



Global Market Report

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**Ciatti Global Wine
& Grape Brokers**

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With this year's instalment of ProWein cancelled due to the global outbreak of Coronavirus (Covid-19), this month's report will do its best to fill the breach and shed light on all the industry latest. While individuals and companies do their best to proceed with 'business as usual', it is undeniable that the virus outbreak has led to – or at least contributed to – a slowdown on many bulk wine markets around the world.

Wine trade with China – which was already slowing due to the country's decelerating economic growth as well as an internal importer reorganisation – has understandably been most affected. The virus is believed to have emerged in Wuhan, Hebei province, in December and Chinese authorities have since been battling it with strict measures such as restricting the number of times per week people in specific provinces (totalling over 930 million people) can leave their homes. Australia, Chile and France, which in particular do a lot of wine business with China, have registered a significant slump in Chinese demand: it is unknown how long this will last for.

The other main impact on the wine business of the Coronavirus is in Italy, which now has the second-highest number of confirmed infections outside China, with the northern part of the country particularly affected. Wine sales to Italy's hotel, restaurant and café industry are paused, though sales to the supermarket sector, and exports to northern Europe, have reportedly been relatively stable. Restrictions on movement are now in place across the whole of Italy.

The bulk wine business at this time of year is often a little slower anyway as the industry assesses the Southern Hemisphere crops and the start of the growing seasons in the Northern Hemisphere. Both hemispheres have in a common a lack of rainfall, with drought looking like it will take its toll on Argentina, Chile and Australia's respective yields, though by how much remains unclear. (The harvest in the Western Cape, however, is proceeding smoothly and expected to yield closer to the ten-year average.) Meanwhile, unseasonably dry, warm Februarys in California, France and Spain have raised premature budbreak concerns there: vegetative growth is approximately three weeks ahead of normal in the Languedoc and two weeks ahead in some areas of California.

It was not unseasonably dry or warm in the UK, which experienced its wettest February on record: in this month's report, buyers can read an in-depth study into consumer trends on the UK wine market – what wines are going to be hot in the months and years to come? In addition, check out page 18 for the lowdown on how you can extend the shelf-life of your wine – while also reducing your usage of SO₂ – with a liquid, organic-certified, all-natural wine stabilizer.

Robert Selby



California

Time on target



HARVEST WATCH: *2019 crop of 3.89 million tons, down 9% from 2018*

An unseasonably dry February in California has meant vine development is running approximately two weeks ahead of normal in the Coast, potentially extending the vines' exposure to the risk of frost. Vine development in the Central Valley is less uniformly ahead but, particularly in the hills, the frost risk in relation to early budbreak is present there also.

Sierra Nevada snowpack levels ended February below half the average for the time of year, but water reserves are decent off the back of two good years for rainfall, and anyway the Central Valley is used to dealing with water being a precarious commodity.

California's preliminary 2019 harvest figure released in February – 3.89 million tons, down 9.1% from 2018's record 4.28 million tons and lower than many had predicted – has not moved the market discernibly, with bulk wine and grape activity better than it was in January and February last year but still sluggish from a historical perspective. Cabernet, Chardonnay and Merlot bulk inventory reduced slightly between January and February.

Much of the bulk activity that is occurring is around Coastal wines selling at or near 'California' appellation prices. International buyers should take note that the state offers some very good value opportunities right now: some high-end Coastal wines are at their lowest prices in many years. For example, there remains good levels of 2019 North Coast Sauvignon Blanc – particularly in Sonoma County – still available. With the traditional buying window for Sauvignon Blanc rapidly closing, sellers are being advised to prioritise moving their inventory. Get in touch if you'd like to know more about the opportunities California has to offer now and longer-term.

Bulk wine activity in the Central Valley remains sluggish, consisting of the odd truckload of Zinfandel, plus interest around Cabernet and Pinot Noir at low prices.

The Valley's grape market is also slow, with wineries already holding adequate supplies of past vintages and thus possessing latitude as to when to come onto the market. Some may wait until the picture becomes clear on the state's 2020 harvest.

The federation of French wines and spirits exporters – FEVS – announced in February that, after a promising first half to 2019, French wine exports to the US declined by 17.5% in Q4 due to the 25% hike in US import duties that came into force in October. This led to a EUR40 million loss of turnover, said FEVS.

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



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See next page for more on California.

Key Takeaways

California is able to offer international buyers very good quality wines on multi-year deals at pricing lower than it has been for many years – including wine from some premium Coastal appellations. Wine stocks are significant and domestic retail sales stagnant, so suppliers are keen to move their inventory. Likewise, buyers interested in Californian grapes can capture multi-year deals at very attractive pricing, even in the premium areas.

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California: Current Export Market Pricing (USD per liter)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2019	Generic White	0.85 – 0.99	↔	2018/19	Generic Red	0.79 – 1.05	↔
2019	Chardonnay	1.20 – 1.59	↔	2018/19	Cabernet Sauvignon	0.99 – 1.85	↓
2019	Pinot Grigio	1.20 – 1.59	↔	2018/19	Merlot	1.20 – 1.58	↔
2019	Muscat	1.12 – 1.45	↔	2018/19	Pinot Noir	1.32 – 1.85	↓
2019	White Zinfandel	0.90 – 0.99	↔	2018/19	Syrah	1.20 – 1.58	↔
2019	Colombard	0.86 – 1.12	↔	2018/19	Ruby Cabernet	0.92 – 1.05	↔
				2018/19	Zinfandel	1.20 – 1.65	↔

Argentina

Time on target



HARVEST WATCH: *White varietal and Tintorera yields potentially 20% down*

The first week of February brought heavy rain to Argentina, bringing relief to Mendoza's drought-hit growing areas but also causing some bursting of grapes on the early varieties – specifically the international white varietals and Tintorera. This rushed growers out into the vineyards to pick early, in order to avoid any disease.

Growers are reporting a shortfall of approximately 20% on what has come in so far of the 2020 vintage – again, the white varietals and Tintorera. It should be remembered that the main body of the harvest – the Criolla and the standard reds – will be coming in this

month, so April's report will provide a clearer picture on the extent of the harvest shortfall.

The Argentinian government recently forecast a harvest of 2.3 million metric tons, down 11% from the long-term average of 2.5 million metric tons. For that estimate to prove accurate, the Criolla and standard red grapes would need to experience less of shortfall than that seen on the international varietal whites and Tintorera. A likely final outcome is a harvest shortfall falling somewhere between the 11% and the 20% figures. Since mid-February the weather has been good for picking, with clear, sunny days. Quality so far looks good.

As reported last month, the market for Argentina's generic white wines has been hot due to demand from the **grape juice concentrate** business. Prices for the

See next page for more on Argentina.

generic white and Criolla grapes have risen 30% in price, with the final white GJC price rising since December by 15%, from USD850-900/ton to USD950-1,000/ton. The price of generic whites, Criolla and other whites used for GJC – such as Pedro Giménez and Ugni Blanc – have subsequently risen from around USD0.20/litre to above USD0.25/litre.

Prices on varietal reds, meanwhile, have remained stable as the harvesting of non-Tintorera reds is only just starting to get underway and the Coronavirus outbreak has muted international demand. (In Argentina as in all markets around the world, the virus had created uncertainty – the wine business is holding off and waiting to see what happens in the coming weeks and months.) Argentina's large carryover stock of reds is another contributing factor to the quietness of the country's red wine market. The price of generic reds

in the domestic market, however, has increased from USD0.15 to USD0.20/litre due to speculation of a shortness, speculation that has arisen while the harvest has been coming in.

An additional uncertainty on top of world affairs is how domestic demand will hold up while Argentina's economy continues to falter. The government is amid renegotiating a new debt repayment programme with the International Monetary Fund which will likely have ramifications for Argentina's currency (currently being artificially held at the ARS62-63/dollar rate) as well as its inflation and interest rates. It is hoped a new agreement, and a new economic plan for Argentina, will be in place by the end of March or start of April. In the meantime, Argentina's grape growers must bring in the 2020 harvest amid spiralling costs that make paying for handwork, spraying and other vineyard work difficult.

Key Takeaways

Drought appears to have taken its toll on Argentina's international varietal whites and Tintorera, with growers reporting a 20% shortfall on these; the government, meanwhile, has forecast the 2020 harvest at 2.3 million metric tons, down 11% from the average. The harvest picture should be clearer next month after the main body of the harvest – the standard reds and Criolla – has come in through March. The price of Argentina's generic white wines is rising due to big grape juice concentrate demand; prices on the domestic generic red market are also ticking up as reports come in of a shorter harvest. Varietal red prices are stable as demand is currently paused and there is carryover stock

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Argentina: Current Market Pricing (USD per liter; FCA Winery)							
Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2019	Generic White (Basic)	0.25 – 0.30	↓	2019	Generic Red	0.25 – 0.30	↓
2019	Generic White (Standard)	0.24 – 0.36	↓	2019	Cabernet Sauvignon	0.50 – 0.60	↓
2019	Muscat	0.30 – 0.35	↓	2019	Merlot	0.45 – 0.55	↓
2019	Torrontes	0.35 – 0.45	↓	2019	Syrah	0.35 – 0.45	↓
2019	Sauvignon Blanc	0.45 – 0.55	↓	2019	Malbec Standard	0.55 – 0.65	↓
2019	Chardonnay	0.45 – 0.55	↓	2019	Malbec Premium	0.70 – 1.00	↓
2019	Bonarda	0.35 – 0.45	↓	2019	Malbec High End	1.00 – 2.50	↓
2019	Tempranillo	0.35 – 0.45	↓				
White Grape Juice Concentrate *Per metric ton in bulk		950.00 – 1,000.00		Red Grape Juice Concentrate (Color 1,000) *Per metric ton in bulk		1,300.00	

Chile

Time on target



HARVEST WATCH: *2-4 weeks ahead of normal; coming in short*

Chile's longstanding drought continues, with rivers running dry and wells being installed across the country. The 2020 harvest is running 2-4 weeks ahead of normal as wine grapes have become dehydrated. Tintorera has been picked, while the white varieties such as Chardonnay, Sauvignon Blanc and Pinot Grigio are now amid picking. Yields are coming in short – by what percentage is unclear, but certainly shorter than many had originally expected.

Chile's harvest usually finishes at the end of May but this year's is likely to be over well before then. Summer is slowly winding down: nights are growing cooler, and although the days remain sunny and warm, some low-lying humidity in the vineyards has possibly helped to reduce the vines' demand for water.

With the harvest coming in shorter as the weeks go by, Chile's wine grape market grew very active. Big domestic buyers moved onto the market to secure their needs, followed more recently by the smaller and international buyers. This activity increased the minimum guaranteed grape price, in turn pushing up Chile's bulk wine prices. The upward trend in bulk wine prices is expected to continue and availability will steadily decline.

The Chilean peso's current weakness – CLP830/dollar as of 10 March – is helping to slow the rise in the dollar price of Chile's bulk wine. The peso's weakness is due to a range of factors, from the impact of the Coronavirus on China (Chile's most important export market) and the world, the ongoing effect of the US-China trade wars, and domestic concerns: a campaign of protests is expected in Chile through March ahead of a referendum on the country's new constitution,

scheduled for 26 April. The country's wine industry has been shipping wines to the ports in anticipation of disruption.

Despite the upward price trend on its bulk wine, Chile seems to be holding onto its business in the face of very aggressive pricing in Argentina. There has been strong domestic and international interest, especially from North America. Demand for Sauvignon Blanc and Chardonnay is particularly hot. Suppliers are pushing for package deals in which buyers commit to the reds at the same time as the whites, something buyers are resisting.

It should be noted that Chile's generic wine volumes were expected to be down this year even before the shortness of the crop became apparent. This is because a number of the country's generic wine producers are facing financial difficulties and some have gone into bankruptcy.

Key Takeaways

With the 2020 harvest coming in shorter than many had expected due to Chile's longstanding drought, pushing up the minimum guaranteed grape price, bulk wine prices are trending upward and are expected to continue doing so. Buyers may feel encouraged to move sooner rather than later to cover their needs at the best prices or risk paying more for lower qualities later on, especially as the current weakness of the peso is shielding the international buyer from even higher dollar price prices.

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See next page for pricing.

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
NV	Generic White	0.50 – 0.60	↔	NV	Generic Red	0.48 – 0.60	↔
2019/20	Chardonnay	0.85 – 0.95	↑	2019/20	Cabernet Sauvignon (Basic)	0.72 – 0.80	↑
2019/20	Sauvignon Blanc	0.75 – 0.85	←	2019/20	Cabernet Sauvignon (Varietal Plus)	0.85 – 0.95	↔
2019/20	Syrah	0.72 – 0.78	↔	2019/20	Merlot	0.75 – 0.85	←
2019/20	Carmenere	0.75 – 0.85	↑	2019/20	Malbec (Basic)	0.85 – 0.90	↔
2019/20	Pinot Noir	0.95 – 1.15	↔				

Chilean Export Figures

Wine Export Figures	January 2019			January 2020			Volume
	Million Liters	Million US\$ FOB	Average Price	Million Liters	Million US\$ FOB	Average Price	Variance %
Bottled	43,99	142,23	3,23	49,02	154,56	3,15	11,45
Bulk	38,03	40,02	1,05	32,48	28,12	0,86	-14,33
Sparkling Wines	0,33	1,34	4,02	0,33	1,50	4,47	0,55
Packed Wines	1,40	2,50	1,78	2,27	3,85	1,69	61,88
Total	83,75	186,09	2,52	84,21	188,02	2,54	0,54

France

Time on target

HARVEST WATCH: *Warm February causing fears of premature budbreak*

February temperatures in the growing areas of southern France were unseasonably high – up to 25°C on some days – causing growers real concern regarding the potential for premature budbreak on the early varietals, with two months still to go before the risk of frost passes. In some areas of the Languedoc, vegetative growth is three weeks ahead of normal with Chardonnay budbreak and

leaf development already occurring by the end of February. Even if temperatures do not move into negative territory, seasonal temperatures could affect the crop potential.

The bulk wine market for southern French reds continues to proceed sluggishly. Inventory is significant and prices – trending softer as the weeks go by – are negotiable should buyers be able to load quickly. The majority of red wine activity has occurred on very specific products only, such as on ultra-premium AOP reds, red blends and organic red blends.

See next page for more on France.

On the whites, the supply-demand dynamic is closer to balance: activity on 2019 wines is proceeding steadily. That said, the sales picture in key markets is likely to see some optioned whites and rosé not get taken, so that pockets of availability should arise during springtime.

The sales picture in the US and China continues to be of serious concern and is undoubtedly contributing to the slowness of France's bulk wine market. While a mooted further increase in US tariffs on French wine (and the expansion of the levy to include all French wines/brandies including Champagne and Cognac) did not come to pass in February, the existing 25% tariff hike – on bottled wines not over 14% alcohol – is harming sales. Meanwhile, an already slowing business with China over the past 12 months – due to the slowdown in China's economic growth and a reorganisation of its wine importers – has now ground to a standstill altogether amid the Coronavirus outbreak. It is speculated that it will be some months – perhaps from May/June onward – before bulk wine activity with China begins to return to some normality, particularly as the wine already in China needs to be distributed and sold first.

The market for southern French organic wines is active: availability of Chardonnay and Sauvignon Blanc is limited and buyers are now actively sourcing the organic reds as well. As such, pricing on all southern

French organic wines is firm to rising. Sales are being registered on the rosé market, but at a slower pace than normal. Last month we estimated 80% of rosé stock sold, with buyers now assessing how their case good sales are performing domestically and in export markets.

Key Takeaways

It continues to be a two-speed bulk wine market in southern France, with the whites closer to supply-demand balance than the reds. Of the latter, inventory is large, activity is sluggish, and prices are softening and open to negotiation. Organic wines of either colour are in demand with prices rising. The rosé market started quickly but has slowed in recent weeks with an estimated 80% of stock sold; the market is now proceeding slower than normal. October's tariff increase in the US and the Coronavirus outbreak in China are affecting sales and creating a general air of uncertainty around the future sales picture. Overall, France as ever can offer good opportunities on a wide range of wines.

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2019	Generic White	0.65 – 0.75	↔	2019	Generic Red	0.60 – 0.70	↔
2019	Chardonnay IGP	1.00 – 1.10	↔	2019	Cabernet Sauvignon IGP	0.90 – 1.10	↔
2019	Chardonnay VDF	0.95 – 1.00	↔	2019	Cabernet Sauvignon VDF	0.80 – 0.90	↔
2019	Sauvignon Blanc IGP	0.90 – 1.05	↔	2019	Merlot IGP	0.85 – 1.00	↔
2019	Sauvignon Blanc VDF	0.90 – 0.95	↔	2019	Merlot VDF	0.75 – 0.85	↔
2019	Generic Rosé IGP	0.85 – 1.00	↔	2019	Syrah / Grenache IGP	0.85 – 1.00	↔
2019	Generic Rosé VDF	0.80 – 0.90	↔	2019	Varietal Rosé IGP	0.90 – 1.10	↔



Spain

Time on target



HARVEST WATCH: *Warm February causing fears of premature budbreak*

February in Spain was unseasonably mild, sparking fears of premature budbreak across the early-ripening varieties with a couple more months of frost risk still to go. Prices on the Spanish bulk wine market, meanwhile, are trending downward and open to negotiation – on reds and whites – following continued sluggish sales activity.

The market in Spain is essentially paused: international buyers are holding off while prices trend softer and non-European buyers especially are attracted by pricing elsewhere – such as in Argentina and Chile. All are waiting to see how big the Southern Hemisphere's 2020 harvests are, and what impact they will have on global bulk wine prices.

In addition, the 25% hike in US import duties on Spanish bottled wine (not over 14% alcohol) and the Coronavirus outbreak in China are affecting sales to these key markets. It is speculated that it will be some months before

bulk wine activity with China begins to return to some normality, particularly as the wine already in the country needs to be distributed and sold first. The key question regarding the US – the largest export market for one in four Spanish winemakers – is how much longer the 25% duty hike be in place for.

With very good levels of bulk wine availability and prices softening, Spain is – as ever – a potentially very attractive proposition for international buyers.

Key Takeaways

Bulk wine availability is good in Spain and – with prices softening – there are plenty of opportunities for buyers. The market is currently paused due to the softening price trend, a trend serving to cement Spain as the most price-attractive source for European buyers seeking bulk wines.

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

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2019	Generic White	0.33	-	0.40	↔	2019	Moscatel	0.45	-	0.55	↔
2019	White Blends (Higher Quality)	0.35	-	0.45	↔	2019	Generic Red	0.40	-	0.50	↔
2019	Sauvignon Blanc	0.65	-	0.75	↔	2019	Generic Red (Higher Quality)	0.45	-	0.60	↔
2019	Chardonnay	0.80	-	0.90	↔	2019	Cabernet Sauvignon	0.60	-	0.75	↔
2019	Generic Rosé	0.35	-	0.40	↔	2019	Merlot	0.65	-	0.75	↔
2019	Varietal Rosé	0.45	-	0.55	↔	2019	Syrah	0.60	-	0.75	↔

Italy

Time on target

HARVEST WATCH: 2019 crop estimated at 46.6 million hectolitres

The bulk wine market in Italy has been paused in the past few weeks due to the Coronavirus outbreak. Northern Italy has been particularly afflicted by the virus, but the high-profile nature of the outbreak in the country – due to national and international media coverage – has spread fear. Individuals and companies are doing their best to continue business as usual amid government-imposed restrictions on movement, the cancellation of exhibitions and business meetings, the closure of schools and other logistical problems.

On Italy's wine market, the companies supplying supermarkets are experiencing almost stable business, as are those exporting to northern Europe and the US. The companies suffering more are the wineries selling to the 'HoReCa' industry (hotels, restaurants and cafés): sales in this industry and in public places in general have experienced a reduction of up to 90%.

Italy's wine market is stable but almost without movements as people in the industry wish to see

how the Coronavirus situation plays out before acting. The only purchases are those for immediate needs. Prosecco certifications were down 3% in February, but mainly because of delays at the certification body whose employees in some areas were unable to work.

As mentioned last month, January and February were unseasonably dry and hot in Italy and there is concern regarding water supplies for later in the growing season.

Key Takeaways

Italy's bulk wine market has been largely paused while the industry waits to see how the Coronavirus outbreak plays out. Any bulk wine business that does take place is for immediate needs only. Export business with northern Europe and US remains relatively stable; it is wine sales in the domestic hotel, restaurant and café industry that have fallen away by up to 90%.

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2019	Generic White (Alc. 9 - 10%)	0.38 - 0.46	↑	2019	Generic Red (Alc. 11 - 12%)	0.48 - 0.60	↔
2019	Generic White (Alc. 11 - 12.5%)	0.41 - 0.56	↑	2019	Generic Red (Alc. 13%)	0.65 - 0.80	↔
2019	Organic Generic White (Alc. 10 - 12%)	0.58 - 0.72	↑	2019	Organic Generic Red (Alc. 11 - 13%)	0.80 - 1.20	↔
2019	Varietal Chardonnay (Alc. 11 - 13%)	0.78 - 1.10	↔	2019	Varietal Cabernet Sauvignon (Alc. 12 - 13%)	0.85 - 1.05	↑
2019	Organic Pinot Grigio (Alc. 12%)	1.20 - 1.70	↔	2019	Varietal Merlot (Alc. 12 - 13%)	0.75 - 1.00	↔
2018	DOC Pinot Grigio delle Venezie	0.85 - 1.05	↔	2019	Varietal Syrah (Alc. 12 - 13%)	0.75 - 1.00	↔
2019	Pinot Grigio IGT (Different Regions)	0.90 - 1.10	↔	2019	Rossissimo (Alc. 12.5 - 14%)	1.05 - 1.20	↑
2019	Pinot Grigio IGT (Blends)	0.65 - 0.90	↑	2019	Primitivo IGT Puglia/ Salento (Alc. 12 - 14%)	1.35 - 1.55	↑
2019	DOC Prosecco (Cannot be sold outside of Italy)	1.55 - 1.65	↔	2019	Sangiovese IGT (Alc. 11.50 - 13%)	0.60 - 0.80	↑
2019	Soave or Garganega DOC	0.95 - 1.10	↔	2019	Chianti	2.00 - 2.25*	↔
2019	Trebbiano IGT (Alc. 10.5 - 12%)	0.52 - 0.65	↑				

*Bottled Price

South Africa

Time on target

HARVEST WATCH: *Picking running smoothly, good crop expected*

The 2020 harvest in the Western Cape has been proceeding smoothly amid normal February weather: a good crop is coming in, both in terms of size and quality. There are differing opinions as to what the final crop figure will be, but it is widely expected to be larger than the short 2018 and 2019 harvests and moving back towards the ten-year average.

Good, warm weather in February saw a lot of grapes get picked towards the end of the month into the beginning of March, so that the crop is currently approximately 60% complete and should be finished by the end of March or the first week of April. In short, normal timing for the Western Cape.

Business is proceeding steadily on the Cape's bulk wine market but most activity is discussion around needs for the new 2020 vintage and any potential clues as to its pricing. Currently there is availability on all 2019 wines, pricing remains stable, and there are some good opportunities. Domestic interest is quiet as the big buyers are still working through their 2019 vintage volumes. They and international buyers will start taking a position on the 2020 wines from March onward.

Right now, the Cape wine industry's main focus is on bringing in the first normal-sized crop in three years and making the best wines possible; only then will assessments be made of the situation in other markets

and offer prices get calculated. After a concerted effort in recent years to move pricing to a level that is conducive to the Cape wine industry's sustainability, pricing is unlikely to fall at the start of the new buying campaign.

National utility firm Eskom's energy capacity shortfall continues and it has warned that its electricity load-shedding programme – pre-scheduled power cuts – could last for another 18 months. The Rand is expected to weaken over the coming months due to South Africa's ongoing economic problems, though the government's 26 February budget statement, expected beforehand to hurt the Rand, in fact shored it up a little. The government defied expectations that it would increase taxes on companies and individuals, in fact announcing some - limited - tax reductions.

Key Takeaways

There remains availability on all 2019 wines from the Western Cape and Rand pricing is stable. The bulk market is proceeding steadily while suppliers focus on bringing in the first normal-sized crop since 2017, domestic buyers work through their remaining 2019 wines and international buyers wait for a clearer global picture to emerge from March onward. The Cape's wine prices are currently at levels sustainable for the industry and are unlikely to fall at the start of the 2020 buying campaign.

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2019/20	Dry White	7.30 – 8.00	↓	2019/20	Generic Red	9.00 – 9.50	↑
2019/20	Chardonnay	10.50 – 11.50	↔	2019/20	Cabernet Sauvignon	11.00 – 13.00	↔
2019/20	Sauvignon Blanc	10.00 – 12.00	↔	2019/20	Ruby Cabernet	9.00 – 10.00	↔
2019/20	Chenin Blanc	8.00 – 8.80	↓	2019/20	Merlot	11.00 – 12.50	↔
2019/20	Colombard	7.50 – 8.00	↔	2019/20	Pinotage	10.50 – 11.50	↔
2019/20	Muscat	8.00 – 8.50	↔	2019/20	Shiraz	11.00 – 12.50	↔
2019/20	Generic Rosé	7.60 – 8.00	↔	2019/20	Cinsaut Rose	8.65 – 9.00	↑
2019/20	Cultivar Rosé	8.60 – 9.00	↔				

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

Buyers Page:

The UK market in depth

On 2 March the UK government and the European Union commenced negotiations on a post-Brexit trade deal, with the UK aiming for a trading relationship with the EU similar to the ones Canada, Japan and South Korea enjoy with the bloc.

The deadline for ratifying a trade deal is 31 December 2020 – when the Transition Period is due to end – but the UK has said that if the “broad outline” of an agreement is not “clear” by a high-level meeting scheduled for June, it will “need to decide whether the UK’s attention should move away from negotiations and focus solely on continuing domestic preparations to exit the transition period in an orderly fashion” on 1 January 2021, when presumably UK-EU trade would commence on World Trade Organisation terms.

With trade negotiations underway, Brexit has faded into the background somewhat and an air of normalcy has returned to the wine industry in the UK. The industry is now well-drilled for any eventuality having braced itself twice – in March and October 2019 – for a so-called “cliff-edge” Brexit. Much if not all overstocking that occurred last year – particularly ahead of the March deadline – has now been worked through, and sales trends appear normal. **The 2019 ‘UK Landscapes’ report from research firm Wine Intelligence** found that, of the approximately 1,000 UK regular wine drinkers it surveyed in October 2019 (‘regular’ it defined as consuming wine at least once a month), some 6% said they would buy more EU wines after Brexit out of solidarity with the EU, while 29% said they would buy less, either because they believed the price of EU wines would rise or that New World Wines would – or already do – offer better value for money. However, we believe that, months out from knowing what – if any – UK-EU trade deal will be agreed, and with Brexit having been an emotive issue in the UK, speculation as to consumers’ future buying behaviour in regard to EU wine should be taken with a pinch of salt.

Beneath the Brexit drama, the fundamentals of the UK wine market remain largely unchanged: just as in other developed markets, wine consumption continues to decline so that – according to Wine Intelligence – the number of weekly wine drinkers in the UK fell from 23.7 million in 2015 to 22 million in 2019 even as the country’s adult population increased by over a million. In those four years wine has lost share to a range of alternative alcoholic beverages – first and foremost, gin – and to the moderated drinking trend. The growth in, and popularity of, Prosecco – and to a limited extent English sparkling wine – has likely helped mask the decline in overall wine consumption. (In 2019 some 60% of regular wine drinkers said they had drunk Prosecco in the previous six months, up from 43% in 2015.)

Gin has become a very fashionable drink in the UK, even being hailed by the UK’s Wine & Spirit Trade Association (WSTA) as helping to save “the great British pub” after on-trade gin sales surged 40% to reach GBP1.6 billion in 2019, which was also the first year in a decade in which UK pub openings outnumbered pub closures. Wine Intelligence attributes gin’s success to its versatility – used as a mixer, it comes in a wide range of colours and flavoured varieties – and its “domestic nature”: UK consumers are increasingly interested in provenance for patriotic or environmental reasons (air miles etc) and view gin as a home-produced beverage. Gin also – like sparkling wine and rosé – appears to have transcended its association with the summer months to become a year-round beverage.

See next page for more.

The well-documented moderation trend has been mainly driven by Millennial consumers (i.e. those under 35) who have grown up with health messaging and often take drinking limited amounts of alcohol – or complete abstinence – for granted. (The UK's first 'Dry January', in 2013, is estimated by the campaign organisers to have attracted 4,000 participants; in January 2020 the estimated figure was 4 million.) This means that the 'regular wine drinker' demographic is growing older: Wine Intelligence detected a 5% bump between 2015 and 2019 in the proportion of regular wine drinkers aged over 65. This has, in turn, increased the proportion of regular wine drinkers who say they like what wines they know and stick to what they know, which suggests lack of room for growth and innovation.

However, the average household income of a 'regular wine drinker' is rising as wine increasingly becomes perceived – for better or worse – as an “expensive drink” and lower income groups drop out of the category. (Indeed, the number of regular wine drinkers in Wine Intelligence's lowest income category – total annual pre-tax household income of GBP19,999/year and under – halved between 2015 and 2019.) So, there are fewer regular wine drinkers but those who remain have a higher spending power and, in turn, see wine as an important part of their status/lifestyle. Although they may be trying to moderate their drinking too, they are “buying less but better”: sales categories at or above GBP7/ bottle are in growth despite wines' flat sales overall.

The growth in the perception of wine as an expensive drink in the UK must in part be a result of the duty escalator it has been riding on over the past 20 years. UK duty on a litre of still wine between 5.6% and 15% alcohol is currently GBP2.97 and on sparkling between 8.6% and 15% alcohol it is GBP3.81 – up over 70% since the year 2000 and rising well ahead of duty on beers and spirits. Duty hikes have – since the Brexit referendum in 2016 – likely been compounded by a weakened pound sterling and contributed to a higher shelf price, while consumers – reining in spending a little post-referendum – have a plethora of alternative, potentially cheaper drinks to choose from.

The regular wine drinking group, then, is increasingly becoming a pool of wealthier individuals, out of which is forming what Wine Intelligence calls a “premium population” able and happy to spend more per bottle. Individuals in this premium population are more likely to be under 35 than in the wider regular wine drinker group – they also tend to be male and living in cities – perhaps earning more than the average for their peer group but sharing their peer group's interest in trying new things. We have coined these consumers PADs as they deem wine to be an important part of their lifestyles and seek Premium, Adventurous or Discerning wine choices. From talking to contacts in the industry, we believe PAD consumers are an existing or potential market for one or more of the following:

- **Organic wine:** organic wine sales, which have performed well elsewhere in Europe, have been flat in the UK in recent years due to a lack of understanding of how organic wine differs from non-organic. However, according to Nielsen figures, sales of organic-certified wine in the UK increased by 47% in the year to 28 December 2019, with total sales reaching GBP50 million. The growing consumer interest in the origin of their food, how it is made, and what effect it may have on their health, has seemingly returned to wine in the UK market. In addition, wine espousing **natural winemaking** qualities – such as spontaneous fermentation – is expected to see growth.
- **Fair Trade wine:** Wine Intelligence lists Fair Trade as the leading alternative wine opportunity in the UK – e.g., the most important differentiator that a producer can put on their label to encourage purchase. South Africa and Chile perform well in the Fair Trade wine category. Another fair-trade certification is the Fair for Life scheme.

See next page for more.

- **Sustainability in wine (great for bulk if marketed effectively):** with concern for the environment rapidly rising to the top of the agenda for many consumers, bulk wine's sustainability claims versus bottled (for example: "a 20-foot container holds two and a half times the volume of bulk wine compared to bottled product") should become a key advantage moving forward if marketed effectively.
- **Alternatively-packaged wine:** the UK consumer is catching up with European consumers in being more open to alternative packaging, such as canned wine in the off-trade or wine on tap in the on-trade. This may be partly driven by Millennials and by sustainability credentials: as someone said at last November's Future of Wine conference in London: "The Greta Thunberg generation won't be drinking wine out of heavy glass bottles." One idea aired at the conference was bottles made from recycled PET which, it was said, would save an estimated 500g of CO2 over the lifecycle of each unit. Meanwhile, the screwcap closure has now drawn level with cork in terms of popularity with UK consumers.
- **Vegan-friendly wine:** the drinks industry is catching up with the food industry in attempting to meet the rapidly growing interest in veganism ('Veganuary' launched in the UK in 2014 and, like 'Dry January', has grown markedly). Arguably, as bulk wine sometimes goes into the food industry, the bulk side of the wine business possesses greater pre-existing expertise regarding vegan requirements than the bottled side and is potentially better-placed to get the important 'V' or 'Vegan' label on brands it supplies.
- **'Low & No':** Seeing growth – particularly in the on-trade and from a very small base – are low and no alcohol wines due to the moderation trend. What defines a 'low' alcohol wine in the UK retail market is unclear: some perceive it as being 8% alcohol or under, for example, others 6% or under. The UK wine duty on still wines drops at 5.5% and under, from the full £2.97 to £1.26 (4.1-5.5% alcohol) and £0.91 (1.2-4%). Below 1.2% alcohol, no wine duty is levied. According to Zenith Global's European Zero Alcohol Drinks 2019' report, the trend in Europe towards non-alcohol drinks is expected to continue growing by 10% per year over the next five years.
- **Sparkling wine (that isn't Prosecco):** has the UK market reached peak Prosecco? Wine Intelligence detected a decline between 2017 and 2019 in "purchase incidence" with regard to Prosecco among the regular wine drinkers it surveyed, while the WSTA said that the growth in UK sales of Prosecco "slowed markedly" in 2019 with "drinkers exploring other fizz options". There is a feeling that a (albeit small and slow) move away from Prosecco should benefit other traditional method sparkling wines from Europe – Crémant from the Loire Valley for example – and English sparkling wine (consumption of which experienced compound annual growth rate of 6% between 2014 and 2018) as PAD consumer try alternatives.
- **Pink Prosecco:** there is a feeling that, across the markets where Prosecco has performed well, rosé Prosecco could potentially experience double-digit growth, with growth especially coming in the on-trade. However, the product is still awaiting approval from the Prosecco Consorzio in Italy. Evidence for the success of pink alcoholic beverages in the UK is easy to find: pink gin (gin with a dash of Angostura bitters), once highly popular in nineteenth-century England, has made a big comeback off the back of the recent gin boom, particularly in the on-trade.
- **Rosé:** still gaining ground in the UK market, driven by the popularity of Provençal rosé and – like gin – losing its reputation as a seasonal summer drink.

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- **Argentinian Malbec and other South American wines:** Wine Intelligence discovered that Argentinian Malbec consumption among UK regular wine drinkers almost doubled between 2015 and 2019, reaching a consumption incidence rate of 33%. Malbec remains the fifth-most consumed red varietal in the UK, but is now hot on the heels of fourth-placed Pinot Noir (36% consumption rate in 2019, in turn behind Syrah/Shiraz, Cabernet and – consolidating its leading position – Merlot). One UK wine buyer called Argentinian Malbec “almost a standout varietal” that has helped boost awareness and consumption of Argentinian wine more generally (the only other producer country to see UK growth during the same period was New Zealand, driven by Marlborough Sauvignon Blanc and Pinot Noir). The Malbec trend could feed through to greater interest in other Argentinian wines – Argentinian Cabernet Franc is receiving approval from wine critics in the UK, for example, and being positioned by the industry as an alternative to Argentinian Malbec. In addition, we are seeing greater UK interest in wine from non-traditional South American countries such as Uruguay, and demand for South American wines by specific region such as ‘Patagonia’ and less-traditional grape varieties such as Bonarda and Tannat.
- **Non-Argentinian Malbec:** The stellar Malbec growth outlined above does not necessarily have to be restricted to Argentinian Malbec: the Wine Intelligence report also noticed a concerted uptick in UK consumers buying by the grape between 2015 and 2019 and a decline in buying by brand, suggesting that interest in Argentinian Malbec could feed through to Malbec from other countries such as France, Chile, and California.
- **Greater Spanish regionality:** Rioja is performing well in the UK but there is also growing on-trade interest in other Spanish regions such as Catalonia or Galicia, as well as a broader range of grape varieties such as Carignan or – also noted by Wine Intelligence – Albariño.
- **Other, highly-specific wines PADs are seeking:** Italian Appassimento, Austrian wines including Blaufränkisch, and oaked Chardonnays.

Outlining the above has resulted in our defining three consumer segments in the UK wine market that can be broadly summarised as follows: the growing premium PAD segment (metropolitan-Millennial wine drinkers seeking Premium, Adventurous or Discerning wine choices); the stagnant midmarket (older regular wine drinkers sticking to what they know); and the low-end market eroding in size as consumers increasingly “buy less but better”. There will, of course, continue to be a demand for discount-end products such as “British Wine” – grape juice concentrate imported into the UK and fermented there, not subject to alcohol duties, and sold for as little as GBP2-3/bottle – but entrepreneurial suppliers seeking fresh growth opportunities (the “next Prosecco” etc) must increasingly take into consideration the PAD values that are, seemingly, becoming the predominant values moving forward.





Australia & New Zealand

Time on target

HARVEST WATCH: *Smaller crop expected in Au but picking running smoothly*

Australia's 2020 vintage is becoming more active as many white varieties are now coming in. February temperatures were milder than expected which has led to a more relaxed pace of fruit intake – last year, by comparison, many reds were already being picked and processed at wineries. Predictions are for a smaller crop overall, but we will only know more once we see the final numbers as many growers may leave fruit on the vine if it is smoke-affected.

At the start of March, Wine Australia released an estimate of the loss to the harvest caused by the summer's bushfires and resulting smoke taint: 60,000 tonnes, equating to 4% of the national wine grape crop. As mentioned above, however, it remains too early to assess the full impact of smoke taint.

Grape pricing for 2020 has increased from 2019; wine pricing, meanwhile, appears stable for now. Dry Red and Dry White enquiries have increased as some look to increase their 2020 volumes via blending. The quality of the 2020 fruit appears to be good (outside of some smoke-affected areas) and cooler, temperate conditions in recent weeks have been ideal for ripening. Some significant rainfall occurred in the Murray-Darling basin catchment at the start of March – some water is welcome but wineries do not want significant amounts as they would like to finish the harvest without any disease pressure.

Enquiries for cool-climate 2020 or older vintage wines are coming through steadily from those who were affected by smoke taint. Many are in the process of

testing wines as they move through vintage, with some cases of fruit being rejected by buyers. Tumbarumba, Orange and Hunter Valley in New South Wales, Alpine Valleys and King Valley in Victoria, and Adelaide Hills in South Australia, are all in testing mode as they work through the fruit/wine that can be utilised. Estimates range as high as AUD100 million in loss of grape sales coupled with the lack of tourism.

The Coronavirus outbreak continues to present a quieter period for a number of those in the domestic market and for those exporting to China. Key wine trade events such as the Chengdu Food & Drinks Fair – originally scheduled to take place in March – have been postponed while many importers are on a hiatus whilst they wait for consumers to return to their normal activities. Predictions are that the Chinese market will remain quiet until April, with many larger companies already putting forward estimates of expected financial losses brought about by the virus outbreak.

New detections of phylloxera have been found both inside one of the designated 'Infested Zones' as well as outside in a 'Risk Zone' of the southeast corner of the Yarra Valley. Authorities are reminding people to be vigilant when travelling from vineyard to vineyard, in order to avoid spreading the infestation.

The **New Zealand** wine industry, meanwhile, is gearing up for the start of its harvest this month. Demand for fruit has remained steady and grape pricing has seen an increase from 2019. Demand locally for both wine and fruit has seen good competition and not a lot of excess 2019 stock is available.

New Zealand's wine exports to the US reached another all-time high in 2019 as bottled table wine shipments increased 12% to 5.9 million 9-litre cases, according to Impact Databank. The US remained the largest

See next page for more.

export market for New Zealand wines, ahead of the UK and Australia, according to Statistics New Zealand, as shipments to the US neared NZD600 million last year.

Giesen, one of the leading wine brands in New Zealand, has released a non-alcoholic Marlborough Sauvignon Blanc – which it claims is the world's first. The wine is

made via the conventional process before being passed through a spinning cone. The trend in Europe towards non-alcohol drinks is expected to continue growing by 10% per year over the next five years, according to Zenith Global's 'European Zero Alcohol Drinks 2019' report.

Key Takeaways

Australia's 2020 harvest is now well underway and – thanks to a temperate February – the weather has been ideal for ripening and picking is running smoothly. Predictions are for a smaller crop but quality looks good. Grape pricing for 2020 has increased from where it was in 2019 but wine pricing remains stable for now.

There is higher demand for dry reds and whites as suppliers seek to extend their volumes by blending. The Coronavirus outbreak is proving a big challenge, especially for those who export to China – the Chinese market is expected to be paused until April. As New Zealand's harvest roves into view, domestic demand for wines and grapes has been good and grape pricing has seen an increase from 2019.

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
NV	Dry White	0.85 – 0.95	↔	NV	Dry Red	1.20 – 1.35	↑
2019	Chardonnay	1.00 – 1.15	↑	2019	Cabernet Sauvignon	1.50 – 1.65	↔
2019	Sauvignon Blanc	1.15 – 1.30	↔	2019	Merlot	1.50 – 1.65	↔
2019	Pinot Gris	1.20 – 1.40	↔	2019	Shiraz	1.50 – 1.65	↔
2019	NZ Marlborough SB	NZD 3.90 – 4.25	↑	2019	Muscat	0.90 – 1.00	↑

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



John Fearless Update

JOHN FEARLESS
PROVIDER OF CRAFT HOPS AND PROVISIONS



The oak tree: symbol of strength and stability, enduring for up to a century or more in all the conditions Mother Nature can throw at it. Winemakers could be forgiven for thinking: if only the flavour, aroma and colour of my wine possessed a fraction of the oak tree's stability and longevity. Well, Wine Shield – an organic-certified, all-natural wine stabiliser from Stoak Technologies – is derived from the powerful preservative congeners contained within the wood of oak trees.

Essentially, Wine Shield comes from the tannins extracted through a liquefaction of the preservative congeners present in oak. Thus, when the liquid Wine Shield is added to wine, it acts as a potent antioxidant that bolsters the wine's stability during transportation and during transportation and on the shelf, keeping the wine fresher for longer. This is especially helpful for lighter, white wines such as Sauvignon Blanc that typically have a shorter shelf life.

Deriving as it does from oak, Wine Shield is all-natural and certified organic by OMRI (the Organic Materials Review Institute) and Ecocert. In addition, it is approved for use by America's Food & Drug Administration (FDA), National Sanitation Foundation (NSF) and Alcohol & Tobacco Tax & Trade Bureau (TTB), plus the global food safety initiative FSSC 22000 and the International Organisation of Wine & Vine (OIV).

Importantly, using Wine Shield reduces the need for Sulfur Dioxide, SO₂, a product many winemakers are seeking to reduce their use of as it is increasingly recognised – by health officials and consumers – as harmful to human health. Some consumers, in fact, are affected by SO₂ badly enough that they seek out wines that contain lower levels – or avoid wine altogether. SO₂ is not considered natural or in line with organic principles: its use in the rapidly-growing organic wine category is limited in the EU and banned in the US. As well as the health concerns, SO₂ can also bring to the wine an unpleasant smell and contributing taste.

Organic-certified Wine Shield, however, extends a wine's shelf life naturally, with zero detrimental impact on the wine's flavour, aroma or colour, and – by enabling a reduction in the use of SO₂ – it can result in a healthier wine for the consumer. The winemaker is given peace of mind that the best characteristics of their wine, which they have worked so hard to achieve, is retained throughout the – sometimes prolonged – storage and transportation chain, and that it will stay fresher for

longer when finally on the retail shelf. This is particularly relevant to bulk wines, which can sit in large tanks where there are higher oxidation risks, and to the many winemakers who travel the world with sample bottles to exhibit at fairs and tastings.

Wine Shield, then, can lock in the wine's best qualities, boosting its reputation among consumers. And importantly in a competitive retail environment, retailers are given a better impression of the wine – not only thanks to its good sales levels but also because, as it possesses a lower SO₂ content, it does not need to be left as long on arrival to stabilise before going onto the retail shelf.

Last but not least, Wine Shield is a piece of cake to use: its stable liquid form makes measuring and adding really simple, with no premixing or dissolving necessary; it can be dosed at fermentation (for optimum results) or into holding tanks pre-filtration; as a liquid product it works with the wine at a molecular level and does not require filtering out; and as a natural product it starts to work quickly with results potentially visible within 24 hours of dosing. Wine Shield comes in a highly concentrated form so that it only has to be dosed at very low rates.

Wine Shield has been used successfully by winemakers for over 12 years by producing wines of great sensorial quality without using hazardous chemical additives. With winemakers in France, Italy, Spain and California now trialling it, it's only a matter of time before Wine Shield becomes better-known around the world. Like to know more? Get in touch using the details below.

Key Takeaways

Fearless can provide: US, South African and New Zealand aroma and bittering hops. Humuflor hop essences; Stoak's all-natural liquid beer stabilizer BrewShield and its WLT-150 liquid oak aroma extract for spirits; Milne MicroDried fruit fragments and powders; and used wine, bourbon, whiskey and rum barrels. Fearless is also the exclusive distributor for Muntons malt in California.

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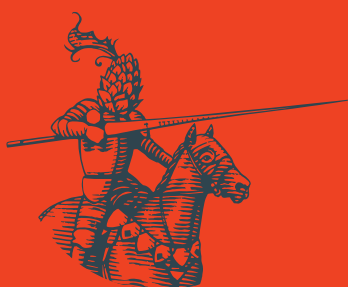
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Export Pricing: USD per liter

Currency Conversion Rates as of March 12, 2020

Argentina (Pricing in bulk; FCA)											
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2019	Generic White (Basic)	0.25	-	0.30	↓	2019	Generic Red	0.25	-	0.30	↓
2019	Generic White Standard	0.24	-	0.36	↓	2019	Cabernet Sauvignon	0.50	-	0.60	↓
2019	Muscat	0.30	-	0.35	↓	2019	Merlot	0.45	-	0.55	↓
2019	Torrontes	0.35	-	0.45	↓	2019	Syrah	0.35	-	0.45	↓
2019	Sauvignon Blanc	0.45	-	0.55	↓	2019	Malbec Standard	0.55	-	0.65	↓
2019	Chardonnay	0.45	-	0.55	↓	2019	Malbec Premium	0.70	-	1.05	↓
2019	Bonarda	0.35	-	0.45	↓	2019	Malbec High End	1.00	-	2.50	↓
2019	Tempranillo	0.35	-	0.45	↓						

Australia & New Zealand (Pricing in bulk; FCA)						AUD Rate: 0.629844 / NZD Rate: 0.611776					
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Dry White	0.54	-	0.60	↔	NV	Dry Red	0.76	-	0.85	↑
2019	Chardonnay	0.63	-	0.72	↑	2019	Cabernet Sauvignon	0.94	-	1.04	↔
2019	Sauvignon Blanc	0.72	-	0.82	↔	2019	Merlot	0.94	-	1.04	↔
2019	Pinot Gris	0.76	-	0.88	↔	2019	Shiraz	0.94	-	1.04	↔
2019	NZ Marlborough SB	2.39	-	2.60	↑	2019	Muscat	0.57	-	0.63	↑

California (Pricing in bulk; FCA)											
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2019	Generic White	0.85	-	0.99	↔	2018/19	Generic Red	0.79	-	1.05	↔
2019	Chardonnay	1.20	-	1.59	↔	2018/19	Cabernet Sauvignon	0.99	-	1.85	↓
2019	Pinot Grigio	1.20	-	1.59	↔	2018/19	Merlot	1.20	-	1.58	↔
2019	Muscat	1.12	-	1.45	↔	2018/19	Pinot Noir	1.32	-	1.85	↓
2019	White Zinfandel	0.90	-	0.99	↔	2018/19	Syrah	1.20	-	1.58	↔
2019	Colombard	0.86	-	1.12	↔	2018/19	Ruby Cabernet	0.92	-	1.05	↔
						2018/19	Zinfandel	1.20	-	1.65	↔

Chile (Pricing in bulk; FOB Chilean Port)											
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Generic White	0.50	-	0.60	↔	NV	Generic Red	0.48	-	0.60	↔
2019/20	Chardonnay	0.85	-	0.95	↑	2019/20	Cabernet Sauvignon (Basic)	0.72	-	0.80	↑
2019/20	Sauvignon Blanc	0.75	-	0.85	←	2019/20	Cabernet Sauvignon (Varietal Plus)	0.85	-	0.95	↔
2019/20	Syrah	0.72	-	0.78	↔	2019/20	Merlot	0.75	-	0.85	←
2019/20	Carmenere	0.75	-	0.85	↑	2019/20	Malbec	0.90	-	1.15	↔
2019/20	Pinot Noir	0.95	-	1.15	↔						

France (Estimated Pricing in bulk; Ex-Winery)										Rate: 1.109520	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2019	Generic White	0.72	-	0.83	↔	2019	Generic Red	0.67	-	0.78	↔
2019	Chardonnay IGP	1.11	-	1.22	↔	2019	Cabernet Sauvignon IGP	1.00	-	1.22	↔
2019	Chardonnay VDF	1.05	-	1.11	↔	2019	Cabernet Sauvignon VDF	0.89	-	1.00	↔
2019	Sauvignon Blanc IGP	1.00	-	1.16	↔	2019	Merlot IGP	0.94	-	1.11	↔
2019	Sauvignon Blanc VDF	1.00	-	1.05	↔	2019	Merlot VDF	0.83	-	0.94	↔
2019	Generic Rosé IGP	0.94	-	1.11	↔	2019	Red Syrah / Grenache IGP	0.94	-	1.11	↔
2019	Generic Rosé VDF	0.89	-	1.00	↔	2019	Varietal Rosé IGP	1.00	-	1.22	↔

Italy (Pricing in bulk; Ex-Winery)										Rate: 1.109520	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2019	Generic White (Alc. 9 - 10%)	0.42	-	0.50	↑	2019	Generic Red (Alc. 11 - 12%)	0.53	-	0.66	↔
2019	Generic White (Alc. 11 - 12.5%)	0.45	-	0.61	↑	2019	Generic Red (Alc. 13%)	0.71	-	0.88	↔
2019	Organic Generic White (Alc. 10 - 12%)	0.64	-	0.79	↑	2019	Organic Generic Red (Alc. 11 - 13%)	0.88	-	1.31	↔
2019	Varietal Chardonnay (Alc. 11 - 13%)	0.85	-	1.20	↔	2019	Varietal Cabernet Sauvignon (Alc. 12 - 13%)	0.93	-	1.15	↑
2019	Organic Pinot Grigio (Alc. 12%)	1.31	-	1.86	↔	2019	Varietal Merlot (Alc. 12 - 13%)	0.82	-	1.10	↔
2018	DOC Pinot Grigio delle Venezie	0.93	-	1.15	↔	2019	Varietal Syrah (Alc. 12 - 13%)	0.82	-	1.10	↔
2019	Pinot Grigio IGT (Different Regions)	0.99	-	1.20	↔	2019	Rossissimo (Alc. 12.5%)	1.15	-	1.31	↔
2019	Pinot Grigio IGT (Blends)	0.71	-	0.99	↑	2019	Primitivo IGT Puglia/ Salento (Alc. 12 - 14%)	1.48	-	1.70	↔
2019	DOC Prosecco (Cannot be sold outside of Italy)	1.70	-	1.81	↔	2019	Sangiovese IGT (Alc. 11.50 - 13%)	0.66	-	0.88	↔
2019	Soave or Garganega DOC	1.04	-	1.20	↔	2019	Chianti*	2.19	-	2.46*	↔
2019	Trebbiano IGT (Alc. 10.5 - 12%)	0.57	-	0.71	↑						

**Bottled Price*

South Africa (Pricing in bulk; FOB Cape Town)										Rate: 0.060670	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2019/20	Generic White	0.44	-	0.49	↓	2019/20	Generic Red	0.55	-	0.58	↑
2019/20	Chardonnay	0.64	-	0.70	↔	2019/20	Cabernet Sauvignon	0.67	-	0.79	↔
2019/20	Sauvignon Blanc	0.61	-	0.73	↔	2019/20	Ruby Cabernet	0.55	-	0.61	↔
2019/20	Chenin Blanc	0.49	-	0.53	↓	2019/20	Merlot	0.67	-	0.76	↔
2019/20	Colombard	0.46	-	0.49	↔	2019/20	Pinotage	0.64	-	0.70	↔
2019/20	Muscat	0.49	-	0.52	↔	2019/20	Shiraz	0.67	-	0.76	↔
2019/20	Generic Rosé	0.46	-	0.49	↔	2019/20	Cinsaut	0.52	-	0.55	↑
2019/20	Cultivar Rosé	0.52	-	0.55	↔						

Spain (Pricing in bulk; Ex-Winery)											Rate: 1.109520		
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend		
2019	Generic White	0.37	-	0.44	↔	2019	Generic Red	0.44	-	0.55	↔		
2019	White Blends (Higher Quality)	0.39	-	0.50	↔	2019	Generic Red (Higher Quality)	0.50	-	0.67	↔		
2019	Sauvignon Blanc	0.72	-	0.83	↔	2019	Cabernet Sauvignon	0.67	-	0.83	↔		
2019	Chardonnay	0.89	-	1.00	↔	2019	Merlot	0.72	-	0.83	↔		
2019	Generic Rosé	0.39	-	0.44	↔	2019	Syrah	0.67	-	0.83	↔		
2019	Varietal Rosé	0.50	-	0.61	↔	2019	Moscatel	0.50	-	0.61	↔		



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