



Global Market Report

February 2019
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**Ciatti Global Wine
& Grape Brokers**

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“The large 2018 global harvest is starting to create a fundamental shift in the availability and pricing of wine,” Rabobank reported in its latest Wine Quarterly, “and this is set to have a profound impact on trends in 2019.” Ciatti agrees: it could be said the bulk market has returned to normality after the shortfall blip in 2017 and early 2018 created by the very small 2017 global harvest. France, Italy and Spain drive global demand swings and the other countries react: Europe’s average-sized 2018 harvests and reduced pricing has led to a downward price adjustment in Chile, while Argentina – assisted by the peso devaluation – has cut even further to generate interest: its basic generic white is priced at USD0.22/litre.

Lower prices around the world have not led to a sales frenzy: with plentiful volumes available, buyers continue to weigh in their options. There have, after all, been few worrying noises emanating out of the Southern Hemisphere about its imminent 2019 crops. That said, severe summer heat in Chile (up towards 40°C) and obscene heat in Australia (up towards 50°C) remind us that Mother Nature always has a say.

The current exception to the new supply-demand paradigm is South Africa; out of its 2018 inventory and finding strong domestic demand for any volumes that do pop up. This has meant pricing on its 2019 generics has remained prohibitive versus the rest of the world’s; something it will need to keep an eye on moving forward. (It is more competitive on international varietals.) The Rand-euro exchange rate is just one of many that has been volatile recently, with the US-China trade wars still impacting on various currencies and talk of an economic slowdown in the eurozone. It could be an interesting year on the relevant currency markets, with the UK’s withdrawal from the EU scheduled for 29 March, and general elections scheduled in Spain (April), South Africa (8 May), and Argentina (27 October).

Ciatti will have a stand at IBWSS London, taking place on 11-12 March just three weeks before Brexit. This editor has been reluctant to provide a Brexit update because – with just over a month to go before it is scheduled to happen – it still remains unknown on what terms the UK will leave the EU. There is a very good chance the leave date will be pushed back. If the UK leaves with a UK-EU withdrawal deal in place, a two-year transition period will commence in which both parties will trade together as they do currently. If the UK leaves without there being a withdrawal deal in place – a “Hard Brexit” – the UK and EU will move to trading on WTO terms. The Mutual Recognition Agreements signed in January between Australia and the UK, and New Zealand and the UK, form two of the 36 MRAs planned by the UK as part of moves to reassure its non-EU trading partners of trade continuity regardless of what happens.

In the meantime, we look forward to seeing some of you at IBWSS London, and at ProWein shortly after, where – as ever – we will be in Hall 9, on Stand A13.

Robert Selby

California

Time on target



HARVEST WATCH: *2018 yield estimated at a record 4.4 million tons*

With their grape and bulk wine sales continuing sluggishly, there is a growing realization among California's suppliers that there has been a paradigm shift in the marketplace: a pull-back in demand combined with large recent harvests – including an estimated 4.4 million tons in 2018 – has led to a significant and growing inventory. As a result we have recently seen downward adjustments on most, if not all, prices, albeit from record highs.

Stable acreage levels and a better supply-demand balance have helped ensure the Central Valley market has not – so far – been as affected as the Coastal areas by the market change, though its own inventory is still increasing, grapes are generally being contracted on a shorter-term basis, and prices are softening. The Central Valley's suppliers are open to exporting, and though the prices they can offer to the international buyer may not always be competitive enough to replace existing supply from other countries, buyers seeking an opportunity to start a Californian wine program might find that now is an opportune time. Now might also be a good time to act for those seeking 2019 grapes.

With definite signs of Coastal prices softening, opportunities may open up – albeit small-scale ones – for international buyers interested in starting or supplying an appellation coastal wine program. This applies in particular to Cabernet, now firmly in the long position across the state: we estimate that, as of January 2019, there was 6.9 million gallons of bulk Cabernet available in California – and the Coast has almost 4 million gallons of that. This is an accumulation of 2016, 2017 and 2018 inventory. In addition, we estimate that, as of January, California held 4 million gallons of Chardonnay inventory, 2.7 million gallons of Pinot Noir, 2.2 million gallons of Zinfandel, and 1.6 million gallons

of Merlot. Please note that these are snapshots of a moment in time: inventory figures change regularly.

At January's Unified Wine & Grape Symposium in Sacramento, Danny Brager of Nielsen presented data showing imports accounted for a 31.5% share of the US wine market in 2018, in-line with the year before and down from 35% in 2012 when domestic supply was short. It showed that the USD8-11/glass bottle category is where California has been feeling the most pressure from imports over the last three years. French rosé, Italian sparkling and New Zealand Sauvignon Blanc lead the way in terms of case goods imports, while Chile and Australia lead in bulk. Overall bulk imports into the US were down 14% in the first nine months of 2018, according to Gomberg-Fredrikson data, likely because of higher bulk prices in Chile and around the world until at least the middle of the year.

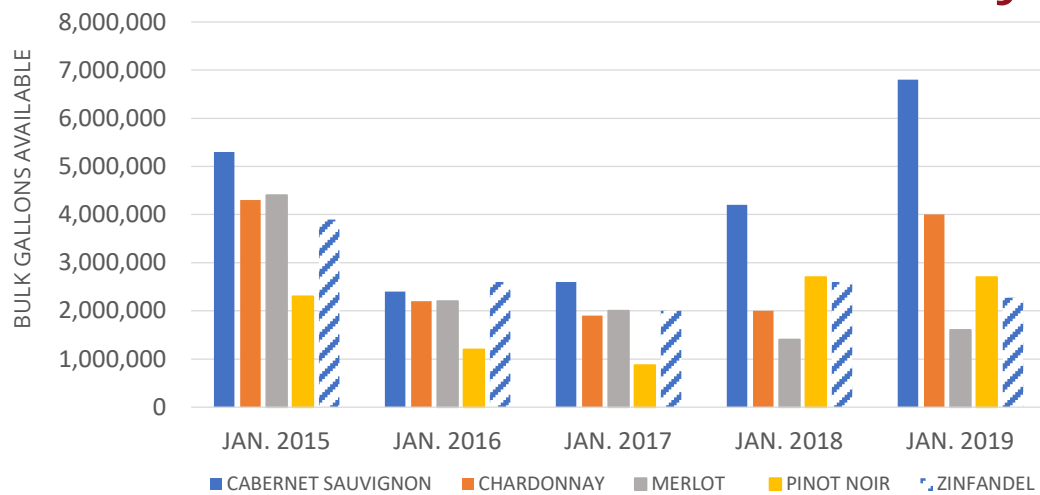
California has supply of **grape juice concentrate**, both red and white. There is the potential for a price softening on white GJC as December saw some crushing of table grapes into GJC (though some of that went into distilling). GJC demand is generally stable, in California and around the world.

California's winter has thus far brought more than adequate rainfall, replenishing water reserves. Higher than normal temperatures came in at one stage, causing some concern regarding premature budbreak, but temperatures have since cooled-off again and that concern has gone away. We estimate the 2018 crop at 4.4 million tonnes, a state record. The release of the official preliminary figure, and the breakdown of that figure, has been delayed by the 35-day US government shutdown – December 22 - January 25 – and is now not expected until April. This two-month delay is contributing another unknown into a market undergoing change, compounding the cautiousness.

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

See next page for more on California.

California Bulk Wine Inventory



Key Takeaways

Thanks to the slow buying activity on the domestic market and signs of prices softening, there are some small-scale opportunities for the international buyer on good quality Coastal and 'California' appellation bulk wines, particularly on Cabernet (2018 and older). Now is an opportune time for those seeking to start new Californian wine programs to cover their needs on spot or secure contracts lasting a year or more. California has volumes of red and white GJC available.

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California: Current Export Market Pricing (USD per liter)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2017	Generic White	0.85 – 0.99	↔	2017	Generic Red	0.85 – 1.05	↔
2017	Chardonnay	1.32 – 1.98	↔	2016/17	Cabernet Sauvignon	1.25 – 1.85	↓
2017	Pinot Grigio	1.19 – 1.72	↔	2017	Merlot	1.18 – 1.58	↔
2017	Muscat	1.12 – 1.45	↔	2017	Pinot Noir	1.59 – 2.11	↓
2017	White Zinfandel	0.80 – 0.99	↔	2017	Syrah	1.10 – 1.58	↔
2017	Colombard	0.86 – 1.12	↔	2017	Ruby Cabernet	0.95 – 1.05	↔
				2016/17	Zinfandel	1.18 – 1.85	↔

Argentina

Time on target



HARVEST WATCH: *On course for 2.5-2.6 million metric tons*

January brought normal summer weather to Mendoza's vineyards, with high temperatures and some rainstorms. These storms brought unusually small amounts of hail, however, so that damage was kept to a minimum. As January is normally the severest month for hailstorms, there is a confidence of a crop coming in at around 2.5-2.6 million metric tons, in line with last year and the long-term average. Some northerly areas – such as San Juan – are already harvesting their white grapes; picking will get fully underway across Mendoza from mid-February onward.

With significant volumes of carryover stock left unsold, and – due to Argentina's economic woes – spiralling input costs, Mendoza's wine grape suppliers are being offered financial assistance from the provincial government in order to help them carry out the 2019 harvest. This assistance consists of a loan at a 29% interest rate – high from an international perspective but in fact only half the 60% interest rate offered by Argentina's banks. Securing the loan is contingent on the supplier being able to table assurances they will have the ability to repay, so it is questionable how many can secure one. There is a possibility that the government could step in to buy grapes from growers and hold the resulting wines over at wineries until the market needs them.

Argentina's return to good volumes in 2018 just as the global wine supply moved into a long position, coupled with the country's economic crisis, has served to highlight some longstanding structural flaws in the Argentinian wine industry – namely the lack of a unified, cohesive long-term strategy to make the industry more sustainable moving forward.

With the country's vineyard hectareage long stable at approximately 200,000 hectares but domestic wine consumption in 2018 at 19 litres per capita, down more than 60% from 54 litres per capita in the 1990s (itself down from 80 litres in the 1970s), the export market and the grape juice concentrate industry are struggling to take up the slack. This is compounded by a long-term decline in demand for GJC as global consumer demand shifts to low-sugar and sugar-free products. In addition, Argentina's GJC market is fed by white grapes, which in recent years have been increasingly grubbed-up to make way for reds: in the 1990s around 45-50% of Argentina's wine grape hectareage was given over to white grapes; this percentage is now closer to 20-25%.

What does this mean for the international buyer right now? Argentina offers the lowest prices on generic wines in the world (before freight costs). Basic generic white wine is at USD0.22/litre. Dry red is at USD0.30/litre, down from USD0.38-0.40/litre at the World Bulk Wine Exhibition in November. Volumes are plentiful and suppliers are ready to receive offers. Certainly, for the North American market, and Canada in particular, Argentina is an attractive proposition and is attracting potential interest away from Spain. Argentinian dry red prices ought to interest the Chinese and African markets as well.

Standard 2018 Malbec – good in quality and volume – is down at USD0.75-0.85/litre. With input costs having got out of hand in the past year – Argentina's inflation rate in 2018 was 47% - this is around the cost price. The price is attracting some interest from international buyers and, with the price trending downward, we envisage greater interest moving forward.

At the end of January, the Argentinian government increased fuel and energy prices again, making it hard to imagine inflation returning to some semblance of a sensible level anytime soon. Argentina is now officially in recession following two successive quarters

See next page for more on Argentina.

of negative growth; GDP shrunk by 7.5% in November 2018 compared to the same month of 2017, following shrinkages of 4.2% in October and 6.1% in September. The International Monetary Fund forecasts that the Argentinian economy shrunk by 2.6% in 2018 and will contract by 1.7% in 2019.

The government is buying US dollars to keep the peso at the ARS37/dollar level. It is forecasting that the economic picture will improve in the second half of 2019. A general election is scheduled to be held in Argentina on 27th October.

Key Takeaways

Argentina can offer the world's most competitive dry red (USD0.30/litre) and dry white (USD0.22/litre) prices before freight is taken into account, with big volumes available. Standard quality Malbec is at USD0.75-0.85/litre. This offering should be of particular interest to Canadian, Chinese and African buyers, and in general any international buyer seeking big volumes at highly attractive pricing: suppliers are ready to make deals.

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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	0.28 – 0.30	↓
2018	Generic White (Standard)	0.24 – 0.36	↓	2018	Cabernet Sauvignon	0.60 – 0.70	↓
2018	Muscat	0.30 – 0.35	↓	2018	Merlot	0.50 – 0.60	↓
2018	Torrontes	0.40 – 0.45	↓	2018	Syrah	0.50 – 0.60	↓
2018	Sauvignon Blanc	0.60 – 0.65	↓	2018	Malbec Standard	0.75 – 0.85	↓
2018	Chardonnay	0.60 – 0.70	↓	2018	Malbec Premium	0.90 – 1.00	↓
2018	Bonarda	0.35 – 0.45	↓	2018	Malbec High End	1.20 – 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	

The Bulk Wine & Spirits Show Comes To Shanghai

5-6 November 2019, Shanghai, China

INTERNATIONAL BULK WINE & SPIRITS SHOW CHINA

BECOME AN EXHIBITOR

Chile

Time on target



HARVEST WATCH: *Just underway; could be lighter than average*

Chile endured an intense heatwave – with temperatures getting up towards 39°C even in some traditionally cooler regions – as January turned to February, but temperatures have dropped in the past few days and there has been some rain around. The heat is likely to have slowed vine growth. The 2019 harvest is just getting underway, with Ciatti hearing in recent days that the crop could be lighter than average – bunches for Sauvignon Blanc and the Chardonnay for sparkling wines have been coming in lighter in weight.

Following the World Bulk Wine Exhibition in November, where it became clear the global bulk wine supply had moved into surplus and buyers were holding off, Chilean prices adjusted downward by USD0.20/litre on average. With the market having been paused over the past few months and the new crop imminent, suppliers still holding 2018 inventory have subsequently had to make a decision as to whether or not to adjust their prices downward further to fall into line with the expected 2019 wine prices, regardless of quality. The prices of 2019 grapes have been informally established at a minimum of CLP150/kg, around half the price of 2018 grapes.

For suppliers, taking a financial hit may be the only solution: those who have taken the plunge have been receiving increased interest for their remaining 2018 wines in February, as the world wakes up to Chile's newfound competitiveness. Buyers have been assessing their needs and showing interest, realising that now is a very good time to buy out of Chile: with the weather continuing to be unpredictable, and the exchange rate variable (the peso has been averaging CLP656/dollar so far in February, strengthening from CLP677/dollar in January and CLP681/dollar in December) a rise in

prices is as probable as a further drop. The big domestic buyers are active on the market, and some international buyers are starting to be active as well.

Prices fixed at a minimum CLP150/kg across all wine grape varieties will serve to bring red and white international varietal wines into closer price alignment than has been the case for the past ten years. Whites such as Sauvignon Blanc and Chardonnay have normally been more expensive than reds such as Cabernet and Merlot; the 2019 vintage will see prices in-line or with the whites only slightly more expensive than the reds, with the variation down to the individual varietal's yield per hectare. Generic white is likely to see a drop in price.

Another result of the halving of the grape price is a likely fall in the production of very low-quality generic wine this year compared to last. This will mean the overall 2019 wine yield will definitely be lower than 2018's, whatever the weather.

Key Takeaways

To get carryover stock moving ahead of the new harvest, Chile's prices have made a significant downward adjustment and are now highly competitive on the global market: give Ciatti a call. The prices on 2019 wines will be in the same vicinity as the 2018 wines are now, as the 2019 minimum grape price has been set 50% below that of 2018. The harvest is just getting underway, with early varietals such as Sauvignon Blanc and Chardonnay for sparkling coming in lighter.

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See next page for more on Chile.

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
NV	Generic White	0.50 – 0.58	↔	NV	Generic Red	0.57 – 0.60	↔
2018	Chardonnay	0.80 – 0.95	↔	2018	Cabernet Sauvignon (Basic)	0.75 – 0.88	↔
2018	Sauvignon Blanc	0.80 – 0.95	↔	2018	Cabernet Sauvignon (Varietal Plus)	0.90 – 1.10	↔
2018	Syrah	0.75 – 0.95	↔	2018	Merlot	0.75 – 0.95	↔
2018	Carmenere	0.90 – 1.10	↔	2018	Malbec (Basic)	0.95 – 1.20	↔
2018	Pinot Noir	1.05 – 1.20	↔	2018	Malbec (Varietal Plus)	1.50 – 2.00	↔

Chilean Export Figures

Wine Export Figures	January 2017 - December 2017			January 2018 - December 2018			Volume
	Million Liters	Million US\$ FOB	Average Price	Million Liters	Million US\$ FOB	Average Price	Variance %
Bottled	515,04	1.604,52	3,12	498,14	1.597,57	3,21	-2,28
Bulk	394,41	336,64	0,85	320,60	328,68	1,03	-18,71
Sparkling Wines	5,45	21,91	4,02	4,61	19,26	4,18	-15,30
Packed Wines	25,32	44,10	1,74	22,64	41,54	1,84	-10,60
Total	940,21	2.007,18	2,43	845,99	1.987,05	2,56	-10,02

France

Time on target



HARVEST WATCH: *Good replenishment of water reserves*

Market activity in southern France is proceeding as one might expect after a 2018 harvest that exceeded the five-year average in terms of size: buyers are covering their short and medium-term needs and loadings are proceeding smoothly. There is little rush on the market, in contrast to this time last year when purchasing and shipping was proceeding at full pace following the 2017 harvest shortfalls across Europe.

That said, supplies of France's good quality 2018 varietal white wines – particularly Sauvignon Blanc and Chardonnay – are declining quickly on the first-hand market: buyers of these should seek to cover their needs sooner rather than later. With the co-ops reporting having sold the majority of their volumes of these wines already, buyers seeking big volumes must deal with the négociants. In addition, IGP Languedoc, 'Southern France' or 'Mediterranean' rosés are in particular demand from international buyers due to the very strong, non-negotiable Provencal rosé price. The best quality red varietals are also selling quickly, usually on the same contract terms as last year.

See next page for more on France.

French organic wines are hard to source: prices are high and non-negotiable. A potential alternative is wines marked as HEV (High Environmental Value) as they meet performance indicators related to biodiversity, phytosanitary strategy, fertilisation and irrigation management. This categorisation is relatively new, and the available volume of HEV-labelled wines is smaller than that of organic. However, Ciatti foresees the HEV category growing once suppliers assess their sales figures after this bulk campaign and – very likely – see a significant uptick.

Pricing on the better-quality French wines stabilised in November and December and deals are still closing at those prices. As demand for entry-range wines is lagging behind, prices on these are open to negotiation. Prices are not expected to fall markedly in France, at least not until springtime.

France has been receiving its normal winter weather, with January and early February bringing cold temperatures, rain and high winds across the country and snow to the north. The regular rainfall in southern France is helpfully replenishing water reserves before springtime in the Languedoc and other important growing areas.

Key Takeaways

Buyers of France's varietal whites and rosés should move onto the market sooner rather than later if they wish to secure the volumes they need. The reds market is a little slower, though the best qualities are also selling quickly. Provençal rosés are hard to find and high in price: IGP Languedoc rosés are thus in good demand, so don't wait. Similarly, France's organic wines are very hard to find and non-negotiable on price: HEV wines are a viable alternative but, again, please assess your needs now as this category is new and there is only a limited supply. Bulk prices have remained stable since December, following the autumn's €0.05/liter downward price adjustment on most wines.

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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%

See next page for pricing.

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2018	Generic White	0.65 – 0.80	↓	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	0.85 – 1.00	↓	2018	Syrah / Grenache IGP	0.85 – 1.00	↔
2018	Generic Rosé VDF	0.80 – 0.90	↓	2018	Varietal Rosé IGP	0.85 – 1.10	↓

Spain

Time on target

HARVEST WATCH: *Good replenishment of water reserves*

Despite aggressive pricing, Spain's bulk wine market is not frenetic. With plenty of volume available globally, many buyers are continuing to weigh up their options and some are considering alternative sources such as Chile where prices have softened significantly in recent weeks. Chile's pricing is particularly competitive versus Spain's from a North American buyer's perspective due to freight costs, for example.

On pricing in Spain itself, there is a two-speed market due to the different seller profiles and the broad spectrum of qualities available. 1) Pricing offered by the co-ops on the basic wines – generic whites overall, and generic reds of low colour and alcohol degree – is continuing to trend downward. These prices are open to negotiation on the spot market if the particular co-op finds acceptable the volume and loading/payment terms being offered by the buyer. The generic whites can now be found at €2.10-2.50/hectoliter, the generic reds at around €3.00-3.20/hectoliter. 2) The bulk négociants, meanwhile, are selling

at slightly higher prices than the co-ops but on terms potentially more favourable to the buyer, such as higher quality wines and longer shipping periods.

The drop in Spanish pricing plateaued before Christmas, as cost price neared. Granted, increased competition from around the world – namely Chile, Argentina and Italy – means prices in Spain remain open to negotiation, but Ciatti foresees Spanish market prices continuing largely stable until at least springtime. As such, with already very attractive pricing and a large – but steadily diminishing – stock of good quality wines, now is a good time to buy for those seeking to cover their short and medium-term needs.

Generic white is available at €0.30/liter and below. Spain's small output of international varietal white wines such as Chardonnay and Sauvignon Blanc is almost sold out, with only small pockets available – Chile is more competitive than Spain on these wines. On the international varietal reds – Cabernet, Syrah and Merlot – Spain continues to have volume and is more competitive versus Chile. Good quality pale Spanish rosé was nearly all pre-harvest contracted and is stably-priced; pricing on Spain's basic

See next page for more on Spain.

rosé has softened and is open to negotiation. Spain's international varietal organic wines are sold out: only generic or Spanish varietal organic wines remain on the market. There is plenty of conventional rectified **grape juice concentrate** available on the market – less so organic GJC – and the price is softening month on month. Spain has been receiving the same wet and windy winter weather as elsewhere in Europe. A further downward price correction in Spain is contingent on what conditions are like during vine development and flowering in the spring. The wet winter has helped replenish water reserves in the growing areas.

Key Takeaways

Now is an opportune time for buyers to cover their short and medium-term needs out of Spain: a good volume of good quality wines remains in stock, at highly competitive pricing that is both open to negotiation and unlikely to fall notably until after springtime. Spain can offer red, white and rosé generics, Spanish varietal rosé and international reds. International varietal white wines, and international varietal organic wines of all colors, are sold out or close to being so.

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Spain: Current Market Pricing (EUR per liter; Ex-Winery)											
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2018	Generic White	0.35	-	0.45	↓	2017	Moscatel	0.50	-	0.70	↓
2017	White Blends (Higher Quality)	0.45	-	0.55	↓	2017	Generic Red	0.40	-	0.60	↓
2017	Sauvignon Blanc	0.65	-	0.80	↓	2017	Generic Red (Higher Quality)	0.50	-	0.70	↓
2017	Chardonnay	0.70	-	0.90	↓	2017	Cabernet Sauvignon	0.60	-	0.75	↓
2017	Generic Rosé	0.35	-	0.45	↓	2017	Merlot	0.65	-	0.75	↓
2017	Varietal Rosé	0.55	-	0.75	↓	2017	Syrah	0.60	-	0.75	↓

Italy

Time on target

HARVEST WATCH: *Normal winter weather in the growing areas*

The bulk wine market in Italy is markedly slow. There is a general delay in purchasing by the big international retail chains which is perhaps indicative of slowing consumption across Europe and beyond – for sure, Brexit and the recent, 35-day US government shutdown has not helped the general market mood. The closer springtime gets the greater the concern will become that the global bulk wine supply's long position, coupled with a slowing global economy, is dragging back Italy's wine sales.

Italian wines that depend a great deal on the UK and US markets, such as Prosecco and Pinot Grigio, are suffering more than those such as Primitivo and southern Italian reds which in general get exported elsewhere. The slowdown in sales is being particularly felt in the Valpolicella viticultural zone of northeastern Italy, where concern is probably the most acute it has been for ten years or so, as increased production in 2018 has not coincided with increased demand or consumption.

In general, the bulk market in Italy is divided in two.

- 1) High quality wines, blending wines, organic wines and

See next page for more on Italy.

southern Italian appellations are in good demand and long-term contracts; international varietals offering a good price-quality ratio are also in good demand.

2) Entry-level wines, however, are selling though the spot market on a day-to-day basis: generic white at 9-10% alcohol is priced at €0.32-0.38/liter, with generic white at 11-12.5% alcohol at €0.42-0.50/liter; generic

red at 11-12% alcohol is priced at €0.43-0.55/liter, with generic red at 13% alcohol priced at €0.53-0.70/liter. Rossissimo and high-colour wines continue to be traded at €0.85-1.00/liter, depending on alcohol and color.

January and early February did not bring any extreme weather conditions to Italy, with temperatures and rainfall levels within normal parameters.

Key Takeaways

The market in Italy is moving slowly, possibly due to the global bulk wine surplus and a slowdown in demand across key markets such as the US and UK. Entry-level wines are available in good volumes on the spot market, priced attractively. International varietal wines, southern Italian appellation wines and organic wines are in stronger demand, with much of the output locked into long-term contracts.

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Italy: Current Market Pricing (EUR per liter; Ex-Winery)							
Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2018	Generic White (Alc. 9 - 10%)	0.32 – 0.38	↔	2018	Generic Red (Alc. 11 - 12%)	0.43 – 0.55	↔
2018	Generic White (Alc. 11 - 12.5%)	0.42 – 0.50	↔	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%)	0.75 – 1.00	↔
2018	Varietal Chardonnay (Alc. 11 - 13%)	0.60 – 0.90	↔	2018	Varietal Cabernet Sauvignon (Alc. 12 - 13%)	0.65 – 0.95	↔
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%)	0.85 – 1.00	↔
2018	Pinot Grigio IGT (Blends)	0.55 – 0.85	↔	2018	Primitivo IGT Puglia/ Salento (Alc. 12 - 14%)	1.15 – 1.50	↔
2018	DOC Prosecco (Cannot be sold outside of Italy)	1.60 – 1.70	↔	2018	Sangiovese IGT (Alc. 11.50 - 13%)	0.45 – 0.70	↔
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							

Show Preview: IBWSS London

The second UK instalment of the International Bulk Wine & Spirits Show (IBWSS) comes to London's Royal Horticultural Halls on March 11-12, two weeks later than last year's – helpful for international attendees who can now make onward journeys to ProWein in Germany on March 17-19, and relief for those dreading the wintry conditions of a London February, very much felt last year.

As the organisers write, IBWSS London is relevant to anyone involved in the “making, sourcing, buying, shipping, bottling, selling and marketing of bulk wine and spirits”. It is designed specifically for “key players across the multiple groceries, convenience, wholesaler, on-trade sectors as well as producers, wineries, distilleries and service providers across the private label and branded wine and spirit sectors”.

Ciatti will be one of at least 60-odd companies with a stand on the IBWSS showfloor, so do come over for a chat. We look forward to seeing you!

Well-organised and informative last year was the conference schedule, and this year's programme features **Ciatti Europe broker Catherine Mendoza**, who at **10am on the Monday** will speak about **global bulk wine trends and opportunities**.

Last year's show emphasised that the bulk wine category should be proud about the part it plays in the wine industry, allowing better-priced products and better quality for consumers: independent third-party research last year revealed that bulk-shipped and UK-packed wines were preferred by UK consumers over the same wine pre-shipment or packed at source. A focus this year is the growing importance of the private label wine market in the UK: Richard Siddle of *The Buyer*, and the show's keynote speaker, has written: “Private label wines are now emerging as credible alternatives to branded wines.”

This year's IBWSS London will be the last major wine show in the UK before Brexit – scheduled to occur just three weeks later, on 29 March – so the UK's exit from the EU will surely dominate much of the conversation. Despite Brexit's potential disruption, there remains an awareness around the world that the UK is an important country in the bulk wine market, both as a consumer and bottler/shipper. According to IBWSS, the wine market in the UK is worth over GBP14 billion and the country is the world's largest per capita importer of wine, accounting for some 20% of the world's total wine imports.



South Africa

Time on target



HARVEST WATCH: *Crop expected to be larger than 2018's*

Harvest got underway in some areas of the Western Cape in the final week of January; everywhere was harvesting by the end of the first week of February. The weather has been very helpful and – following a wet winter that replenished water reserves, a spring free of frost and no reports of rot – the vineyards look in good shape. There have been reports from some areas that bunches seem a little lighter than expected, and the vineyards in Olifants River – still stressed having endured the severest drought levels last year – are yielding lightly. The expectation at the moment is for a lighter than average crop, but larger than 2018's.

Availability of 2018 wines for international buyers is practically non-existent: carryover stock by the end of December was at the lowest level ever recorded in the Western Cape due to the small 2018 crops at home and abroad, and the big shipments out of the Cape in the first half of the year. Any pockets of 2018 wine that have popped-up have been quickly acquired by domestic buyers at strong pricing, either for the domestic consumer market or to bottle for export.

Due to firm pricing and low availability, January was a very quiet month for exports. The busy domestic market is dominating suppliers' attentions and ensuring the price for the Cape's 2018 and 2019 dry reds, dry whites and generic rosés is so far proving prohibitive from a European buyer's perspective, particularly with the aggressive pricing in Spain and Italy. As such, European interest in these is muted.

The Western Cape remains potentially competitive on 2019 international varietal wines, with prices open to negotiation. A lot of negotiating is happening – probably more than we at Ciatti have ever seen before – and we invite suppliers and buyers to get in touch so

we can help get conversations moving on volumes and pricing. Potential buyers of South Africa's 2019 Cinsaut rosé should get in touch as suppliers are amid assessing what needs there will be for this.

The Rand-euro exchange rate has been markedly volatile in recent weeks. The Rand started December at 15.69/euro, weakened to 16.50/euro by the end of that month, strengthened again throughout January – as the euro weakened on talk of an economic slowdown in the eurozone – and was at 15.33/euro as of 4 February. South Africa's domestic consumer confidence was steady in positive territory in the final quarter of 2018, according to the country's Business Report. It remains to be seen if the country's wine consumption has held up as the more expensive 2018 wines roll out onto retail shelves.

Key Takeaways

European and other international buyers requiring 2019 international varietal wines out of the Western Cape should get in touch now so that conversations can commence on volumes and pricing. Suppliers want to do business and pricing is open to some negotiation, but Ciatti is seeing that negotiations can be lengthy. Buyers of Cinsaut rosé and other varietal rosés should get in touch as suppliers are currently assessing the demand for these. The Cape's 2019 harvest is underway: so far expectations are of a crop getting back towards a more average size after last year's shortfall.

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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	7.00 – 7.50	↑	2018	Generic Red	8.50 – 9.50	↑
2018	Chardonnay	10.00 – 11.50	↑	2018	Cabernet Sauvignon	10.50 – 13.00	↔
2018	Sauvignon Blanc	9.50 – 12.00	↔	2018	Ruby Cabernet	9.00 – 9.50	↑
2018	Chenin Blanc	7.50 – 8.50	↑	2018	Merlot	10.50 – 12.50	↔
2018	Colombard	7.30 – 8.00	↑	2018	Pinotage	10.00 – 11.50	↑
2018	Muscat	7.50 – 8.50	↔	2018	Shiraz	10.50 – 12.00	↑
2018	Generic Rosé	7.00 – 7.70	↑	2018	Cinsaut Rose	8.40 – 8.80	↑
2018	Cultivar Rosé	8.50 – 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: Record-breaking heat in Australia's growing areas

Searing heat and dry conditions were evident in Australia's growing regions during January. Most of Australia was sweltering in 45-49.5°C temperatures with records for the highest maximum temperatures being broken in many towns. Australia experienced its hottest December on record, then its hottest January; it recorded its highest overall mean temperature in December, before breaking it again in January. These temperatures follow an already dry winter: South Australia recorded its driest January since 2013.

Many grape growers are mindful to keep drippers and sprinklers going as they have commenced picking. Many of the major regions are fortunate to have 100% water allocations. Those that need to purchase leased water can pay up to AUD400 per megalitre. The quality of the 2019 harvest looks positive but we anticipate further hot spells in the coming months.

Wine Australia's export report dated December 2018 showed that Australia's wine exports increased by both volume and value in calendar year 2018. Australia exports 63% of its wine: its export value increased by 10% to AUD2.82 billion, while volumes were up 5% to 850 million litres. The overall average for the value of exported wine was AUD3.32/litre FOB, up 5%. Bottled wine shipments increased by 7% in value to be worth AUD2.24 billion, whilst bulk wine increased by 27% in value to be worth AUD560 million. The volume of bottled goods decreased by 3% to 361 million litres – bulk, however, increased by 12% to 480 million litres.

The month of December saw the highest monthly value on record, reaching AUD348 million due to the high level of premium shipments (see graph). The volume was the second-highest level on record.

China (including Hong Kong and Macau) continued to be the leading export market by value – up 18% to AUD1.14 billion – while the UK was the leading export market by volume, taking 27.3 million 9-litre cases in 2018, up 10%. Growth in Australia's wine exports can be seen in almost every region of the world with the

See next page for more on Australia & New Zealand.

value of exports increasing to Northeast Asia by 19% (to AUD1.23 billion), North America by 0.1% (to AUD636 million), Europe by 7% (to AUD615 million), Southeast Asia by 3% (to AUD171 million), Oceania by 12% (to AUD105 million) and the Middle East by 36% (to AUD33 million).

Although the Asian categories look healthy in value figures, we can already see a substantial drop in the year-on-year growth to China – AUD176 million in 2018 on AUD333 million in 2017 (see graph) – as demand is plateauing due to a slowed economy and unstable trade conditions.

Exports to the US dropped by 5% in value (to 425 million) and 7% in volume (to 17.9 million 9-litre cases). The latest Rabobank Wine Quarterly picked up on this fall, noting that, nevertheless, “the US market remains squarely in the sights of the Australian wine sector, with a focus to reposition itself as a prominent producer for the premium wine segment”. It also noted that Canada did its best to pick up some of the North American slack: according to Wine Australia’s December export report, exports to Canada were up 12% in value (to USD210 million) and 19% in volume (to 8.2 million 9-litre cases) in calendar 2018.

The Rabobank Wine Quarterly reported that, in Australia, average prices in local currency had remained stable despite the global trend due to favourable currency exchange and strong demand from China, but cautioned that the global “market dynamic” may result in prices softening in the coming months. This “market dynamic” is the large 2018 global harvest, which has created a “fundamental shift in the availability and pricing of wine”, Rabobank stated, with bulk wine prices easing in Europe and South America.

In January, Australia and **New Zealand** each separately signed a Mutual Recognition Agreement with the UK to ensure there will be trade continuity regardless of what terms the UK eventually leaves the EU – scheduled to occur on 29 March (though potentially delayed). The agreements between Australia and the UK, and New Zealand and the UK, are broadly similar and form two of the 36 MRAs planned by the UK as part of moves to reassure its non-EU trading partners. Of the Australia-UK MRA, the UK government stated: “It helps facilitate trade flows between the two nations and means UK exporters can ensure goods are compliant with Australian technical regulations before they depart

the UK, saving businesses time, money and resources. Australian exporters to the UK benefit in the same way.” Australia is amid negotiations with the EU on a Free Trade Deal, while New Zealand is about to enter its own FTA negotiations with the bloc. Both countries wish to work on a trade deal with the UK post-Brexit.

In New Zealand, Sauvignon Blanc remains popular as parcels move quickly and maintains pricing of circa NZD3.50/litre FOB. The powerhouse Marlborough growing region’s 700 wineries look to export NZD1.7 billion of wine every year and Sauvignon Blanc accounts for 75-80% of that figure. Marlborough is made up of 26,000 hectares of vines with an anticipated further 6,800 hectares coming on-line over the next 1-2 years. There are approximately 510 growers that cover 2,000 individual vineyards to make up the circa 300,000 tonnes crushed every year.

Of the country’s other growing regions, Gisborne, Hawke’s Bay (which mainly produces Syrah, Merlot, Cabernet and Chardonnay) and Central Otago (mainly Pinot Noir) each produced approximately 50,000 tonnes of grapes last year. New Zealand produces around 400,000 tonnes of grapes a year, or 310 million litres.

Some 413 million bottles of New Zealand wine are sold each year. The US remains New Zealand’s top export market, bringing in NZD355 million. Consumers worldwide are spending over NZD7 billion on New Zealand wine each year.

Key Takeaways

Australia’s 2019 crop looks good in terms of quality but further hot spells are expected. The country’s wine exports increased both in volume and value in calendar year 2018: growth to China slowed due to economic headwinds, while growth in exports to Canada helped offset a decline to the US. Both Australia and New Zealand have separately signed Mutual Recognition Agreements with the UK to ensure continuity in trade post-Brexit.

Ciatti Contacts

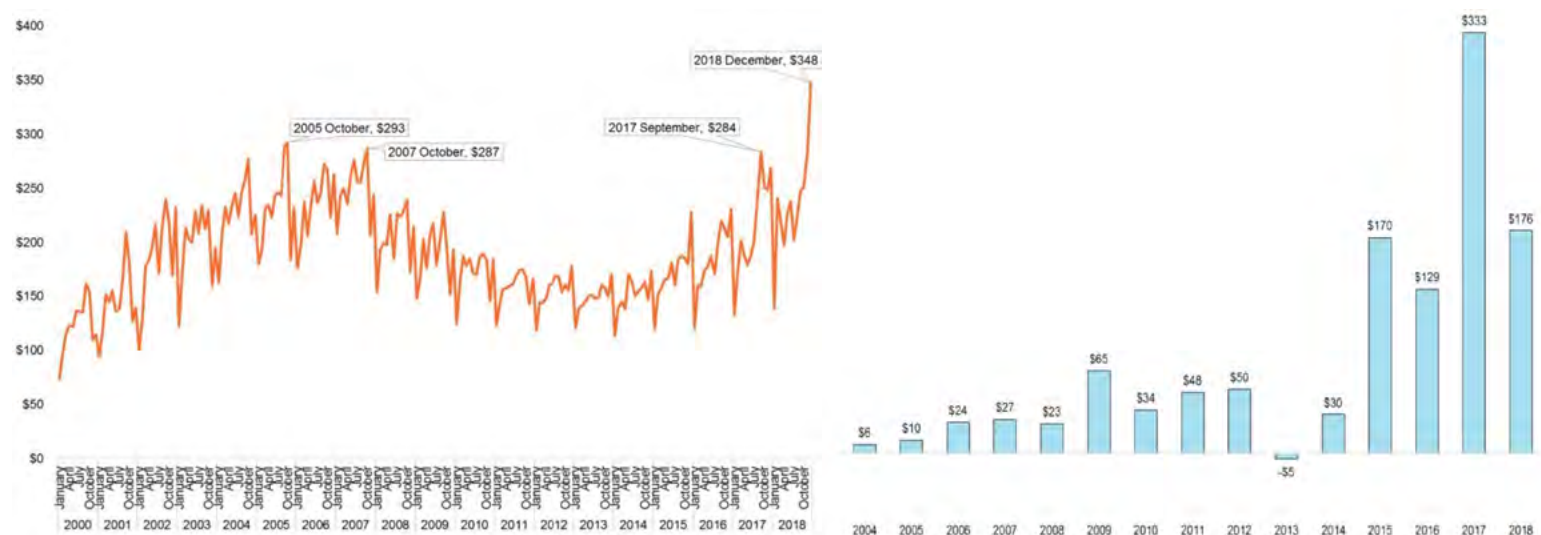
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See next page for more on Australia & New Zealand.



Source: Wine Australia Export Report, December 2018: Australian wine exports by month (million AUD FOB)

Source: Wine Australia Export Report December 2018; year-on-year value change to China (million AUD FOB)

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	↔
2018	NZ Marlborough SB	NZD 3.50 – 4.00	↔	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

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

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The International Bulk Wine and Spirits Show (IBWSS) is an annual trade show and conference, open to trade professionals only, and is set to take place in San Francisco, London and Shanghai.

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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.

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John Fearless Update

JOHN FEARLESS
PROVIDER OF CRAFT HOPS AND PROVISIONS



In January Fearless attended the 63rd annual American Hop Convention, held in Monterey, California. The US Brewers Association's Supply Chain Specialist, Chris Swersey, and Chief Economist, Bart Watson, each gave an update on the changing US beer market, with continued good news for the US craft beer industry.

While total overall beer sales in the US continued to be flat in 2018, the craft beer category grew at an estimated 4%. Although this was down from the prior year's 5%, and highs of 18% in 2013 and 2014, a great deal of craft beer potential remains unrealised and the number of brewery openings continues to rise rapidly: brewery numbers in the US surpassed 7,000 for the first time ever in 2018, up from 6,150 a year before.

Diving down into their output levels, we see that in 2017 some 74% of US breweries produced 1,000 barrels of beer or fewer and accounted for just 0.6% of the country's total beer output. Put another way, brewers producing at least one million cases accounted for nearly 64% of total beer volume in 2018 but contributed zero growth to the industry; breweries producing fewer than 10,000 cases made up 3.6% of the volume – but contributed 46% growth. This beer industry revolution, powered by the little guy serving innovative, hoppy beers to their local community, is set to continue: on current trajectories, the total number of breweries in the US will be around the 10,000-mark in 2020.

This growth in craft brewing is changing the complexion of the US brewing industry's hop take, with increased demand for innovative aroma hops both from the US and abroad, such as Nelson Sauvin from New Zealand or African Queen from South Africa. John Fearless can offer both of these, as well as other varieties such as New Zealand's Motueka, Southern Cross and Taiheke, and South Africa's Southern Aroma, Southern Passion and Southern Star.

Encouraged by their lucrativeness, US hop acres increased significantly in number between 2010 and 2018, with aroma/dual purpose acreage quadrupling from 10,000 acres to 40,000-plus. The number of hop varieties grown has proliferated from 92 to 154 in just eight years. While old favorites Cascade (aroma) and Centennial (dual purpose)

remained most in demand in 2018, Citra has moved up the leader-board into third place thanks to the demand for fruit-forward craft beers; some predict it will be the most-grown varietal in 2019 in view of the high number of recent plantings that have gone in. The huge popularity of hop-hungry IPAs – a style that now accounts for 33% of craft beer sales, up from 14% in 2013 – has helped boost the overall average hopping rate in the craft beer category to 1.57 lbs per barrel, up from 1.05 lbs per barrel in 2010.

There was mixed news for hop suppliers: while the average hop cost per barrel has continued to increase, the US hop supply's long situation meant that approximately 110 million lbs of hops were still with growers or merchants going into the 2018 harvest, the largest ever inventory. This has freed-up brewers to be more flexible in how they source hops, signing shorter-term contracts, contracting only some of their needs, and using the spot market. Hop contracting rates among brewers producing 2,500 barrels or fewer per year fell to 45% in 2018, down from 71% in 2017 and 89% in 2016.

Of the potential headwinds that Bart Watson warned craft brewers could face moving forward, perhaps the most long-term is: How to stand out? In some areas – like the West Coast – where craft breweries have especially congregated and where imported beers are not uncommon, how do brewers ensure their latest offerings stand out? John Fearless is there for such brewers with its 30-strong range of US, New Zealand and South African hop varieties, used barrels (ex-wine, bourbon, whiskey and rum) and foeders (ex-wine) for ageing, base and specialty bagged malts, Humuflor water-based hop essences and Stoak all-natural liquid oak extracts.

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Export Pricing: USD per liter

Currency Conversion Rates as of February 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	0.28	-	0.30	↓
2018	Generic White Standard	0.24	-	0.36	↓	2018	Cabernet Sauvignon	0.60	-	0.70	↓
2018	Muscat	0.30	-	0.35	↓	2018	Merlot	0.50	-	0.60	↓
2018	Torrontes	0.40	-	0.45	↓	2018	Syrah	0.50	-	0.60	↓
2018	Sauvignon Blanc	0.60	-	0.65	↓	2018	Malbec Standard	0.75	-	0.85	↓
2018	Chardonnay	0.60	-	0.70	↓	2018	Malbec Premium	0.90	-	1.00	↓
2018	Bonarda	0.35	-	0.45	↓	2018	Malbec High End	1.20	-	2.00	↓
2018	Tempranillo	0.35	-	0.45	↓						

Australia & New Zealand (Pricing in bulk; FCA)						AUD Rate: 0.713914 / NZD Rate: 0.686244					
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Dry White	0.61	-	0.68	↔	NV	Dry Red	0.79	-	0.89	↔
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	2.40	-	2.74	↔	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
2017	Generic White	0.85	-	0.99	↔	2017	Generic Red	0.85	-	1.05	↔
2017	Chardonnay	1.32	-	1.98	↔	2016/2017	Cabernet Sauvignon	1.25	-	1.85	↓
2017	Pinot Grigio	1.19	-	1.72	↔	2017	Merlot	1.18	-	1.58	↔
2017	Muscat	1.12	-	1.45	↔	2017	Pinot Noir	1.59	-	2.11	↓
2017	White Zinfandel	0.80	-	0.99	↔	2017	Syrah	1.10	-	1.58	↔
2017	Colombard	0.86	-	1.12	↔	2017	Ruby Cabernet	0.95	-	1.05	↔
						2016/2017	Zinfandel	1.18	-	1.85	↔

Chile (Pricing in bulk; FOB Chilean Port)											
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Generic White	0.50	-	0.58	↔	NV	Generic Red	0.50	-	0.60	↔
2018	Chardonnay	0.80	-	0.95	↔	2018	Cabernet Sauvignon (Basic)	0.75	-	0.88	↔
2018	Sauvignon Blanc	0.80	-	0.95	↔	2018	Cabernet Sauvignon (Varietal Plus)	0.90	-	1.10	↔
2018	Syrah	0.75	-	0.95	↔	2018	Merlot	0.75	-	0.95	↔
2018	Carmenere	0.90	-	1.10	↔	2018	Malbec (Basic)	0.95	-	1.20	↔
2018	Pinot Noir	1.05	-	1.20	↔	2018	Malbec (Varietal Plus)	1.50	-	2.00	↔

France (Estimated Pricing in bulk; Ex-Winery)										Rate: 1.129300	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2018	Generic White	0.73	-	0.90	↓	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	0.96	-	1.13	↓	2018	Red Syrah / Grenache IGP	0.96	-	1.13	↔
2018	Generic Rosé VDF	0.90	-	1.02	↓	2018	Varietal Rosé IGP	0.96	-	1.24	↓

Italy (Pricing in bulk; Ex-Winery)										Rate: 1.129300	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2018	Generic White (Alc. 9 - 10%)	0.36	-	0.43	↔	2018	Generic Red (Alc. 11 - 12%)	0.49	-	0.62	↔
2018	Generic White (Alc. 11 - 12.5%)	0.47	-	0.56	↔	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%)	0.85	-	1.13	↔
2018	Varietal Chardonnay (Alc. 11 - 13%)	0.68	-	1.02	↔	2018	Varietal Cabernet Sauvignon (Alc. 12 - 13%)	0.73	-	1.07	↔
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%)	0.96	-	1.13	↔
2018	Pinot Grigio IGT (Blends)	0.62	-	0.96	↔	2018	Primitivo IGT Puglia/ Salento (Alc. 12 - 14%)	1.30	-	1.69	↔
2018	DOC Prosecco (Cannot be sold outside of Italy)	1.81	-	1.92	↔	2018	Sangiovese IGT (Alc. 11.50 - 13%)	0.51	-	0.79	↔
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: 0.071028	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2018	Generic White	0.50	-	0.53	↑	2018	Generic Red	0.60	-	0.67	↑
2018	Chardonnay	0.71	-	0.82	↑	2018	Cabernet Sauvignon	0.75	-	0.92	↔
2018	Sauvignon Blanc	0.67	-	0.85	↔	2018	Ruby Cabernet	0.64	-	0.67	↑
2018	Chenin Blanc	0.53	-	0.60	↑	2018	Merlot	0.75	-	0.89	↔
2018	Colombard	0.52	-	0.57	↑	2018	Pinotage	0.71	-	0.82	↑
2018	Muscat	0.53	-	0.60	↔	2018	Shiraz	0.75	-	0.85	↑
2018	Generic Rosé	0.50	-	0.55	↑	2018	Cinsaut	0.60	-	0.63	↑
2018	Cultivar Rosé	0.60	-	0.64	↔						

Spain (Pricing in bulk; Ex-Winery)										Rate: 1.129300	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2018	Generic White	0.40	-	0.51	↓	2017	Generic Red	0.45	-	0.68	↓
2017	White Blends (Higher Quality)	0.51	-	0.62	↓	2017	Generic Red (Higher Quality)	0.56	-	0.79	↓
2017	Sauvignon Blanc	0.73	-	0.90	↓	2017	Cabernet Sauvignon	0.68	-	0.85	↓
2017	Chardonnay	0.79	-	1.02	↓	2017	Merlot	0.73	-	0.85	↓
2017	Generic Rosé	0.40	-	0.51	↓	2017	Syrah	0.68	-	0.85	↓
2017	Varietal Rosé	0.62	-	0.85	↓	2017	Moscatel	0.56	-	0.79	↓



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