



# *Global Market Report*

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**Ciatti Global Wine  
& Grape Brokers**

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## March 2018

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**The bulk wine world now turns to ProWein in Düsseldorf, 18-20 March, to gain a sense of the remaining 2017 Northern Hemisphere inventory and better visibility on the South Hemisphere's ongoing 2018 harvests.**

The French, Spanish and Italian bulk wine markets are all under pressure after short harvests around the world in 2017, not least their own. The Vin de France category is now tight enough that buyers of big volumes are recommended to opt for non-vintage; France's organic wines and southern rosés are all but sold out. In Spain, international varietal bulk is gone and the remaining generic bulk is moving fast; buyers must be able to load quickly. Similarly, in Italy, there is a shortage of international varietals and inventory of generic wines is declining fast. Across all three markets there is upward pressure on prices – generic red in Spain can be EURO0.30/litre more expensive than this time last year, for example – but the biggest hurdle buyers face is simply the lack of availability. French suppliers are reluctant to quote for big volumes as they do not have the product.

European and Asian eyes are thus trained on the Southern Hemisphere harvests. Chile is on course for a harvest of 1.1 billion litres and is seeing a very high level of pre-harvest contracts made, including by Chinese buyers who usually source from Spain and/or hold off until post-harvest in Chile. Argentina, too, is on track for an improved harvest this time, with the Argentine peso's steady weakening so far this year (expected to continue through 2018) helping apply downward pressure on Malbec prices. Australia's harvest is proceeding smoothly: the country is being flooded with enquiries for its remaining 2017 wines and prices for 2018 grapes are high. South Africa's harvest, however, appears to have suffered from the extreme drought in the Western Cape: bunches are coming in lighter with the berries ripening small. Buyers of South African product are trying to contract their core volumes earlier than normal, but growers and suppliers are finding it very hard to commit at this stage.

Bucking the trend for increased demand pressure is California, where the 2017 harvest was in line with the five-year average and the market is sluggish on wines and grapes. Buyers are reluctant to commit and there is some increased inventory on the market, all indicative of a sales slowdown. This creates opportunity for international buyers: the reasonable-sized harvest in the south Central Valley means there is ample supply of wine for export, just at a time when the US dollar has weakened and increased prices across the rest of the world have made Californian more competitive.

**As ever, Ciatti will be attending ProWein in force: come find us in Hall 9, on stand A13. This year marks Ciatti Europe's 20th anniversary: please join us at our stand on the Monday, at 5.30pm, for a little celebratory cheer. Look forward to seeing you!**

*Robert Selby*

# California

## *Time on target*



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

Heavy snow in the Sierra Nevada Range at the beginning of March has helped boost the snowpack level to 37% of the average as of 5 March, still well down on where Central Valley growers would prefer it to be but up from 22% in the week prior. Overall it has been a dry winter until now, with moderate/warm temperatures encouraging some early budbreak in certain areas just before the colder spell rolled in. There is thus the potential for frost damage and, in the Coast, a greater drawdown on reservoirs as growers use water for frost protection. It's too early to get a clear assessment and we will have more information in April.

The 2017 harvest in the south Central Valley came in slightly bigger than anticipated, nudging California's overall tonnage up over the forecasted 3.8-3.9 million U.S. tons to reach 4,007,136 tons, down just 0.6% from 2016. Within the south Central Valley, Modesto volumes were down (-5% to 354,248 tons) on 2016 but volumes were solidly up in Fresno (+3.5% to 1,311,960 tons) and Bakersfield (+11.1% to 312,399 tons). Pricing was marginally up in Modesto (+1.5% to USD476/ton), almost flat in Fresno (+0.3% to USD307/ton), and down in Bakersfield (-3.3% to USD275/ton).

The reasonable-sized harvest in the south Central Valley means there is ample supply of wine for export, especially on reds. This dovetails with a weaker US dollar and increased prices in competitor countries to bring Californian pricing, on certain varieties, into line with those competitors. The result is Californian export pricing more attractive to European and Asian buyers. **The changes in the Californian pricing table below compared to last month reflect an alteration, from this month forward, in how Ciatti reports its Californian pricing. Pricing has not dropped in California (it remains flat or even increasing on some varieties).**

It is simply the case that Ciatti has not necessarily been capturing the entry-level segment of the export market in its Californian pricing table before, and now does so. As such, from this month, the price range for each varietal is wider, with the upper level remaining consistent, but the lower level dropping to reflect an encompassing of the entry-level segment. If you need further clarification, we're happy to take your call.

Another consequence Ciatti foresees of the weaker dollar and the increased prices on bulk around the world is a drop, in 2018, of imports into the US of bulk wine compared to 2017, when they were up 26%. Domestic bulk supply is available.

On the Californian market, prices are high and activity is slow (a slowness exacerbated by the market waiting to see how the frost season goes). There is activity in small increments but, overall, more inventory exists on the bulk market than before, which is seemingly indicative of a slowdown in retail sales growth in certain segments. As previously reported in the Global Market Report, continued upward price trends on grapes and wines at one end and softer than hoped-for case good sales at the other is squeezing margins and moving buyers into the 'California' appellation when they are able, or holding them back from committing when they are not.

Even on varieties where the supply has appeared tighter between 2016 and 2017, buyers are often seeking the same price quote as last year, or lower, as they have little room to move pricing up. A good example is Chardonnay: some wineries that are traditionally buyers of Coastal Chardonnay have instead put bulk Chardonnay back onto the market; in Lodi, some buyers are seeking the Chardonnay grapes at a lower price than last year, despite the crop being 15% smaller this time out. The cautious buyer activity raises the question of whether it's the buyers' expectations, or the sellers', that are in tune with the marketplace as it now is. The market feels in a transitional phase.

*See next page for more on California.*



Another record Cabernet harvest (599,833 tons in 2017, some 5.9% larger than the previous record set in 2016) and the softer sales picture has helped normalize the Cabernet market after 3-4 years in which, due to demand pressure, the aging period was reduced and the sales time frame for the varietal was cut from 12-16 months to as little as 3 months. The big harvests mean buyers can be selective on Cabernet not just in the Central Valley but in the Coastal areas too.

## Key Takeaways

The weaker US dollar and a solid 2017 harvest in the south Central Valley means California's export pricing should be more attractive to European and Asian buyers, particularly with increased prices elsewhere in the world. There is ample supply of bulk wine for export, particularly on reds. Within California, the market is slow as prices remain high and buyers are cautious off the back of softer sales. There are opportunities for buyers on 2017 Coastal Chardonnay, Napa Valley Cabernet, and on Cabernet, Sauvignon Blanc and Zinfandel from other areas of the state.



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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	1.05 – 2.11	↑	2016/17	Cabernet Sauvignon	1.05 – 2.11	↓
2017	Pinot Grigio	1.19 – 1.72	↔	2017	Merlot	1.10 – 1.58	↔
2017	Muscat	1.05 – 1.32	↔	2017	Pinot Noir	1.85 – 2.25	↑
2017	White Zinfandel	0.79 – 0.99	↔	2017	Syrah	1.20 – 1.58	↔
2017	Colombard	0.86 – 1.12	↔	2017	Ruby Cabernet	0.95 – 1.05	↔
				2016/17	Zinfandel	1.15 – 2.11	↔

# Argentina

## *Time on target*



**HARVEST WATCH:** *on course for 2.2-2.3 million metric tons*

As summer fades towards autumn in Argentina, the main body of Mendoza's 2018 wine grape harvest is underway. The weather has been conducive: warm days and cooler nights have helped with the final ripening, which looks very good. Some bunch weights are coming in lighter than expected, and the whites are reportedly arriving in better volumes than the reds, but overall there is confidence that the government's official forecast of 2.2-2.3 million metric tons, in line with the industry's anticipation, will prove accurate. Standard Malbec grapes in the east valley will be rolling into the wineries from mid-March to the beginning of April.

An initial idea of the 2018 grape market is as follows. The market for Argentina's 2018 white grapes is hot because of very significant demand from the grape juice concentrate business. The Criolla grape price is thus at ARS4.50/kg (USD225/metric ton), up from what was anticipated initially. The 'white from white' wine grapes – Chenin Blanc, Uni Blanc, Pedro Giménez – should be at around ARS5.00/kg (USD250/metric ton); Torrontes should be at ARS6.00/kg (USD300/metric ton). The 'Red B' grapes – Tempranillo, Bonarda, Sangiovese, Syrah – should be at approximately ARS8.00-10.00/kg (USD400-500/metric ton).

It is anticipated by many that the standard quality Malbec price will be around ARS14.00-16.00/kg (USD700-800/metric ton). If that was to prove accurate, a final standard Malbec price of around USD1.30/litre could be expected. It should be noted that the Argentine peso is currently at 20 pesos to the US dollar

and has been for the past month; the trend is for a further peso weakening, perhaps by another 10% by July, so there should be a downward pressure on Argentine prices at least as far as currency exchange is concerned. Remaining 2017 standard-level Malbec is currently available for USD1.40-1.50/litre, down from USD1.50-1.60/litre in February and USD1.80/litre in the final third of 2017.

The domestic market is quiet, with no one pushing for wines: the country's economic fragility has taken its toll on consumer confidence and retail sales, so buyers are still covered at this stage. Players are also waiting to see how the final harvest looks before acting. ProWein on 18-20 March will start to reveal to us the Argentine dynamic moving forward; at least, for the first time in three years, the country's harvest volumes look like returning to some kind of normalcy.

## *Key Takeaways*

The harvest is proceeding smoothly; should this continue, and the peso continues to weaken against the dollar, prices of around USD1.30/litre on standard 2018 Malbec could be feasible by mid-year. Prices on remaining standard 2017 Malbec are continuing to soften slowly, aided by the peso devaluation: USD1.40-1.50/litre is now possible, down from USD1.50-1.60/litre in February. Demand for 2018 Criolla and other white wine grapes is intense due to GJC demand. Activity on Argentine wines is quiet, both domestically and internationally, as buyers wait to see how the harvest fares.

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*See next page for pricing.*

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
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:** *heavy rainfall forecast for 17-18 March*

Consistent with other fruit harvests in Chile, the wine grape harvest commenced about 10 days later than normal. The delay was caused by climatic conditions and some growers holding off until sugar levels increased; sugar content has been an issue. From what has been harvested so far, it looks like production is up 20% on 2017. This corroborates the harvest estimate of 1.1 billion litres, a recovery from 950 million litres in 2017 but still down on crops of 1.25-1.35 billion litres seen in the years before 2016.

There has been no disease pressure but rain is forecasted for the weekend of 17-18 March. Depending on the area, 40-60mm is expected, which is a lot. Only the wineries with the requisite technology and logistics will be able to crush faster in order to avoid part of the expected rain.

The market for 2018 grapes was very active and they are now sold out. The starting price for a kilogram of varietal grapes, 12% alcohol ex-farm, was CLP300 (USD0.50/kg). Note, this is the price before transport and boosting alcohol to 13%+.

There is very limited availability of remaining 2017 wines and suppliers are finding even very small requests hard to fulfil. Deals are happening but each is small, sometimes one container.

There are some non-vintage wines available and the Tintorera grape for colour is in big demand. Tintorera grapes are currently very expensive and the price is rising, making it difficult for suppliers to quote prices for generic reds of good colour as their Tintorera input cost remains uncertain.

Ciatti Chile is seeing more pre-harvest deals made by European buyers than ever before. There is also big demand from the UK, China and the domestic market. North American interest, however, has been slow, a reflection perhaps that the US and Canada are

*See next page for more on Chile.*

fully covered, or see some opportunities opening up at home (see California page). Sauvignon Blanc remains the most in-demand varietal, and the markets for Merlot and Cabernet are also very active. The Pinot Noir and Chardonnay markets are quiet, with some exceptions.

## Key Takeaways

Availability of remaining 2017 wines is low, with suppliers often unable to fulfil even very small requests; a large number of pre-harvest deals have been made on 2018 wine. High 2018 grape prices will likely mean a continuation of high wine prices.

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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 - January 2017			January 2017 - January 2018			Volume
	Million Liters	Million US\$ FOB	Average Price	Million Liters	Million US\$ FOB	Average Price	Variance %
Bottled	44,40	135,38	3,05	45,72	144,60	3,16	2,98
Bulk	32,47	25,49	0,78	24,13	23,10	0,96	-25,66
Sparkling Wines	0,52	2,00	3,87	0,37	1,73	4,72	-29,14
Packed Wines	2,39	4,05	1,70	2,87	4,92	1,71	20,14
<b>Total</b>	<b>79,77</b>	<b>166,92</b>	<b>2,35</b>	<b>73,09</b>	<b>174,34</b>	<b>2,64</b>	<b>-8,37</b>

# France

## Time on target



**HARVEST WATCH:** *The south is receiving much-needed precipitation*

France's southern growing areas received heavy snow and rainfall at the start of March, bringing water relief to a region that had been suffering from drier than average conditions for many months. In the Montpellier region of the Languedoc, for example, up to 30cm of snow fell and, with temperatures low, melted slowly; the Sète weather station in Hérault recorded 313.9mm of precipitation between 1 January and 6 March, more than in the entire year of 2017 (when only 275.6mm was recorded). This change in weather is greatly appreciated by the growers. It's not yet known to what extent the snow and rain will replenish ground water reserves, but it's likely any replenishing will continue – more rain is forecast throughout the rest of March.

The call to action for buyers of French wine is: don't wait. The market in southern France is very active, with purchases and shipping proceeding at full pace, so that there is now almost no availability coming from the growers: most wine is already sold, and bulk negociants tend to have only a truckload or two of a particular wine available. Suppliers are reluctant to quote as they do not have the wines. Give Ciatti a call.

Buyers seeking Vin de France wines find it easier if they opt for non-vintage, particularly on the whites as there are still some old batches of Chardonnay and Sauvignon Blanc in cellars. Buyers also find sourcing from multiple and widespread locations – from Bordeaux, from South West, Languedoc – makes building up the required volumes easier. Pricing on non-vintage Vin de France wines is stable on reds and whites.



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

In the Gers region of the South West, loadings of generic Vin de France whites are running at a good pace because the price difference with Spanish whites is no longer significant. The highly aromatic Colombards from this region are becoming hard to find, so too the Vin de France Colombards and Sauvignon Blancs.

The rosé market in southern France is particularly troublesome. Demand for 2017 Provence rosé in all categories was intense and, when it was essentially sold out, this intensity transferred to IGP Mediterranean rosé. Southern French rosé – at Vin de France, IGP and AOC levels – is now almost completely sold out and it is likely many buyers are not fully covered until vintage 2018. Spain is considered an alternative source but buyers have disliked the offer prices quoted there. There has been speculation that some batches of rosé will become available on the spot market in France from around April onward; Ciatti believes that, should wines be released for sale, most will not appear on the market but go straight to the suppliers' longstanding clients.

Buyers of Cinsaut rosé are now relying on sourcing volumes out of South Africa, but if South African suppliers prefer to do something else with their 2018 Cinsaut, such as maximise red wine output, buyers will not have any alternative sources. French organic wines, meanwhile, are very high in price and essentially sold out, with big demand pressure from the Scandinavian monopolies on volumes that were not considerable in the first place.

*See next page for more on France.*



Overall, pricing in France is stable on red and white Vin de France wines and rising on any remaining IGP and AOP wines. The pricing stability on the bulk market despite the small 2017 harvest size can be attributed to the high prices in France over the past couple of years which has lost it market shares: France's case good exports in particular have been hurt by this. The exception, of course, is rosé.

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## Key Takeaways

Buyers requiring French wines should call Ciatti now as purchasing and shipping is proceeding at full pace, and supply is dwindling. For those needing Vin de France reds and whites, they should opt for non-vintage and expect to source from multiple locations in order to build up volumes. Pricing is currently stable on the remaining Vin de France reds and whites. Rosé from southern France is essentially sold out in all categories, so too Cinsaut rosé; any rosé that becomes available is sold rapidly. Organic wines, too, are sold out.

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%

# Show review: IBWSS London

The International Bulk Wine & Spirits Show (IBWSS) for the first time came to a wintry London on February 26-27, and Ciatti was one of 70-odd exhibitors situated in the Royal Horticultural Halls. Organizer Beverage Trade Network's extension of its IBWSS shows to London both recognizes the UK's importance as a bulk wine distribution gateway to Europe, and the fact that – as conference host Richard Siddle put it – “bulk is also one of the most dynamic sectors in an industry that is either flat or in decline”. Of the top ten selling wine brands in the UK, eight are either fully bulked and bottled in the UK or part-bulked and bottled in the UK.

According to figures from the UK's Wine & Spirits Trade Association, relayed at conference by UK supplier of wines Kingsland Drinks, bulk wine imports into the UK totalled close to 480 million litres in 2016, equivalent to just under 640 million bottles, representing around 35% of all wine imported into the country. The value of bulk wine imported into the UK was just under GBP400 million. Bulk wine accounts for an estimated GBP4 billion of the sales value of wine in the UK; is responsible for generating GBP7 billion in economic activity, contributing GBP3.3 billion to the public finances; and is responsible for 97,000 jobs across the UK supply chain. Greater flexibility in this supply chain means bulk wine is not just for the big supermarkets but opening up to independent, smaller players and regional wholesalers who are able to use bulk solutions far more than they would have done in recent years.

On day one, Ciatti Europe's very own Florian Ceschi delivered to conference a presentation entitled '**Paradigm Shift in the Wine Industry**'. This is the shift in control from the buyer to the supplier as the global picture moves from one of oversupply to one of balance/undersupply. Pricing is no longer the key factor (bottlers are okay with prices as long as their competitors receive the same offers) but securing the required volumes. This means that purchasing is made sooner, and in bigger volumes, as supply is likely to diminish during the buying campaign and pricing will not fall. Buyers must also increasingly compete with the food industry (vinegar) and distillers, whose traditional supply of low quality wines has diminished, leaving them to compete on the same market as wine buyers (and they are prepared to pay the same prices). Also, traditionally reliable seller countries have to become buyers themselves (we've seen this recently with Argentina buying out of Chile), compounding the demand pressure. Entry-level generics and wine coolers – such as the grapefruit rosé very popular in France – increasingly consist of wines from different countries, as brand owners look further afield for supply, aware that the cost of transport by sea is often only slightly more than by land. Further, wine-producing regions are increasingly becoming protective of their industry, with the roll-outs of DOCs in Italy and similar in Spain, which require that bottling must take place inside the growing region.



Ciatti Europe's Florian delivers his presentation

*See next page for more on Show review: IBWSS London.*

Looking ahead, the future is pre-harvest contracts or multi-year commitments, particularly on some in-demand categories such as French organic white wine. Power is now in the hands of the producers. Big bottling companies won't be able to be active in bulk sales due to low inventory; once they have met their own needs they will not have surplus to sell on. From one year to the next, the sourcing streams can totally change. Florian's final message was: Ciatti can't predict the future but it can help to anticipate, giving you accurate advice to face the changes.

On day two, Neil Anderson, marketing director at Kingsland Drinks, used his presentation to express his belief that it is **time to be proud of bulk and its part in the wine industry**: "We should all be positive about what it contributes."

"When you have more cost efficiencies available through bulk wine, it allows us to have better-priced products, better quality, and allows us to have more money to invest in the product – whether that's new formats, the quality of the label, the marketing – the end result is a better product on the shelf for consumers." Anderson was also confident that, as the spotlight on being environmentally friendly will only increase in coming years, bulk wine's eco-friendly credentials – it produces 40% less CO2 emissions than wine shipped in glass – will increasingly shine through.

He said some 95% of consumers in Kingsland's WinePro research did not take place of bottling into consideration when making a buying choice.

Kingsland's wine buying controller, Paul Braydon, delivered the most potentially contentious statement: "UK packing is better for quality". He said that improvements in bulk shipping, handling, gas management, filtration, and bottling practises, have resulted in high standards of bottling integrity throughout the UK industry (but presumably not confined to the UK's industry).

"Independent third-party research conducted by Camden BRI and Wirral Sensory Services found that bulk-shipped and UK-packed wines were preferred by consumers over the same wine pre-shipment or packed at source. UK-bottled samples were 'creamier, cleaner and more rounded and had more varietal character evident with a greater length of flavour' for a Chardonnay, and had 'more rounded, with softer tannins, and more flavour integration with a cleaner finish for a Shiraz'. There was no perception of a detriment to quality with UK bottling."

**The IBWSS bandwagon rolls into the South San Francisco Conference Center, 25-26 July. Ciatti looks forward to seeing you there!**

## Spain

### *Time on target*

**HARVEST WATCH:** *Precipitation in La Mancha but more needed*

Spain received some snow and rainfall from Storm Emma at the end of February into March, with La Mancha experiencing precipitation, though less than in southern France. More rain is needed to replenish ground water reserves following a drier than

average 2017. 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.

As in southern France, the market in Spain is very active, with purchases and shipping proceeding at full pace. Loading terms are being respected, meaning contract cancellations are rare, so few new pockets of wine are opening up. Prices are high – some EURO0.30/litre or so more ex-

*See next page for more on Spain.*

pensive on generic reds than a year ago, for example – but, due to the global situation, Spain remains very competitive. South Africa, the go-to alternative for many buyers, is not looking so attractive with drought conditions and increased prices (see South Africa page), especially when logistics are taken into account. Prices in Chile, too, are relatively high when logistics costs are factored in.

With demand as it is, prices in Spain are unlikely to fall, but they shouldn't rise dramatically either as they've reached the maximum acceptable level: any higher and Spain would become less competitive with France. Spain is sold out of international varietal wine and buyers of these should look to France, but Spain remains a reliable source of generic wines in big volumes and entry-level prices are open to negotiation, with a reduction possible if buyers can offer attractive loading and/or payment terms. Spanish suppliers are generally not accepting loading schedules that continue to the end of the year; wines need to be loaded at least before the 2018 harvest and preferably by the end of this spring.

Entry-level, 11% alcohol rosé is still available in Spain and a price increase is likely as the peak-consuming season gets underway in Europe and alternative sources, such as South Africa, become less viable.

In general, across the Spanish market, international buyers such as the North Americans seem to have been more prepared for the Northern Hemisphere's 2017 harvest

shortfall than French/European buyers: they bought big volumes early, and are now re-entering Spain only needing to top-up existing contracts, while the European buyers are buying their big volumes at a time when prices can be EUR0.20+ more expensive for the same equality. In short, buyers need to act. Likewise, for buyers of rectified grape juice concentrate, it's a case of now or never. Pricing is high and will only continue to rise, while inventory is falling. Give Ciatti a call.

## Key Takeaways

The market in Spain is very active, with purchases and shipping proceeding at full pace. International varietal wines are sold out, but Spain remains Mr Reliable on generic reds and whites, though prices are firm and demand is high, so buyers requiring big volumes should move now. The supplier can dictate loading terms, and the buyer must respect them. Entry level rosé is still available but the price-quality ratio will be less attractive as time goes on; again, move now if you require these.

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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:** *Drought-alleviating rain and snow*

Much-needed rain arrived in all of Italy's growing areas from the end of February into early March, together with lower temperatures and plenty of snow. Up until then, water reserves for irrigation were looking problematic in some regions. The precipitation and cold temperatures will have delayed the start of the vegetative process in the vines and thus have reduced the risk of damage from any late frost.

Temperatures are forecast to increase across the country from mid-March, however, even in the north; in the south temperatures are already reaching 20°C in the daytime.

The market was calm in February and the beginning of March but is now showing signs of quickening up. Prices are stable. Stock levels are well down on the average, including on entry-level wines which are declining quickly. International varietals will be sold out very soon. High quality red wines and good quality sparkling base wines are still in good demand.

All the big players are waiting to get a clear picture of how the next harvest will go, and many companies are buying what they need on a month-by-month basis. A clear picture of the 2018 harvest will probably only be available after the end of May.

## Key Takeaways

Precipitation will have helped replenish water reserves for irrigation in some areas, while the cold temperatures will have prevented early budbreak. Prices in Italy are stable; stock levels are below average and all wines are in good demand.

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### 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*

# Show preview: ProWein

Ciatti will be attending ProWein at the Messe Düsseldorf on 18-20 March. It is common knowledge by now that ProWein has become an immensely important show for the wine business: last year's instalment comprised over 6,500 exhibitors from more than 60 nations, more than ever before, with 58,500 visitors from 130 countries. According to ProWein, at least two-thirds of these visitors were top decision-makers and just under 60% of all trade visitors performed their business deals during the fair or planned to place orders right after it.

Hans Werner Reinhard, Managing Director of Messe Düsseldorf, said after the 2017 show: "ProWein is an incredibly intensive trade fair. For three days very concentrated and effective business goes on here. Visitors particularly included key players – important importers and representatives from large international commercial chains. Again in 2017 the sector showed how strong and capable it is. An extremely high number of orders were placed and a great deal of new business ideas were discussed."

The talk of last year's show was the global bulk market's newly-balanced supply-demand situation which, in the 12 months since, has only solidified. The show will be taking place as the Southern Hemisphere harvests draw to a close and early assessments can be made of the coming Northern Hemisphere crushes. Come visit Ciatti both to get the helicopter view of the global picture and the deep-dive on specific markets and categories.

**This year you will find us in the same spot as last time: Hall 9, Stand A13. Reading online? You can click through to our location on the ProWein floor map [here](#). As 2018 marks Ciatti Europe's 20th anniversary, please join us at our stand on the Monday, at 5.30pm, for a little celebratory cheer. We look forward to seeing you!**

# Show preview: China Food & Drink

For the second consecutive year Ciatti will have a stand at the China Food & Drink Fair, held this year on 22-24 March at Chengdu Western China International Expo City. The global wine business is taking more and more notice of this increasingly important, massive show: last year, the wine and spirits element took up five of its nine halls and reportedly attracted 100,000 visitors alone. Days one and two were particularly busy, with a lot of activity around Australian and Chilean wines especially due to the low import tariffs China imposes on these.

Information from the Chinese customs office via Decanter magazine shows that, in full-year 2017, France remained out in front in terms of wine imports into China: some 217.8 million litres, up 14% on 2016. However, among the major wine-producing nations Australia experienced the biggest growth, with imports of its wine into China up 33% to 105.8 million litres, ahead of Chile's 24% increase to 74.4 million litres.

China is Chile's second-biggest customer for bulk wine after the US (though the Asian giant was temporarily pushed into third by non-traditional buyer, Argentina, in 2017). China imported 85.1 million litres worth USD54.8 million in 2017, and 61.6 million litres worth USD67.2 million last year.

"The demand from China for Australian wine continues to grow", writes Simone George, Ciatti Australia's China/Asia Pacific broker, who will be at Chengdu. "As of December 2017, the value of wine exported to mainland China increase by 63% to AUD848 million. China is Australia's number one market by value, encompassing 33% of total export value, ahead of the US at 18% and the UK at 14%. By volume, China only covers 19% or 153 million litres. This is still an increase of 54% in volume from the year prior. We expect this demand to continue thanks to the drop in tariff rates."

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

‘Australian wines exported to China are heavily skewed toward the premium sector,’ writes Simone. ‘Wines at AUD200.00/litre and above level increased in growth by 145%. The lower levels also prove to have solid growth with wines under AUD4.99/litre covering AUD282 million in sales alone, accounting for 33% of the total exported value. Reds wines continue to lead the market share with 95% of all wines. Whites are showing some growth due to the acceptance of these varieties from the younger generation; Chardonnay in particular.’

Spain (-6% to 67.9 million litres) and Italy (+14% to 29.4 million litres) rounded up the top five in terms of wine imports into China in 2017, with the US, South Africa and Argentina lagging behind. In total, in 2017 bulk and bottled wines imports into China combined reached 745 million litres (+16.9% on 2016), worth some USD2.8 billion (+18%).

Generally speaking, France leads the way through its continued dominance in the important premium bottled categories for gifting and status-building. The premium category is where the US is mainly present: the average price of US wines to China reached some USD7.85 per litre, ahead of France’s USD4.82/litre, with the value of US imports rising by 44.1%.

China Food & Drink Fair will be a great way for us at Ciatti to meet China-based buyers face-to-face, and we look forward to forging new direct relationships. Ciatti can utilise its global reach to provide China-based customers with the supply they require. **You will find us in Hall 7, on Stand 7G100A.**

# South Africa

## *Time on target*



**HARVEST WATCH:** *Drought causing bunches to come in much lighter; berries ripening small, even withering*

**Harvest in the Western Cape is nearing the end-stage amid the continuing severe drought. There has been no rain relief and Cape Town’s dams were at 23.5% of capacity as of 7 March, but ‘Day Zero’ – the day when water levels fall below that which can be extracted from the dams (13.5%) – has, for now, been pushed out to 2019 thanks to big efforts by Cape Town’s population to reduce water consumption. As of 1 February, residents and visitors have been restricted to 50 litres of water per person per day.**

The pushing back of Day Zero – from being imminent, to June, then to 2019 – is in no way a consequence of rainfall: there continues to be negligible precipitation levels. The Western Cape’s Department of Agriculture, in collaboration with South Africa’s Bureau for Food & Agricultural Policy, published a report at the beginning of March that stated that the province’s agricultural

sector has on average had to cut its water use by 60%, and some areas have already drawn down their entire water allocation. The drought’s impact on Western Cape agriculture equates to an average production decline of about 20% - worth ZAR5.9 billion (USD500 million) – and there has already been record wheat production losses. The report continued that export volumes of Western Cape agricultural products are expected to decline by 13-20% this year.

In the bulk wine areas, grape bunches are coming in much lighter, with the berries ripening small and even withering, resulting not only in a much lighter harvest but also less juice yield per ton, exacerbating an already light crop. South Africa’s harvest traditionally lasts 8-10 weeks, but some wineries are claiming to be close to finishing already, which would put their harvest at barely 5-7 weeks in duration. The wines should, however, be of good quality because the hot, dry conditions have concentrated the fruit and kept mildew at bay. Earlier

*See next page for more on South Africa.*

predictions of a South African crop down 7-12% on the average now look way too conservative, with even predictions of a 15-20%+ loss looking optimistic. The worst-hit area is the Olifants River, which relies entirely on catchment dam water that is close to being exhausted.

In light of the harvest situation, there has been a definite drive by buyers to contract their core volumes earlier than normal. However, growers and suppliers are finding it extremely difficult to commit as the harvest is continuously coming in lighter and they are becoming increasingly more worried as it progresses.

The pricing expectations of South Africa's producers in Rand currency are starting to creep upwards from where they were in early December, which were already at 20-25% higher than last year. This despite the Rand itself having fluctuated in that time – strengthening from ZAR14.00/US dollar in December to ZAR11.55/US dollar by the end of February (although settling just below the ZAR12.00 mark in the first week of March). This came off the back of Deputy President Cyril Ramaphosa's election as leader of the ruling ANC party in December and his subsequent accession to the presidency after Jacob Zuma's resignation on 14 February.

Ramaphosa is a successful businessman and his accession boosted investment confidence in the South African economy: his cabinet reshuffle reportedly removed several Zuma allies and deepened a market-friendly shift in government, including the reinstatement of former finance minister Nhlanhla Nene – well-regarded by investors – to his old post. However, the Rand moved back out from ZAR11.55/US dollar to ZAR12.00/US dollar in March, likely due to a recently-adopted parliamentary resolution of “land appropriation without compensation” by the state, for redistribution.

## Key Takeaways

Suppliers' Rand pricing expectations are starting to creep upwards from where they were in early December, which were already at 20-25% higher than last year. The Rand has strengthened to around ZAR12.00/US dollar off the back of Cyril Ramaphosa's rise and eventual accession to the presidency on 15 February, though further strengthening has paused. Suppliers are finding it extremely difficult to commit in the marketplace because the drought's effect on the harvest is of increasing concern and the precise extent of the damage is still unknown.

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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	Dry White	6.90 – 7.20	↑	2017/2018	Generic Red	8.50 – 9.00	↑
2017/2018	Chardonnay	9.50 – 10.50	↑	2017/2018	Cabernet Sauvignon	10.00 – 12.50	↔
2017/2018	Sauvignon Blanc	9.50 – 12.00	↔	2017/2018	Ruby Cabernet	8.50 – 9.25	↑
2017/2018	Chenin Blanc	7.25 – 7.50	↑	2017/2018	Merlot	9.50 – 11.50	↔
2017/2018	Colombard	7.10 – 7.30	↑	2017/2018	Pinotage	9.00 – 9.50	↑
2017/2018	Muscat	7.50 – 8.50	↔	2017/2018	Shiraz	9.50 – 10.50	↑
2017/2018	Generic Rosé	6.90 – 7.30	↑	2017/2018	Cinsaut Rose	8.40 – 8.80	↑
2017/2018	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:** *Running smoothly in Au; Marlborough little affected by Cyclone Gita*

**Vintage in Australia is in full swing and good weather conditions are seen for many grape-growing regions. Entry-level Chardonnay appears to be down in volume and many are expecting mainstream red varieties to also be lower in volume this year. Many suppliers are unwilling to commit to additional spot volumes at this point in time until they have reviewed the final processed volumes.**

Enquiries for entry-level wines, both red and white, continue to flood in as many still hope to source large volumes of material. Entry-level Shiraz, Cabernet, Merlot and dry red, and Chardonnay and dry white, remain in high demand. Whilst material can still be found, many sellers are moving this stock at a premium due to the heightened demand. We can only expect this trend to intensify as 2017 stocks further deplete. Premium enquiries for reds from the Barossa Valley, McLaren Vale and Langhorne Creek are consistent.

The Carlyle Group has secured preferred bidder status in negotiations with CHAMP Private Equity on the potential purchase of Accolade Wines after discussions saw one of their rival contenders, TPG Equity, withdraw. CHAMP currently owns 80% of Accolade whilst Constellation Brands holds the remaining 20%. CHAMP purchased Accolade for AUD290 million in 2010; current bidding for the winery brand and assets is now expected to be around the AUD1.0 billion mark. It

is understood non-binding offers have been submitted to CHAMP and there is the possibility Constellation will also sell out as part of the deal. The Carlyle Group has AUD200 billion in assets around the world.

\*

Heavy rainfall caused by Cyclone Gita now appears to have had little effect on the start of the harvest in Marlborough on the South Island of **New Zealand**. The cyclone brought torrential rainfall that caused surface flooding in many areas but winemakers are confident the wet weather has passed and northwest winds will assist in drying off the grapes. Many of the grapes are not yet at full maturity and picking has only commenced on sparkling base options; the Sauvignon Blanc harvest will get underway later in the month. Grape growers were lucky that gale-force winds, originally forecasted with the cyclone, did not occur. Last year Marlborough had to contend with Cyclone Debbie, which hit after the grapes had reached full maturity.

On the North Island, heavy rainfall and thunderstorms hit the Napier area on the night of 7/8 March, including the region of Hawkes Bay & Gisborne. Flood warnings, road closures and evacuations were in force with up to 55mm of rain per hour falling in certain districts. Those who reside near the Esk River were warned to evacuate due to rising water levels. The weather event was caused by moisture coming from the tropics and subtropics, including Australia.

The US became the most lucrative export market for New Zealand wine in 2015 and its exports there have remained strong, according to fresh Gomberg Fredrikson data. New Zealand wine continues to be

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

the third-most imported into the US by value, with its imports into the country valued at NZ\$579 million in 2017, putting it behind only Italy (NZ\$2.6 billion) and France (NZ\$2.47 billion). Whilst Australia is fourth on this list – sending 20.6 million cases-worth of wine to the US, worth NZ\$558 million – this makes for a distinct divide in value in comparison to New Zealand’s 7.7 million cases. In 2017 the total export value of New Zealand’s wine – the country’s fifth-largest export good – was NZ\$1.66 billion; the industry hopes to achieve NZ\$2 billion in 2018.

Villa Maria’s reputation as New Zealand’s most awarded winery was upheld when it was awarded 12 golds and two trophies at the Royal Easter Show Wine Awards in Auckland in February. Villa Maria took home some 20% of the total gold medals awarded in the 2018 competition.

Key Takeaways

Many Australian suppliers are unwilling to commit to additional spot volumes at this time until they have reviewed the final processed volumes from this year’s harvest, which is ongoing; entry level Chardonnay volumes appear to be down on last year’s, while mainstream red varieties are also expected by many to be down on last year. In Marlborough, winemakers are confident the wet weather from Cycle Gita has passed and northwest winds will assist in drying off the grapes; the Hawkes Bay & Gisborne area of New Zealand’s South Island has been hit by heavy rainfall and thunderstorms.

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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	1.30 – 1.50	↑
2017	Sauvignon Blanc	0.90 – 1.05	↓	2017	Merlot	1.25 – 1.45	↑
2017	NZ Marlborough SB	NZD 3.25 – 3.36	↓	2017	Shiraz	1.30 – 1.50	↑
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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# Craft Beer Update

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



Information recently presented at the American Hop Convention in Palm Desert, California, by Bart Watson and Chris Swersey of the US Brewers Association shows that craft beer continues to outperform the overall beer market in the US, though a slowing growth trend persists.

The Brewers Association estimates that the total US beer market saw sales fall by around 0.5-1.0% in 2017. A growth in import sales helped partially offset a 1.5-2.0% fall in sales of domestic beers. Meanwhile, the total number of US brewers topped 6,000 for the first time ever. The year before, when the figure stood at 5,096, some 3,771 brewers (74% of the total) produced 1,000 barrels/year or fewer, showing how prevalent are the small breweries. In fact, in 2017 some 72.9% of the beer category's growth came from brewers producing fewer than 10,000 barrels in 2016, with the rest of the growth coming from brewers producing 10,000-100,000 barrels. The contribution made by the big brewers, producing more than 100,000 barrels, was in fact negative (-11.9).

Total production from craft brewers reached 25.3 million barrels in 2017, up from 24.1 million barrels in both 2015 and 2016 and roughly double the volumes produced just five years before, in 2012. Hop acreage in the US has significantly expanded to meet the increased demand (see last month's report).

However, the rate of craft beer's volume growth has slowed in the past three years, from a high of 18% in 2013 and 2014 to 13% in 2015, to 6.2% in 2016 and approximately 5% in 2017. Craft/specialty beers must hold their own against increased competition from imports (predominantly

Mexican) and 'superpremium' offshoots from the multinationals (low cal/carb, flavored, or higher ABV beers), the growth of which was slightly stronger than craft's in 2017. Distributors are thus crowded for choice, with much of the slowdown in craft beer sales growth coming at wholesale. The slowdown has contributed to a period of oversupply on the US hop market, with hop contracting rates among US craft brewers in decline, inventory levels high and the spot market healthy. The hop industry's focus on R&D has met greater demand from brewers for innovative flavours: in 2017 some 146 different hop varieties were used by craft brewers, up from 105 in 2012. IPAs represented nearly 30% of the craft beer offer in 2017, up from 11.7% in 2012.

The parlous state of the on-trade in the US (as elsewhere in the Western Hemisphere), with the number of bars declining every year since at least 2001, is reflected in craft beer consumption trends: a decline at bars, clubs and restaurants, and an increase at outdoor events, festivals, and at breweries, with Millennials in particular prepared to try out brewpubs, tap rooms, and brewery tours. Craft beer remains a product overwhelmingly consumed at home or around a friend's, with these occasions accounting for 87% of consumption, but some 12% of consumers now drinking more craft beer than before cite visiting a brewery as a reason, including 13% of female craft beer drinkers. On-site taprooms are becoming increasingly important for brewers: they tap into increased interest in provenance, in tasting tours as part of trips/holidays, cut across demographics, and both help spread the word and boost consumption among existing craft beer fans (with 55% of craft beer drinkers upping their consumption after a visit).

## 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 March 13, 2018

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: 0.786932 / NZD Rate: 0.729084					
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	1.02	-	1.18	↑
2017	Sauvignon Blanc	0.67	-	0.83	↔	2017	Merlot	0.98	-	1.14	↑
2017	NZ Marlborough SB	2.37	-	2.66	↓	2017	Shiraz	1.02	-	1.18	↑
2017	Pinot Gris	1.02	-	1.18	↔	2017	Muscat	0.59	-	0.71	↔

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	1.05	-	2.11	↑	2016/2017	Cabernet Sauvignon	1.05	-	2.11	↓
2017	Pinot Grigio	1.19	-	1.72	↔	2017	Merlot	1.10	-	1.58	↔
2017	Muscat	1.05	-	1.32	↔	2017	Pinot Noir	1.85	-	2.25	↑
2017	White Zinfandel	0.79	-	0.99	↔	2017	Syrah	1.20	-	1.58	↔
2017	Colombard	0.86	-	1.12	↔	2017	Cabernet	0.95	-	1.05	↔
						2016/2017	Zinfandel	1.15	-	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: 1.233100	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2017	Generic White	0.92	-	0.99	↑	2017	Generic Red	0.95	-	1.05	↑
2017	Chardonnay IGP	1.23	-	1.48	↔	2017	Cabernet Sauvignon IGP	1.17	-	1.60	↑
2017	Chardonnay VDF	1.17	-	1.29	↔	2017	Cabernet Sauvignon VDF	1.11	-	1.17	↑
2017	Sauvignon Blanc IGP	1.17	-	1.29	↔	2017	Merlot IGP	1.11	-	1.49	↑
2017	Sauvignon Blanc VDF	1.11	-	1.23	↔	2017	Merlot VDF	1.05	-	1.17	↑
2017	Generic Rosé IGP	1.11	-	1.36	↑	2017	Red Syrah / Grenache IGP	1.05	-	1.48	↑
2017	Generic Rosé VDF	0.99	-	1.11	↑	2017	Varietal Rosé IGP	1.18	-	1.85	↑

Italy (Pricing in bulk; Ex-Winery)										Rate: 1.233100	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2017	Generic White	0.74	-	0.99	↑	2017	Generic Red	0.80	-	0.92	↑
2017	Chardonnay	1.11	-	1.36	↑	2017	Cabernet Sauvignon	1.11	-	1.36	↑
2017	DOC Delle Venezie Pinot Grigio	1.54	-	1.79	↔	2017	Merlot	1.11	-	1.36	↑
2017	DOC Prosecco*	3.58	-	3.95	↑	2017	Primitivo / Zinfandel	1.48	-	1.73	↔
						2017	Chianti*	2.47	-	3.08	↑

*\*Bottled Price*

South Africa (Pricing in bulk; FOB Cape Town)										Rate: 0.084423	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2017/2018	Generic White	0.58	-	0.61	↑	2017/2018	Generic Red	0.72	-	0.76	↑
2017/2018	Chardonnay	0.80	-	0.89	↑	2017/2018	Cabernet Sauvignon	0.84	-	1.06	↔
2017/2018	Sauvignon Blanc	0.80	-	1.01	↔	2017/2018	Ruby Cabernet	0.72	-	0.78	↑
2017/2018	Chenin Blanc	0.61	-	0.63	↑	2017/2018	Merlot	0.80	-	0.97	↔
2017/2018	Colombard	0.60	-	0.62	↑	2017/2018	Pinotage	0.76	-	0.80	↑
2017/2018	Muscat	0.63	-	0.72	↔	2017/2018	Shiraz	0.80	-	0.89	↑
2017/2018	Generic Rosé	0.58	-	0.62	↑	2017/2018	Cinsaut	0.71	-	0.74	↑
2017/2018	Cultivar Rosé	0.72	-	0.76	↔						

Spain (Pricing in bulk; Ex-Winery)										Rate: 1.233100	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2017	Generic White	0.74	-	0.86	↔	2017	Generic Red	0.80	-	0.99	↑
2017	White Blends (Higher Quality)	0.86	-	0.99	↔	2017	Generic Red (Higher Quality)	0.92	-	1.23	↑
2017	Sauvignon Blanc	1.11	-	1.23	↑	2017	Cabernet Sauvignon	1.11	-	1.23	↑
2017	Chardonnay	1.11	-	1.23	↑	2017	Merlot	1.11	-	1.23	↑
2017	Generic Rosé	0.80	-	0.92	↔	2017	Syrah	1.05	-	1.23	↑
2017	Varietal Rosé	0.92	-	1.05	↔						
2017	Moscatel	0.86	-	0.99	↑						

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