against the dollar, prices of USD1.50/litre on 2018 Malbec could be quoted from March, with remaining 2017 stocks priced even lower.

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2017	Generic White	0.50 – 0.55	↓	2017	Generic Red	0.65 – 0.65	↓
2017	Torrontes	0.60 – 0.70	↓	2017	Cabernet Sauvignon	1.45 – 1.65	↓
2017	Chardonnay	1.00 – 1.20	↓	2017	Syrah	0.85 – 0.95	↓
2017	Bonarda	0.85 – 0.95	↓	2017	Malbec	1.45 – 1.65	↓
2017	Tempranillo	0.85 – 0.95	↓	2017	Malbec Premium	1.80 – 2.50	↓

Chile

Time on target

HARVEST WATCH: *on course for approx. 1.1 billion litres*

Summer in Chile's growing areas has brought very hot days and cooler nights. Harvest is now getting underway and there are expectations of a crush around the 1.1 billion litre mark, slightly below the long-term average but better-sized than the 2016 and 2017 yields. Quality looks good, with more aroma intensity on the whites and more colour on the reds.

The market is very busy, with strong domestic, European, and Chinese demand both for remaining 2017 wines and for pre-harvest deals on 2018 product. This is a consequence of the disappointing harvests around the world in 2017. Despite the demand pressure, prices in Chile are firm but steady.

For the past couple of years China has sourced its higher-end demands from Chile while sourcing entry-level product from Australia and Spain. Perhaps due to price/availability situations in those markets, China has now moved back onto Chile's entry-level market, making pre-harvest contracts when usually it waits until post-harvest. Europe has also bought much of its needs on pre-harvest deals when usually it waits; there is demand pressure from the UK too. These buyers seem willing to accept paying higher dollar prices than they'd like, albeit reluctantly. The strengthening of the pound and euro against the dollar in recent months may have assisted in this. North American buyers seem to be more hesitant to get involved: the high prices are seemingly making them hold.

See next page for more on Chile.

Prices on Chile's 2018 grapes have been higher than they were on last year's. These high grape prices and the strengthening of the peso against the dollar – the dollar fell to just 596.53 pesos on 8 February before rebounding slightly, down from 674.88 on 8 May 2017 – is serving to ensure dollar prices on Chile's 2018 wines remain high. Bulk wines are all above USD1.00/litre in Chile at the moment, except on generics. Sauvignon Blanc, Merlot, Cabernet are all in big demand but the pressure on Malbec has lifted as North America is not buying and Argentina's harvest looks more normal-sized this year.

Chile's full-year 2017 wine export volumes were the largest on record (see below table). Exports reached 940.21 million litres, up 3.7% on 906.69 million litres in 2016. Bulk exports were up 2.96%, from 383.07 million litres to 394.41 million litres. The strength of the overall export figure has fed into the bullishness on price exhibited by Chilean suppliers, but masks a year of churn in which temporary Argentine demand helped offset a decline in exports to North America. Ciatti expects export volumes to be less in

2018, because pricing beyond USD1.00/litre could see buyers allocate less volume, while there is also a restructuring taking place in Chile's branded case good industry as it attempts to move away from entry-level ranges that – due to higher grape and raw material cost – do not make money, into higher-priced case goods that can benefit from the premiumization trend.

Key Takeaways

Prices on 2018 grapes are higher than last time, the peso has strengthened against the dollar, and the wine market is very active, with domestic, European and Chinese buyers moving earlier than normal and paying the offer prices. In addition, full-year 2017's export volumes were a record, despite the higher pricing. All of these factors have disincentivised easing of price, and this is unlikely to change any time soon.

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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	0.66 – 0.75	↔	NV	Generic Red	0.72 – 0.85	↔
2017	Chardonnay (Sold Out)	1.20 – 1.25	↔	2017	Cabernet Sauvignon (Basic)	1.10 – 1.20	↔
2017	Sauvignon Blanc	1.20 – 1.35	↔	2017	Cabernet Sauvignon (Varietal Plus)	1.25 – 1.50	↔
2017	Syrah	1.10 – 1.15	↔	2017	Merlot (Sold Out)	1.20 – 1.30	↔
2017	Carmenere	1.30 – 1.40	↔	2017	Malbec (Basic)	1.45 – 1.55	↔
2017	Pinot Noir	1.30 – 1.40	↔	2017	Malbec (Varietal Plus)	1.60 – 2.00	↔

Chilean Export Figures

Wine Export Figures	January 2016 - December 2016			January 2017 - December 2017			Volume
	Million Liters	Million US\$ FOB	Average Price	Million Liters	Million US\$ FOB	Average Price	Variance %
Bottled	486,92	1.508,02	3,10	515,04	1.604,52	3,12	5,78
Bulk	383,07	264,00	0,69	394,41	336,64	0,85	2,96
Sparkling Wines	5,10	20,47	4,02	5,45	21,91	4,02	6,83
Packed Wines	31,61	52,55	1,66	25,32	44,10	1,74	-19,91
Total	906,69	1.845,05	2,37	940,21	2.007,18	2,43	3,70



France

Time on target



HARVEST WATCH: *More rainfall needed to restore water reserves*

Following a very wet December and January in northern France, the Seine burst its banks, flooding parts of Paris. The start of February then brought a belt of snow and ice to northern areas. The southern growing regions, however, have so far experienced a dry winter: more precipitation is needed to restore water reserves following a longstanding drought. January in the south was colder than normal.

The official 2017 French crop result is yet to be released but it is widely expected that southern France's shortfall will come in larger than the country's as a whole, which was most recently quoted at being 18% down on the five-year average. In general the 2017 grapes came in small, with low press yield.

The market in southern France has been very active, with purchases and shipping proceeding at full pace, especially on Merlot and Cabernet. It is becoming very difficult to source big batches of a single wine from co-ops on the first-hand market: some of the co-ops are claiming that 90% of their production has already been sold. Despite this demand pressure, there have not been significant increases in the prices that commenced the buying campaign – pricing remains firm and stable; it's more a question of availability. Although the bulk negociants are growing reluctant to commit to big deals because of the quickly-selling inventory, in general France has volumes of varietal bulk to offer, and certainly more quantities than in Spain. Buyers requiring big volumes should commit now. Give Ciatti a call.



2018 marks the 20th Anniversary of Ciatti Europe. Please join us on the Ciatti stand March 19th at 17:30 for a little celebratory cheer. As always: Thank you for your continued trust.

Most of the remaining availability on Vin de France reds from southern France is non-vintage; 2017 Vin de France reds are in limited supply already. The Vin de France red price is creeping up little-by-little: the quicker a buyer can load, the better price they will get. The biggest percentage of Vin de France inventory is white, and whites from South West; buyers have returned to these, and prices are creeping up as inventory is declining (though not as quickly as on Vin de France reds and rosé). The 2016 carryover is diminishing quickly. Vintage 2017 Chardonnay and Sauvignon Blanc are selling at a good pace and even varietals such as Viognier that are usually available year-round are now becoming hard to come by.

The southern French rosé market is much quieter than for the reds and whites, simply because the big volumes of Vin de France, IGP and AOC rosés are almost sold out – and that's before the peak consuming season for rosé. Pockets arise intermittently; historical clients are prioritised. The situation in Provence is tighter than in the Languedoc, and prices there can be very high. IGP Mediterranean rosé has been selling for nearly 40-50% more than it was a year ago. With particular attention paid to Cinsaut and generic rosés in South Africa, French buyers are awaiting Southern Hemisphere prices following their 2018 harvests.

France's organic wine market, meanwhile, is even starker: there is an acute shortage in France and possibilities are incredibly limited. Buyers have moved to Spain in search of these. Give Ciatti a call.

See next page for more on France.

Key Takeaways

Buyers requiring big volumes of Vin de France red or white wines should commit now. Prices are firm but stable; availability, however, is shrinking quickly. Buyers who can offer quick loading will get the better prices. The rosé market is quiet due to lack of availability, though pockets become available intermittently.

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2017	Generic White	0.75 – 0.80	↑	2017	Varietal Rosé IGP	0.95 – 1.50	↑
2017	Chardonnay IGP	1.00 – 1.20	↔	NV	Generic Red	0.70 – 0.75	↑
2017	Chardonnay VDF	0.95– 1.05	↔	2017	Generic Red	0.77 – 0.85	↑
2017	Sauvignon Blanc IGP	0.95 – 1.05	↔	2017	Cabernet Sauvignon IGP	0.95 – 1.30	↑
2017	Sauvignon Blanc VDF	0.90 – 1.00	↔	2017	Cabernet Sauvignon VDF	0.90 – 0.95	↑
2017	Generic Rosé IGP	0.90 – 1.10	↑	2017	Merlot IGP	0.90 – 1.20	↑
2017	Generic Rosé VDF	0.80 – 0.90	↑	2017	Merlot VDF	0.85 – 0.95	↑
				2017	Syrah / Grenache IGP	0.90 – 1.20	↑

2017 French Harvest Estimate by Acre (AGRESTE, 1 OCTOBER 2017, UNIT : 1,000 HECTOLITRES)

REGION	5-YEAR AVERAGE	2016	2017	2017/16	2017/AVERAGE
Champagne	2,463	2,077	1,946	-6%	-21%
Bourgogne-Beaujolais	2,150	2,066	2,150	4%	0%
Alsace	1,088	1,230	861	-30%	-21%
Savoie	110	119	109	-9%	-1%
Jura	77	94	37	-61%	-52%
Val de Loire	2,455	2,113	2,288	8%	-7%
Charentes	8,321	7,830	6,917	-12%	-17%
Sud-Ouest	3,409	4,064	3,261	-20%	-4%
Bordelais	5,519	6,078	3,721	-45%	-33%
Languedoc-Rousillon	12,900	12,362	10,350	-16%	-20%
Corse	338	350	270	-23%	-20%
Sud-Est	5,448	5,799	4,507	-22%	-17%



Spain

Time on target



HARVEST WATCH: *Long-term drought ongoing in La Mancha*

La Mancha has experienced negligible precipitation in the past two months and the ongoing drought in Spain is causing some anxiety: if the situation persists, it will certainly have a significant negative impact on the country's 2018's harvest volumes. Water reserves in Spain are at less than 45%: the situation could become critical during the summer months if there's no more rain between now and then. Official estimates by Spain's Ministry of Agriculture have the 2017 harvest at 37 million hectolitres, of which 3 million hectolitres was produced as must.

At present, the Spanish market situation is as follows: buyers from around the world are eyeing Spain as the best source of potentially big volumes; international varieties are incredibly limited; generic red wine prices continue to increase; generic white wine prices, meanwhile, are stable. Spain has registered a considerable increase in sales of organic wines because of the shortage of these in France. Buyers of Spanish grape juice concentrate should cover their needs as soon as possible: steady demand in Europe will only increase prices.

The price on Spanish generic red wines was increasing by approximately EUR0.05-1.10/hectograde every two weeks in the final quarter of 2017, and this has continued into 2018. Buyers generally have – albeit reluctantly – accepted the offer prices and are all shipping as per the loading terms, and this, combined with the fact alternative sources of supply (such as Chile or South Africa) are less attractive now than they were, has ensured there has been no downward pressure on prices.

Another wave of price increases in Spain is likely from April onward: the country's largest private wineries, who have sold massively and quickly in recent months, have their needs covered only until around March time, and will be looking to stock up again on 2017 wines after then. The first-hand, free market is likely to be busy, and prices will trend upward.

Prices at the beginning of the 2018 harvest will be heavily influenced by the long-term drought, the level of frost experienced during flowering stage, and the severity of any hail events. What is certain is that buyers looking to source from Spain should act now, as prices are more likely to rise than fall. Give Ciatti a call.

Key Takeaways

Buyers looking to source wine, organic wine or grape juice concentrate out of Spain should move sooner rather than later: demand is high, inventory is declining and all the signs point to prices firm-to-rising, not softening, given the global situation, La Mancha's smaller 2017 harvest and Spain's ongoing drought. Another wave of price increases on La Mancha's wines is likely from April onward as Spain's private wineries, who covered only mid-term needs on 2017 wines, come onto the market again to buy.

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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
2017	Generic White	0.60	-	0.70	↔	2017	Moscatel	0.70	-	0.80	↑
2017	White Blends (Higher Quality)	0.70	-	0.80	↔	2017	Generic Red	0.65	-	0.80	↑
2017	Sauvignon Blanc	0.90	-	1.00	↑	2017	Generic Red (Higher Quality)	0.75	-	1.00	↑
2017	Chardonnay	0.90	-	1.00	↑	2017	Cabernet Sauvignon	0.90	-	1.00	↑
2017	Generic Rosé	0.65	-	0.75	↔	2017	Merlot	0.90	-	1.00	↑
2017	Varietal Rosé	0.75	-	0.85	↔	2017	Syrah	0.85	-	1.00	↑

Italy

Time on target



HARVEST WATCH: *Lack of rain in central and southern Italy a concern*

Temperatures have been above average in Italy. In the north there has been rain and a lot of snow in the mountains, so the situation there is good. From central Italy southward, however, the winter has so far been very dry, with water levels in the southern dams at record lows. Plenty of precipitation from now through March would fix this situation, otherwise another smaller crop in central and southern Italy can be expected. Also, the above-average temperatures bring the potential for the vines to flower early, before the risk of below-zero cold snaps has passed.

The market in Italy continues to be under pressure. There is a shortage of international varietal wines such as Merlot, Cabernet, Syrah and Chardonnay, while high quality red wines and good quality sparkling base wines are still in good demand. The situation for entry-level wines is stable, but the available inventory is declining quickly.

The Prosecco price is stable at the top end. The volume of Prosecco certified in January 2018 before being shipped was up 14% compared to January 2017, so until now there has been no possibility of a price reduction. Regarding Pinot Grigio, the 2017 vintage is the first year of Italy's new Pinot Grigio DOC delle Venezie: for more information on this, please see the special Pinot Grigio DOC report below.

Key Takeaways

The market is under pressure in Italy, with supply of international varietal wines getting short and high quality red wines, good quality sparkling base and Prosecco in strong demand. Check out our report below to learn more about Italy's new Pinot Grigio DOC.

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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
2017	Generic White	0.60 – 0.80	↑	2017	Generic Red	0.65 – 0.75	↑
2017	Chardonnay	0.90 – 1.10	↑	2017	Cabernet Sauvignon	0.90 – 1.10	↑
2017	DOC Delle Venezie Pinot Grigio	1.25 – 1.45	↔	2017	Merlot	0.90 – 1.10	↑
2017	DOC Prosecco	2.90 – 3.20*	↑	2017	Primitivo / Zinfandel	1.20 – 1.40	↔
				2017	Chianti	2.00 – 2.25*	↑

**Bottled Price*

Italy's New Pinot Grigio DOC

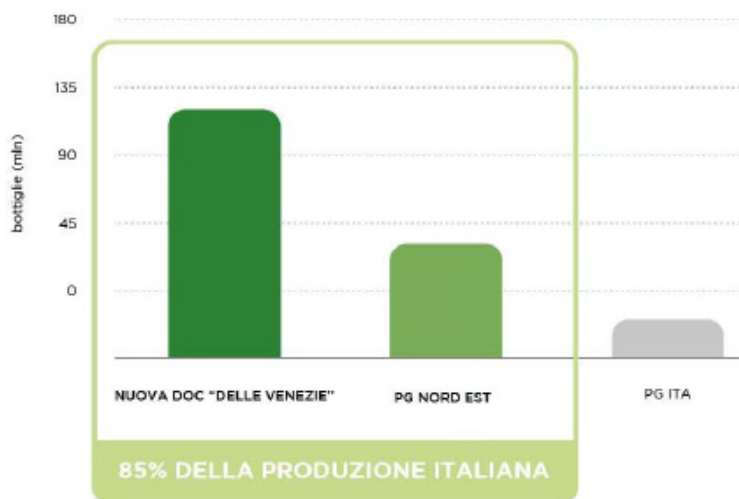
The 2017 vintage is the first year of Italy's new Pinot Grigio DOC delle Venezie, the biggest DOC Pinot Grigio area in the world, with a 43% share of the varietal's global production. A DOC for all of Italy's northeast Pinot Grigio production was established to ensure quality, traceability and authenticity for the benefit of the whole supply chain – from the grower to the winery, to the buyer to the end-consumer. For buyers of northeast Italian Pinot Grigio, the change to a DOC means some small changes but it's essentially business as usual: if you have any queries, we as brokers at Ciatti, as well as the new DOC's consortium, are very happy to help. Read on.



Moving to a DOC simply means boosting the standard quality of the northeast Pinot Grigio and enshrining that quality's parameters: the maximum production is restricted to 26 fewer hectolitres per hectare than for IGT production, for example. Moving to a DOC means complete traceability, with the introduction of banderoles (see image) – used on all of Italy's main DOCs – and other clear, transparent rules for all operators around the world to understand. Meanwhile, the new DOC gives to Italy's northeast Pinot Grigio growers a long-term vision and stability on their investment.

To help oversee the new DOC, and answer any queries about it, a new consortium has been established: Consorzio Tutela Vini DOC delle Venezie. The consortium has a very good English language website, including a helpful FAQs page, at: <http://dellevenezie.it/en/>. The consortium, and we at Ciatti, are happy to help you with any questions you have.

This year will be the first year of consumption of Pinot Grigio DOC delle Venezie and the last of the Pinot Grigio IGT. The amount of Pinot Grigio IGT Veneto/delle Venezie 2016 still to be bottled as of 31 December 2017 was around 400,000 hectolitres. It can be bottled until 31 July 2018, after which it will be downgraded to Bianco IGT Veneto/delle Venezie. The 2016 IGT Pinot Grigio is sold out and will



85% of Italy's Pinot Grigio production comes from the northeast.
Source: Consorzio Tutela Vini DOC delle Venezie

have been almost fully bottled by the beginning of April this year. This remaining stock is compensating what is missing from the 2017 production.

The total production of 2017 vintage Pinot Grigio DOC delle Venezie was around 1,400,000 hectolitres, including the Pinot Grigio used to blend with Glera for Prosecco. Around 300,000 hectolitres was certified and bottled as of 31 January. Price are stable at EUR125-140/hectolitre and, considering the end of the 2016 wine and the needs of 2017, the quantity of wine should be enough to arrive at the end of November/December 2018 in a position of equilibrium, even if the consumer reaction to increased prices on the shelf is as yet unknown.

South Africa

Time on target



HARVEST WATCH: *Berries ripening small as drought continues*

Harvest in the Western Cape is now underway amid a continued acute water shortage. The growing areas experienced no relief from long-term drought in December and January, receiving little or no rain. Cape Town's dams were at 25.3% of capacity as of 6 February, but 'Day Zero' – the day when water levels fall below that which is able to be extracted from the dams (13.5%), has this week been moved out to 4 June, due to Capetonians' own efforts to reduce domestic water usage drastically. As of 1 Feb they have been restricted to 50 litres of water per person per day. If and when Day Zero arrives, the personal allocation will fall to 25lrs, - most taps will be shut off & the last available water can be conserved for essential services (hospitals, elderly care centres, schools etc). Residents will need to queue at 200 standpipes to collect their daily 25 litres.

Until Christmas the bulk wine areas were receiving a day's rain per week, keeping drought stress at bay, but 2018 has so far brought negligible precipitation levels, very high temperatures (in the mid-30 to 40°Cs and, in the Olifants River area, even up to 52°Cs), and a continuation of drying winds. The early signs are that bunches are coming in lighter, with the berries ripening small. The wines will be of good quality because the hot, dry conditions have concentrated the fruit and kept mildew at bay, but earlier predictions of an SA crop down 7-12% on the average now looks too conservative, with 15-20% still being optimistically realistic. The worst hit area is the Olifants River, which entirely relies on catchment dam water, which is close to depletion.

With 9-10 weeks of South Africa's harvest still to go, is there going to be water to sustain the growth of the later varietals? Grape producers in South Africa possess their own water storage dams on their farms, but those are either extremely low or already empty.

In light of the harvest situation, there has been a definite drive by buyers to contract their core volumes earlier than normal. Business that might otherwise have commenced in late March, from ProWein onward, is already underway. Quite a few contracts have been closed already, though many suppliers are hesitant as they wait to see actual crop size and if price trends will further rise. Pockets of remaining 2017 wines did not arise in November and December: some of this stock will be kept back to help stretch out the short 2018 vintage.

On the market, the pricing expectations of South Africa's producers in Rand currency are still where they were early December, but following the renewed (albeit cautious) investment-confidence in SA that the election in December of Cyril Ramaphosa as ANC leader has brought, the resulting strengthening of the Rand against the US Dollar, UK Pound & Euro, has meant that SA pricing came close to parallel with international market pricing. The Rand strengthened then from the ZAR14.00/USDollar range before Christmas to just over ZAR12.00/USDollar end January.

Stop Press: At about 23h00 on 14 February, President Jacob Zuma tendered his resignation from office as President of the Republic of South Africa. Dogged by past corruption allegations and under threat to be recalled from office through a unanimous vote of no confidence in parliament by both his own ANC- and all opposition parties, he had no alternative. Deputy President Ramaphosa will take over in the interim and is expected to be elected formally as State President and to soon reshuffle the cabinet. The further confidence this has immediately instilled in SA's future has strengthened the Rand almost overnight against all major currencies and to a high of ZAR11-70/USDollar on 15 Feb, which has obvious implications for SA producers/suppliers and potential buyers alike – both will now have to seriously consider the impact of Rand pricing in foreign currency versus current international price levels from other competing supply countries, as a more long-term Rand currency stability seems imminent.

See next page for more on South Africa.

Key Takeaways

Suppliers' Rand pricing expectations are still where they were pre-Christmas, but the double-strengthening of the Rand over the past 2 months against major currencies means this pricing may potentially have reached a peak and has to be considered carefully against international market pricing. A more stable Rand is expected for the near future, in light of expected political stability. Contracting of 2018 wines has started early in view of the tight global situation and South Africa's drought, which is impacting on berry size.

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2017/2018	Generic White	6.60 – 6.90	↑	2017/2018	Generic Red	8.25 – 9.00	↑
2017/2018	Chardonnay	9.00 – 10.50	↑	2017/2018	Cabernet Sauvignon	11.00 – 12.50	↑
2017/2018	Sauvignon Blanc	9.50 – 12.00	↑	2017/2018	Ruby Cabernet	8.30 – 9.00	↑
2017/2018	Chenin Blanc	7.00 – 8.00	↑	2017/2018	Merlot	9.50 – 11.50	↑
2017/2018	Muscat	7.50 – 8.50	↑	2017/2018	Pinotage	8.50 – 9.50	↑
2017/2018	Generic Rosé	6.75 – 7.00	↑	2017/2018	Shiraz	9.50 – 10.00	↑
2017/2018	Cultivar Rosé	8.30 – 8.90	↑	2017/2018	Cinsaut Rose	8.30 – 8.80	↑

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: *Running smoothly in Au; rainfall in Marlborough*

Harvest is underway in many of Australia's growing regions. Picking has commenced for sparkling base and some white wine varieties with many grape growers hoping good weather conditions remain for the next few weeks/months. Hot spells with multiple days of above 40oC weather have been evident so far, typical of January weather conditions. Some growers are reporting sunburn and fast-rising Baume levels.

The average pricing for grapes has been a hotly debated topic as we see many wineries and grape growers still in discussion over the final pricing of their material. Many grape growers have been pushing to receive higher pricing for their entry-level material as they see increased demand for reds along with dwindling availability in other global markets. Many need to be mindful of the potential crush size and the pricing that may come in from other countries in this vintage or next – they could easily bounce back with very large volumes. Grape pricing for reds is expected to exceed a 20% rise from the previous year and will be reflected in bulk wine prices moving forward.

See next page for more on Australia & New Zealand.

Wine Australia's recent Wine Export Approval Report states a 15% growth in value for Australian wine exports to AUD2.56 billion in the year to December 2017. This is the highest value since 2004. Volume also increased by 8% to 811 million litres. Bottled exports are leading the above with a 17% surge in value to AUD2.1 billion. The average price per litre for bottled goods equates to AUD5.63/litre. Bulk increased by 10% in value to AUD440 million, with an average price per litre up 6% to AUD1.03/litre. This is the highest average bulk wine price seen since 2012. The top 10 exporters in Australia hold AUD1.56 billion in value whilst the remaining 2,200 exporters account for AUD1 billion in sales. Rates for most price segments have seen solid growth, with some experiencing exceptional results: the AUD200.00+/litre price segment was up by 67%; the AUD20.00-29.99/litre price segment was up by 60% and the AUD30.00-49.99/litre bracket was up 52%. Many of these premium packaged wines are being exported to Asia.

As of 1 January 2018, import tariffs on wines ex Australia into China have been further reduced: from 5.6% to 2.8% for bottled wines, and from 8% to 4% for bulk wines. As part of the Free Trade Agreement between the two countries, these tariffs will receive a further drop in early 2019.

Australia has made a formal complaint to the World Trade Organisation regarding Canada's rules on wines sales. The complaint highlights the advantage Canada gives to local vineyards by giving their wine an exclusive retail channel in grocery store shelves along with product mark-ups, market access, listing policies and duties and taxes played against wine imports from Australia. Exports of Australian bottled wine to Canada has reduced significantly in recent years, dropping by AUD105 million between 2007 and 2016.

The Trans-Pacific Partnership, which the US withdrew from in January 2017, has been agreed by its remaining members after numerous talks. The newly-rebranded Comprehensive & Progressive Trans-Pacific Partnership (CPTPP) makes way for greater trade access to markets worth almost AUD14 trillion and will be signed in Chile on 8 March. The CPTPP involves 11 countries: Australia, New Zealand, Canada, Mexico, Chile, Peru, Japan, Singapore, Malaysia, Brunei Darussalam and Vietnam. It will address the reduction of tariffs between its signatory countries and expects to see the elimination

of these in Mexico (between 3 to 10 years), Canada (upon entry into force), Peru (within 5 years), Malaysia (within 15 years) and Vietnam (within 11 years).

*

In **New Zealand**, there has been significant rainfall in Marlborough in the past 2-4 weeks with some concerns regarding disease pressure now evident. Many are confident the outlook for their grapes will be fine, but any additional rains in the next few weeks will be closely monitored as they have the potential to cause issues.

Prior to this, weather conditions had been some of the warmest in the past five years and a significant contrast to the wet and cool vintage of 2017. The mean temperature for December was 18.7°C, slightly below the warmest on record of 18.8°C in 1969. Marlborough's harvest was originally tracking around two weeks ahead of schedule thanks to good spring conditions and a long spell of hot weather. Predictions remain that the crop will still come in early.

Vine yield estimates look positive with new plantings beginning to come on-line and many foreseeing an outcome close to the long-term average. Demand for Pinot Noir is high, with little or no excess stock on the market. Pinot Noir as grapes from 2018 are in very high demand.

Key Takeaways

Harvest is proceeding smoothly in Australia, with conducive weather conditions experienced. Grape prices on Australian 2018 reds are expected to exceed a 20% rise from the previous year and will be reflected in bulk wine prices moving forward. Harvest in NZ is ahead of schedule due to good conditions and vine yields look like coming in close to the long-term average. Pinot Noir wine and grapes are in very high demand.

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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	0.65 – 0.85	↔	NV	Dry Red	0.90 – 1.10	↑
2017	Chardonnay	0.85 – 0.95	↔	2017	Cabernet Sauvignon	1.25 – 1.45	↑
2017	Sauvignon Blanc	0.90 – 1.15	↔	2017	Merlot	1.20 – 1.40	↑
2017	NZ Marlborough SB	NZD 3.25 – 4.00	↓	2017	Shiraz	1.25 – 1.45	↑
2017	Pinot Gris	1.30 – 1.50	↔	2017	Muscat	0.75 – 0.90	↔

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



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The International Bulk Wine and Spirits Show (IBWSS) is an annual trade show and conference, open to trade professionals only, which takes place in San Francisco and London. IBWSS exhibitors are wineries and distilleries looking to sell bulk wine and spirits, producers and negociants who offer contract manufacturing, private label programs and wineries, distilleries, importers who have one time excess stock to clear.

In addition to a wide range of programs running throughout the fair, the trade show will also feature a business conference dedicated to the private label and bulk wine and spirit business. With in-depth market studies and instructional seminars from some of the industry's biggest names, the central part of the conference's remit is to encourage sustainable growth and profitability in the bulk wine and spirit sector.

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As a highly experienced specialty wine exporter, Transolve Global is a trusted supply chain partner who has worked with some of the largest winemakers in the industry, including numerous top 50 global wine brands and large-scale international brand conglomerates.

Transolve Global's extensive experience moving both bulk and cased wine, combined with their commitment to superior service, ensures that their clients receive the expertise, support and reliability they deserve.

Rachael Budd, Founder of Transolve Global, explains; "Our team knows wine and understands it's essential to take care of elements such as oxygen, permeability, degasification and heat to ensure the quality of the wine is maintained.

At Transolve Global, we appreciate that winemaking is an art, and that every piece needs care. Whatever the price range or quantity clients have, our various transport solutions ensures that each and every piece of your art arrives at its destination in the same condition it left its place of origin."

Transolve Global is a trusted and highly reputed supply chain partner with both the reach and relationships required to establish and manage international supply chains. They move mass volumes out of and into origin and destination locations within the retail sector and beyond.

According to Rachael, an average week at Transolve Global sees them prepare and load approximately 2-3 million litres of bulk and cased wine to multiple regions around the world, with each and every container tracked and accounted for.

"We defy the old cliché of quantity versus quality when it comes to service. We deliver both because we believe our clients deserve the confidence that comes from knowing we're managing their logistical requirements to a high level to ensure the supply chain not only supports, but proactively contributes to their success," says Rachael.

That's why Transolve Global is about more than just logistics. They also provide the value-added service of managing commercial paperwork. From commercial invoices, to certificates of origin preparation through to standard export declarations and PRAs for the receivable in to the port terminal, they do it all, so clients don't have to.

In addition, finding efficiencies and innovative ways to optimise performance across logistics networks is something Transolve Global has been helping clients with for over a decade.

"Our dedicated team of experts is committed to working closely with every customer: understanding their goals, providing expert advice along the way, and solving problems before they arise. We're more than adequately equipped to deal with all the details, and the unexpected challenges, that occur along the way," adds Rachael.

Transolve Global has vast experience and in-depth knowledge across multiple industries including wine, beer, edible oils and lubricant oils through to food and beverages. This integrated with their global reach and focus on superior service makes them a market leader in the logistics space.

Rachael says; "Not only do we have across the board industry experience, but we also have comprehensive reach across regions such as Australia, US, Canada, Chile, China, Argentina, New Zealand, UK, Belgium, France, Spain, Italy and Germany, which provides our clients with access to their desired markets."

Their reach and experience is supported by a range of products including Flexitanks, ISO Tanks, Thermal Liners & Data Loggers, which work together to create the optimal supply chain solution for businesses.

For businesses that value a professional supply chain partner that is innovative, dynamic, transparent and passionate about your results and business, Transolve Global is the difference.

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Craft Beer Update

JOHN FEARLESS
PROVIDER OF CRAFT HOPS AND PROVISIONS



Citra, Mosaic, Amarillo and Centennial have joined Cascade in John Fearless's Humuflor hop essences range, effective immediately. This expansion gives a wider flavour choice to craft brewers, who should get in touch if they'd like to give their brew a 100% water-based natural aroma boost while simultaneously improving their brewery's utilisation of assets.

Using Humuflor instead of pelletized hops can bring a long list of benefits, including improved efficiency and safety, saved time, reduced losses, and most importantly – a better quality outcome. How does Humuflor do this? Check out this useful brochure containing answers to frequently asked questions, as well as full details on when and how to dose.

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John Fearless was present at the American Hop Convention in Palm Desert, California, in January. The US hop industry is going through a boom time and is bigger than ever before, meeting demand from craft brewers both at home and abroad. There is plenty of investment going into R&D of new varieties, and the enthusiasm of all those involved shone through at the Convention.

Idaho has now surpassed Oregon as the second largest producer of hops in the US behind Washington State. The US hop acreage is larger than it's ever been and the yields per acre are bigger than ever before, but this has coincided with a slowdown in the growth rate of the US craft beer market. In this way, the hop industry has experienced the classic agricultural cycle in which supply tends to lag demand and, by the time it catches up, the demand has

changed. This is not having a major impact on the industry as yet, but it was a topic of conversation at the Convention and one that people are watching carefully.

There have been two results of the change in the supply-demand dynamic. While the percentage of hops that are contracted has remained steady at 89% among the brewers, among small-sized craft brewers this percentage has declined to around 71%. Craft brewers who came onto the hop market back when hop supply was tighter and who could only cover their needs through entering into multi-year contracts are now coming out the other side of these commitments and backing-off from renewing them, preferring instead to move onto a healthy spot market where they can straightforwardly find what they want, when they want it. This trend will continue so long as there is a hop surplus. The other change is that, when there's been an oversupply in the past, it has been the brewers holding the inventory. This time, brewers are no longer taking the inventory, so instead more is sitting with the hop growers or the merchants (34.4% of inventory in 2017 versus 5.8% in 2013), a concern for them from a cash flow point of view.

The US Brewers Association was present at the Convention: its feeling was that, so long as the US craft beer category continues at its current 5-6% growth annually, with some 29% of that growth still coming from heavy-hopped IPAs, and international demand continues to grow, and hop growers don't put in any more acres, the long position should correct itself within the new few years.

Key Takeaways

John Fearless can provide a five-strong range of Humuflor hop essences; used wine, bourbon, whiskey and rum barrels; used foeders; base and specialty malt; aroma and bittering hops; and fruit concentrates, purees, juices, and powders.

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Export Pricing: USD per liter

Currency Conversion Rates as of February 15, 2017

Argentina (Pricing in bulk; FCA)

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2017	Generic White	0.50	-	0.55	↓	2017	Generic Red	0.65	-	0.75	↓
2017	Chardonnay	1.00	-	1.20	↓	2017	Cabernet Sauvignon	1.45	-	1.65	↓
2017	Torrontes	0.60	-	0.70	↓	2017	Syrah / Merlot	0.85	-	0.95	↓
2017	Tempranillo	0.85	-	0.95	↓	2017	Malbec	1.45	-	1.65	↓
2017	Bonarda	0.85	-	0.95	↓	2017	Malbec Premium	1.80	-	2.50	↓

Australia & New Zealand

AUD Rate: 0.791834 / NZD Rate: 0.737379

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Dry White	0.51	-	0.67	↔	NV	Dry Red	0.71	-	0.87	↑
2017	Chardonnay	0.67	-	0.75	↔	2017	Cabernet Sauvignon	0.92	-	1.15	↑
2017	Sauvignon Blanc	0.71	-	0.91	↔	2017	Merlot	0.88	-	1.11	↑
2017	NZ Marlborough SB	2.40	-	2.95	↓	2017	Shiraz	0.92	-	1.15	↑
2017	Pinot Gris	1.03	-	1.19	↔	2017	Muscat	0.57	-	0.71	↔

California (Pricing in bulk; FCA)

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2016	Generic White	0.79	-	0.99	↔	2016	Generic Red	0.85	-	1.05	↔
2016	Chardonnay	1.59	-	2.11	↑	2015/2016	Cabernet Sauvignon	1.59	-	2.11	↓
2016	Pinot Grigio	1.19	-	1.72	↔	2016	Merlot	1.32	-	1.58	↔
2016	Muscat	1.19	-	1.32	↔	2016	Pinot Noir	1.85	-	2.25	↑
2016	White Zinfandel	0.79	-	0.99	↔	2016	Syrah	1.32	-	1.58	↔
2016	Colombard	0.86	-	1.12	↔	2015/2016	Zinfandel	1.72	-	2.11	↔

Chile (Pricing in bulk; FOB Chilean Port)

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Generic White	0.66	-	0.75	↔	NV	Generic Red	0.72	-	0.85	↔
2017	Chardonnay (Sold Out)	1.20	-	1.25	↔	2017	Cabernet Sauvignon (Basic)	1.10	-	1.20	↔
2017	Sauvignon Blanc	1.20	-	1.35	↔	2017	Cabernet Sauvignon (Varietal Plus)	1.25	-	1.50	↔
2017	Syrah	1.10	-	1.15	↔	2017	Merlot (Sold Out)	1.20	-	1.30	↔
2017	Carmenere	1.30	-	1.40	↔	2017	Malbec (Basic)	1.45	-	1.55	↔
2017	Pinot Noir	1.30	-	1.40	↔	2017	Malbec (Varietal Plus)	1.60	-	2.00	↔

France (Pricing in bulk; Ex-Winery)										Rate: 1.245630	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2017	Generic White	0.93	-	1.00	↑	2017	Generic Red	0.96	-	1.06	↑
2017	Chardonnay IGP	1.25	-	1.49	↔	2017	Cabernet Sauvignon IGP	1.18	-	1.62	↑
2017	Chardonnay VDF	1.18	-	1.31	↔	2017	Cabernet Sauvignon VDF	1.12	-	1.18	↑
2017	Sauvignon Blanc IGP	1.18	-	1.31	↔	2017	Merlot IGP	1.12	-	1.49	↑
2017	Sauvignon Blanc VDF	1.12	-	1.25	↔	2017	Merlot VDF	1.06	-	1.18	↑
2017	Generic Rosé IGP	1.12	-	1.37	↑	2017	Red Syrah / Grenache IGP	1.06	-	1.49	↑
2017	Generic Rosé VDF	1.00	-	1.12	↑	2017	Varietal Rosé IGP	1.18	-	1.87	↑

Italy (Pricing in bulk; Ex-Winery)										Rate: 1.245630	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2017	Generic White	0.75	-	1.00	↑	2017	Generic Red	0.81	-	0.93	↑
2017	Chardonnay	1.12	-	1.37	↑	2017	Cabernet Sauvignon	1.12	-	1.37	↑
2017	DOC Delle Venezie Pinot Grigio	1.56	-	1.81	↔	2017	Merlot	1.12	-	1.37	↑
2017	DOC Prosecco*	3.61	-	3.99	↑	2017	Primitivo / Zinfandel	1.49	-	1.74	↔
						2017	Chianti*	2.49	-	3.11	↑
*Bottled Price											

South Africa (Pricing in bulk; FOB Cape Town)										Rate: 0.085362	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2017/2018	Generic White	0.56	-	0.59	↑	2017/2018	Generic Red	0.70	-	0.77	↑
2017/2018	Chardonnay	0.77	-	0.90	↑	2017/2018	Cabernet Sauvignon	0.94	-	1.07	↑
2017/2018	Sauvignon Blanc	0.81	-	1.02	↑	2017/2018	Ruby Cabernet	0.71	-	0.77	↑
2017/2018	Chenin Blanc	0.60	-	0.68	↑	2017/2018	Merlot	0.81	-	0.98	↑
2017/2018	Muscat	0.64	-	0.73	↑	2017/2018	Pinotage	0.73	-	0.81	↑
2017/2018	Generic Rosé	0.58	-	0.60	↑	2017/2018	Shiraz	0.81	-	0.90	↑
2017/2018	Cultivar Rosé	0.64	-	0.68	↑	2017/2018	Cinsaut	0.71	-	0.75	↑

Spain (Pricing in bulk; Ex-Winery)										Rate: 1.245630	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2017	Generic White	0.75	-	0.87	↔	2017	Generic Red	0.81	-	0.93	↑
2017	White Blends (Higher Quality)	0.87	-	1.00	↔	2017	Generic Red (Higher Quality)	0.93	-	1.25	↑
2017	Sauvignon Blanc	1.12	-	1.25	↑	2017	Cabernet Sauvignon	1.12	-	1.25	↑
2017	Chardonnay	1.12	-	1.25	↑	2017	Merlot	1.12	-	1.25	↑
2017	Generic Rosé	0.81	-	0.93	↔	2017	Syrah	1.06	-	1.25	↑
2017	Varietal Rosé	0.93	-	1.06	↔						
2017	Moscatel	0.87	-	1.00	↑						

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