



Global Market Report

November 2019

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**Ciatti Global Wine
& Grape Brokers**

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The harvests in Europe are finished and yields look to have come in down from 2018's bumper output – OIV estimates the crops were down 15% in Italy, 24% down in Spain, and Agreste estimates the crop was down 15% in France. That said, this year's harvest sizes – especially in Italy and France – were not considerably down from the five-year average, and all are larger to varying extents than the troubled harvests of 2017.

The bulk wine markets in Italy, France and Spain are all quiet as winemaking is underway and the markets for the white wines are getting set up. A recurring theme is that, despite the harvest declines, buyers are not tolerating price increases on the majority of wine categories, in some cases even rejecting pricing that is in-line with the previous campaign. Many buyers of Italy's leading export wines – Prosecco, Pinot Grigio and Primitivo – have the ability to wait and see if prices decline; many European and domestic buyers of Spanish wines are well-covered until the end of winter; meanwhile, in France, a large carryover of red wines in the Languedoc, coupled with slow retail sales of red wines at home and abroad, means little pressure on the red wine market there.

Particular wines do continue to experience dynamic markets: Languedoc whites and rosés, Spanish international varietal reds (especially as 2019 yields of these underperformed the headline harvest figure), and Italian high-quality reds and good sparkling base wines. Few categories in California, meanwhile, exhibit similar dynamism: with big inventories and the bulk wine market there continuing to be very slow despite some very attractive pricing, Ciatti expects that more grapes were left on the vine than has been seen for many years. International buyers should not rule out finding some very attractive opportunities in California, even on Coastal wines.

Highly attractive on price at the moment is Argentina, with early signs that the 2020 harvest in Mendoza will be a good one and with significant red wine inventory available. The country's wineries will be out in force at the World Bulk Wine Exhibition (WBWE) in Amsterdam on 2-3 December and Ciatti Argentina broker Eduardo Conill will be in attendance to field enquiries.

Instability in the key consuming markets of the US, UK and China is worrying everybody. The US has levied retaliatory tariffs on all Spanish, French, and German bottled wine imports containing up to 14% alcohol; the UK's Brexit drama will continue until at least 31st January 2020 (see this month's Brexit Update); China's economy has taken a downturn and the imported wine market there is increasingly competitive.

As ever, helping you negotiate the pitfalls is Ciatti: **come see us at WBWE on Stand B33. In addition, Ciatti Europe will again be partnering with Men In Bulk on Stands CC33-35 and D34-35. Looking forward to seeing you!**

Robert Selby

Brexit Update

On 17 October, two weeks before the UK was due to leave the European Union with or without a deal, Prime Minister Boris Johnson and UK negotiators successfully completed a renegotiation of the Withdrawal Deal with the European Union, confounding expectations that it could not be ‘re-opened’. Sterling strengthened on the news.

The great majority of the revised Withdrawal Deal is unchanged from the one agreed a year ago between the EU and Johnson’s predecessor, Theresa May. The main area of change is to do with the avoidance of a hard border between Northern Ireland and the Republic of Ireland.

The Northern Ireland fudge

Although Northern Ireland will leave the EU’s Customs Union alongside the rest of the UK (and officially be inside the UK’s customs territory) it will remain partially aligned to the EU’s Single Market for goods. There will be no customs checks on the island of Ireland – they will be done in ports. For goods crossing from Britain to Northern Ireland, that are deemed to be staying there, no EU tariff will apply. A tariff will apply if they are deemed to be headed ultimately to the Republic of Ireland. Northern Ireland’s assembly must give consent after Brexit for this continued alignment with the EU regulatory regime. This fudge simultaneously allows the UK to claim it will be leaving the EU “whole and entire” and for the EU to claim the integrity of its Single Market has been upheld.

Extension until 31 January

The Johnson government had hoped the new Withdrawal Deal would be passed by the UK Parliament in time for the UK to leave the EU on 31 October, as scheduled. However, many parliamentarians – despite showing (in a non-binding vote) their majority support for the Deal – objected to what they saw as too short a time to scrutinise the Deal, and triggered legislation requiring Johnson to formally ask the EU for yet another three-month extension until **31 January 2020**. The requested extension was granted by the EU. Thus, the UK will now not be leaving the EU until that date at the earliest.

Christmas general election

Johnson, sceptical that – with less time pressure – his Withdrawal Deal would pass through parliament without being heavily amended, chose to avoid trying to pass the Deal at all. Instead, on 29 October he secured a general election, to take place on 12 December. It will be the UK’s first December election since 1923.

Johnson and the Conservatives are campaigning on the message ‘Get Brexit Done’. If they secure a majority, the Withdrawal Deal will pass through Parliament and the UK will leave the EU on 31 January 2020. The UK will then move into the ‘Transition Period’, during which time it will remain in the EU’s Single Market and Customs Union while it negotiates a new trading relationship with the EU. The Transition Period is due to expire on 31 December 2020; Johnson has pledged that it will not be extended.

The opposition Labour Party says that, should it form the next government, it will seek to re-open the Withdrawal Deal yet again (and attempt to make changes towards a ‘softer’ Brexit, such as staying in the EU Customs Union permanently), then put the renegotiated Withdrawal Deal to a referendum. The third-largest party, the Liberal Democrats, are campaigning for a second Brexit referendum (if it were to form part of a coalition government) or to cancel Brexit entirely (if it were to win a majority).

How does this affect the wine trade?

The uncertainty for the wine industry continues to some extent, but there is now some breathing space. Johnson's successful renegotiation of the UK-EU Withdrawal Agreement has ostensibly taken a 'No Deal' Brexit off the table for at least another 12 months because:

- If Johnson wins a majority, the UK will remain in the EU's Single Market and Customs Union until at least 31 December 2020 (as the UK will move into the Transition Period having successfully passed the Withdrawal Deal);
- A Labor majority government or a Labour-led coalition would completely rule out a 'No Deal' Brexit.

In the lead-up to the 31 October deadline, many UK wine buyers readied for a 'No Deal' Brexit by shipping more stock and stockpiling to some extent. There was no panic; the industry had, after all, already done this before – in March, ahead of the 29 March deadline. Indeed, the industry on both sides of the English Channel is probably more ready for any eventuality now than ever before, having been well-trained by the March and October deadlines.

Ahead of the October deadline, the UK's Wine & Spirits Trade Association held a highly informative 'Brexit Preparedness' seminar in London and you can watch the videos of the presentations and read the accompanying slides [here](#). These thorough sessions were on subjects such as 'Customs & Excise Warehousing', '3rd Country Movements', and 'Post-Brexit paperwork'.

Regarding post-Brexit paperwork, the UK government announced towards the end of October that, in a 'No Deal' Brexit scenario, it would suspend – for up to nine months – the imposition of new 'UK VI-1' forms on EU wines entering the UK. The WSTA welcomed the move: "The additional form filling and laboratory tests needed had paperwork requirements not been suspended would have added a massive burden on businesses and consumers alike."

As significant sellers to the UK of low-priced wines, French and Spanish suppliers are worried that they will lose share at that end of the UK retail market should any barriers to trade go up (appellation and high-end wines should be more insulated). However orderly the UK's withdrawal from the EU may ultimately turn out to be, it is envisaged by many in the EU that – in the mid to long-term – the level of wine sales from the EU to the UK will decline, with the UK having already agreed trade continuity deals with some third countries like South Africa and Chile and the existence of historical ties with others, such as Australia and New Zealand.

It will likely take some time for the picture to become clear on how retail sales of wine in the UK are faring amid the ongoing uncertainty and any potential increase in the retail price of certain wines. Market research institute GfK had the UK's consumer confidence rating at -14 in October, the same as in August. People's personal financial outlook for the next 12 months was 3 points lower than in the same month of 2018, however.

"This deterioration in sentiment regarding our personal financial affairs is worrying as strong consumer spending has been the main driver of economic growth since the referendum in 2016," said GfK's Joe Staton. "Nobody wants to see consumer spending reduce and let's hope it doesn't happen. But Brexit's continuing uncertainty and the spectre of a general election is not helpful. People can only feel confident if they believe the external environment is stable, yet consumers are witnessing too many Brexit shifts and surprises, too many Brexit timelines and counter proposals to justify any longer-term confidence."

California

Time on target



HARVEST WATCH: *State's crop size looks close to average*

The Central Valley's 2019 harvest is likely to have come in slightly larger in size than 2018's, thanks to an uptick in southern Valley yields versus last year. This larger Central Valley crop will help offset a fall back in the Coast from last year's bumper yields, so that, all in all, California's 2019 harvest looks to have come in close to the average in size.

Early autumn temperatures in the Central Valley were milder than average; there were no frost episodes like those seen in the Coast in October which caused some leaves there to crisp-up. Picking in the Central Valley proceeded smoothly and, further helped by a two-week lull between picking of the whites and the early reds, crush capacity was not stretched. The harvest ended where it began – about 7-10 days behind a 'normal' timetable. Quality – across the state – looks good.

Given the continuing slow nature of the grape and bulk wine markets in California and the lack of any late-season grape buyers, we expect to see – across the state – the largest volume of grapes left on the vine in some years.



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We estimate that, in the Central Valley, it could be the largest volume seen in ten years, mainly reds such as Cabernet, Merlot and – to a lesser extent – Zinfandel. The spot market for white grapes in the Valley has felt a little healthier than that for the reds; it is hard to know whether this is because demand is genuinely better for the whites or whether there simply remains more long-term contracts on whites left still to be worked through.

The bulk wine market dynamic in California – significant oversupply coupled with slow casegood demand – has led to very cheap offers emanating from one or two Californian suppliers that may be tempting for international buyers. These are on 2018 vintage wines and older. In addition, the likelihood that it will take more than a single year for the market dynamic in California to radically change should make potential international buyers of Californian bulk wines feel confident that, if they can find attractive prices, they will remain so for some time to come.

Effective 18 October, the US is levying additional import duties on a range of products from European countries in retaliation for EU subsidies to aircraft maker Airbus. Increased levies apply to Spanish, German, French and UK wines "not over 14% alcohol, in containers not over 2 liters". There may be a chance this could help California capitalise on rosé opportunities, now that French bottled imports are more expensive, but in general we doubt the tariff hikes will move the Californian market one way or the other. We are seeing French wineries enquire about bottling bulk wine in the US, considering only bottled wines are impacted by the hike.

Regarding **grape juice concentrate** production, the trend continues for a declining volume of white grapes being crushed for GJC. Pricing on white GJC could weaken due to less overall demand and having some 2018 carryover still available. Volume of red grapes for GJC seemed above average, and there was higher colour intensity. Red GJC pricing appears stable at the moment, with good availability for the wine and food/beverage industries. The GJC market is keeping a close eye on whether or not Canandaigua concentrate will be included in the sale to E&J Gallo of some of Constellation's brands.

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

See next page for more on California.

Key Takeaways

The Central Valley's 2019 harvest is likely to have come in slightly larger in size than 2018's, thanks to an uptick in southern Valley yields versus last year. Quality looks good. With the bulk wine and grape markets continuing to be very slow, there could be very attractive opportunities popping up on California's 2018 and older vintage wines for international buyers – including on Coastal wines. With the market dynamic in California unlikely to change radically any time soon, an affordable Californian wine program can be started with some good long-term confidence.

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California: Current Export Market Pricing (USD per liter)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2018	Generic White	0.85 – 0.99	↔	2018	Generic Red	0.79 – 1.05	↔
2018	Chardonnay	1.20 – 1.59	↔	2017/18	Cabernet Sauvignon	0.99 – 1.85	↓
2018	Pinot Grigio	1.20 – 1.59	↔	2018	Merlot	1.20 – 1.58	↔
2018	Muscat	1.12 – 1.45	↔	2018	Pinot Noir	1.32 – 1.85	↓
2018	White Zinfandel	0.90 – 0.99	↔	2018	Syrah	1.20 – 1.58	↔
2018	Colombard	0.86 – 1.12	↔	2018	Ruby Cabernet	0.92 – 1.05	↔
				2017/18	Zinfandel	1.20 – 1.65	↔

Argentina

Time on target



HARVEST WATCH: *Frost season navigated without incident*

The frost risk has passed in Mendoza without incident and spring temperatures have been warm, with daytime lows of 12-14°C and highs of 22-32°C. Conditions in the vineyards look good, with no problems reported, and there is a hope the 2020 crop will be a good one.

Argentina's bulk wine is receiving a good level of interest from international buyers attracted by the big inventory (of reds particularly), very competitive pricing (the cheapest in the world on generics), wide range (generic, international varietal, Malbec) and high quality levels. We certainly expect the World Bulk Wine Exhibition (WBWE) – in Amsterdam on 2-3 December – to be a busy one for the Argentinian wine business; over 30

Argentinian wineries will be represented, and Ciatti Argentina broker, Eduardo Conill, will be in attendance: contact him using the details below.

Particular interest in Argentinian wine is coming from Australia (on red and white generics), Europe (where 2019 harvests have been short), and China. We are seeing interest from Spanish buyers seeking red and white generics – currently for distilling needs, but this could potentially switch to winemaking needs later on. Such interest comes despite the freight costs and duties involved, highlighting the attractiveness of Argentina's current pricing. Most Canadian buyers took a position earlier in the year; we expect to see Canadian interest return in the new year, perhaps at ProWein. Similarly, interest from South Africa has calmed while buyers ship what they contracted earlier in the year and they assess how the Western Cape's growing season is faring.

See next page for more on Argentina.

Despite the increased interest, Argentina's prices remain stable – and open to negotiation – because inventory remains significant (on red wines at least). Carryover was at 750 million litres as of August. It should be noted that white wines represented only 189 million litres of that figure, and the supply of dry whites is now short: buyers seeking these should get in contact as soon as possible. As the new harvest roves into view, there is the opportunity for deals to be made on 2020 generic whites at current pricing and based on sample approval.

Argentina's bottled wine exports reached 161.7 million litres in the January-October 2019 period, up 3.7% on the equivalent period of prior year, with a 4.5% increase in bottled red wine exports more than offsetting a 0.7% decline in bottled white exports. Bulk wine exports reached 87.1 million litres, up nearly 18% on the 74 million litres exported in the prior year, with a rise in bulk red wine shipments (+136%) easily offsetting a fall in bulk white wine shipments (-40%).

Meanwhile, domestic activity on bulk wine has risen a little in recent weeks as some of the big buyers rundown inventories and seek to top-up, taking advantage of the low pricing.

Alberto Fernández of the populist Justicialist Party was victorious in Argentina's 27 October general election. Fernández will succeed incumbent Mauricio Macri as Argentina's president on 10 December. The Macri government's currency controls remain in place but

the peso is currently trending weaker at approximately ARS62/dollar; dollar reserves are now very low. The provincial Mendoza statehouse was not captured by the populist party, however, and is pressing ahead with assessing what can be done to assist the province's wine industry, subject to the macro economic situation and whatever national policies the country's new government implements. Both Mendoza's vice-governor and economy minister will be in attendance at WBWE on a fact-finding mission. Argentina has been aggressive with their presence at the many bulk trade shows in over the past year.

Key Takeaways

Argentina can offer bulk wines in good volumes at very attractive pricing; the price of its generics is the world's most competitive. International interest is steady and there's been a slight uptick in domestic demand. Buyers seeking generic white wines out of Argentina are recommended to move quickly as remaining inventory of these is not huge; in addition, there is the ability to contract 2020 whites at current prices on a sample approval basis. This year's WBWE is expected to be a busy one for the many Argentinian wineries slated to attend; Ciatti Argentina's Eduardo Conill will be attending – give him a call for the latest on what Argentina has to offer.

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Argentina: Current Market Pricing (USD per liter; FCA Winery)							
Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2018	Generic White (Basic)	0.22 – 0.24	↓	2018	Generic Red	0.25 – 0.30	↓
2018	Generic White (Standard)	0.24 – 0.36	↓	2018	Cabernet Sauvignon	0.50 – 0.60	↓
2018	Muscat	0.30 – 0.35	↓	2018	Merlot	0.45 – 0.55	↓
2018	Torrontes	0.35 – 0.45	↓	2018	Syrah	0.35 – 0.45	↓
2018	Sauvignon Blanc	0.45 – 0.55	↓	2018	Malbec Standard	0.55 – 0.65	↓
2018	Chardonnay	0.45 – 0.55	↓	2018	Malbec Premium	0.70 – 1.00	↓
2018	Bonarda	0.35 – 0.45	↓	2018	Malbec High End	1.00 – 2.50	↓
2018	Tempranillo	0.35 – 0.45	↓				
White Grape Juice Concentrate <i>*Per metric ton in bulk</i>		925.00		Red Grape Juice Concentrate (Color 1,000) <i>*Per metric ton in bulk</i>		1,300.00	

Chile

Time on target



HARVEST WATCH: *Growing season running smoothly since September frosts*

Since the polar front in September, which brought frosts to some areas, the growing season has been running smoothly. The vineyards are currently looking lush and healthy, though the country's ongoing water deficit could be felt later in the season. Very early indications suggest a normal-sized to slightly below normal 2020 crop.

Things are gradually returning to normal in Chile following the widespread civil unrest the country experienced in October and the first half of November. Fare rises on Santiago's underground system in October triggered sometimes violent protests against perceived longstanding inequality and the rising cost of living (such as the tolling of highways, the price and quality of public transport, and public health coverage). President Sebastián Piñera initially declared a State of Emergency and placed major cities under a curfew, but days later, with no sign these measures had dissipated the protests, he lifted the curfew. On 22 October Piñera announced a series of measures to accommodate some of the protesters' demands (including increasing health and drug coverage, a guaranteed minimum income and changes to electricity rates). On 28 October he reshuffled his cabinet, bringing in eight new, moderate faces.

Since 15 November, when – in an historic move – Chile's Congress announced that it would be reforming the country's constitution so that it would “build a true social contract” and be “100% democratic” (and then put it to a referendum in April 2020), things have calmed markedly. The peso, at one stage over CLP800/dollar, has strengthened slightly in recently days to CLP787/peso (as of 20 November).

Strikes – including at the ports – made it difficult to ship and send samples. However, Chilean suppliers did everything they could, taking on the financial risk on their side – including shipping without insurance as Chile's insurance companies claimed force majeure – to ensure their buyers were insulated from problems. Suppliers have been working very closely with buyers and harnessing every possible solution – such as laying on more trucks, for example, or shipping early in the morning – to keep shipments moving. (For example, fresh fruit suppliers were considering trucking their new crop across the Andes to ship from Buenos Aires in neighbouring Argentina, at great expense to themselves, to ensure buyers receive their supply.) As a result, throughout the period of unrest we continued to see shipments moving. Wildfires in the area of the port of Valparaíso – sparked by Chile's persistent drought – could affect some movement. Most of Chile, including Santiago (-76% from the normal in the year to 12 November) and Curicó (-75%), have been continuing to experience a significant rainfall deficit.

Chile exported 646.9 million litre of wine in the first ninth months of 2019, up 4.8% on 617.3 million litres in the equivalent period of 2018. Of this, 269.9 million litres were shipped in bulk, up 15%. This rise in bulk exports more than offset a fall in bottled and packaged wine shipments. China remained out in front as the leading destination for Chilean bulk wine by volume (62.9 million litres, +3%), with the second and third destinations – the US (60.9 million litres, +24%) and the UK (48.9 million litres, +24%) – both taking substantially more Chilean bulk wine than a year earlier. As mentioned last month, bulk exports to Japan have started to decrease (17.4 million litres, -4%) after many years of growth due to the new Japan-EU FTA, which came into force on 1 February this year.

See next page for more on Chile.

Chile's bottled wine exports to China (-3%), the US (-10%) and Japan (-10%) were all down; to the UK they were flat and to Brazil they were up (+9%). The small growth in Chile's bulk wine exports to China, and the decline in its bottled exports there, could be at least partly due to increased competition from Australian wines, which have entered China tariff-free since 1st January. That said, considering Australia's wine exports to China were also down in volume by 16% in the 12 months to 30 September period (see Australia update), a more important factor could be China's economic slowdown.

Key Takeaways

Chile's suppliers went to great lengths – such as taking on the financial risk on their side – to ensure buyers were not inconvenienced by the protests and port strikes that hit the country in October and the first half of November. The unrest has gradually dissipated – especially since 15 November's announcement by the Chilean Congress of a new constitution – and we see shipments moving. Chile's bulk wine shipments were up strongly in January-September 2019, with the US and UK each increasing their take by a substantial 24% on the year before.

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
NV	Generic White	0.50 – 0.60	↑	NV	Generic Red	0.50 – 0.60	↑
2019	Chardonnay	0.76 – 0.85	↔	2019	Cabernet Sauvignon (Basic)	0.72 – 0.80	↔
2019	Sauvignon Blanc	0.73 – 0.85	↔	2019	Cabernet Sauvignon (Varietal Plus)	0.85 – 0.95	↔
2019	Syrah	0.70 – 0.75	↔	2019	Merlot	0.74 – 0.85	↔
2019	Carmenere	0.78 – 0.90	↔	2019	Malbec (Basic)	0.80 – 0.95	↔
2019	Pinot Noir	0.90 – 1.05	↔				

Chilean Export Figures

Wine Export Figures	January 2018 - September 2018			January 2018 - September 2019			Volume
	Million Liters	Million US\$ FOB	Average Price	Million Liters	Million US\$ FOB	Average Price	Variance %
Bottled	362,16	1.174,72	3,24	358,54	1.150,79	3,21	-1,00
Bulk	234,54	240,39	1,02	269,91	257,72	0,95	15,08
Sparkling Wines	2,91	12,41	4,26	3,36	13,51	4,02	15,49
Packed Wines	17,76	32,76	1,84	15,18	27,28	1,80	-14,50
Total	617,37	1.460,29	2,59	646,99	1.449.30	2,50	4,80

France

Time on target



HARVEST WATCH: *Estimated at 42.2 million hectolitres*

September rainfall helped size-up some of the later-ripening varieties in the Languedoc, where Agreste estimates the 2019 crop came in at 11.8 million hectolitres, down 12% on 2018's 12.6 million hectolitres but down only 5% on the five-year average. Agreste estimates France's total harvest came in at 42.2 million hectolitres, down 15% on 2018's bumper harvest and 7% down on the five-year average.

The harvest shortfall this year has not yet generated any excitement on the Languedoc's bulk wine market, except for Chardonnay and all sorts of organic wines. The market kicked-off during the first week of November for white and rosé wines only, as many red wines are still finishing their malolactic fermentation and are not yet ready; some samples of red – mainly Pinot Noir and Merlot – are becoming available in some areas, while the late-ripening varietal reds are still too young to be sampled.

Pricing is still being negotiated, with suppliers offering pretty much last campaign's pricing on rosé and white wines (with the exception of Chardonnay which is seeing a slightly upward price trend) despite the harvest shortfall this time. The price trend on red wines is believed to be following the same pattern but, as a limited amount of sales are being registered, the situation will be clearer by December.

The market is just starting to get underway as most wines are not ready yet; some samples of whites and rosés are becoming available in some areas, while the reds are still fermenting. Pricing is still being negotiated, with suppliers believing they are being helpful to buyers in offering to maintain last campaign's pricing, despite the harvest shortfall this time, but the buyers themselves indicating they want prices in fact to reduce.

This is especially true on the reds. While the white and rosé categories remain dynamic, red wines sales have been gradually slowing in recent years on the domestic and export markets as consumer habits change and, as result, there is a significant level of contracted – but as yet unloaded and unpaid-for – red wine stocks in

French cellars, particularly basic-quality IGP varietal reds. The slowdown in red wine consumption in France is also being compounded by problems in key export markets such as the US (with new tariffs recently imposed on bottled French wines at or below 14% alcohol), the UK (Brexit), and China (economic slowdown there and increased competition). Buyers of reds are consistently being cautious and buying in small batches, little by little.

French consumers are drinking less wine, particularly younger consumers, and to some extent switching from red wine to rosé, which is increasingly becoming seen as an all-year-round drink. That said, many bulk buyers are confident that – despite the overall harvest shortfall in the Languedoc this year – there will be enough rosé to go around, and are currently holding off.

Buyers with immediate needs of specific white or rose wines should move onto the market sooner rather than later. Although the reds are not yet ready, buyers seeking heavier, high alcohol reds (14.1%+) should get in touch soon, too, as demand could be higher this time as exporters to the US seek to send higher alcohol reds to circumvent the new tariffs.

As mentioned last month, due to the harvest shortfall the Languedoc's IGP d'Oc production is likely to be maximised at the expense of the departmental IGP categories – IGP Gard, IGP Aude and IGP Hérault. This in turn will lead to an increase in demand for an alternative to the departmental IGPs – IGP Terres-du-Midi (which allows for the blending of wines between the three Languedoc departments). And in turn, this will likely squeeze supply of Vin de France table reds.

With AOP Bordeaux reds very competitively priced, there remains good volumes of AOP Languedoc, Minervois, Corbières and Costières de Nîmes reds to purchase. The co-operatives are encouraging wineries to produce only the volume of AOP Languedoc reds that they think they can sell – i.e., the volume that they sold during the previous campaign – in a bid to keep carryover levels under control. The rest could be reclassified downward into the IGP category, increasing the volume of Languedoc IGPs.

See next page for more on France.

Key Takeaways

Buyers with immediate needs of specific white or rosé wines should move onto the market as soon as possible – ditto those seeking high alcohol reds (14.1%+), as demand for these could increase as exporters to the US seek to get around the new tariffs. Despite the harvest shortfall in the Languedoc this year, supply of reds is will be good and, when the campaign gets underway, it is expected that buyers will secure reds in small batches little by little or holding off for the moment.

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2019 French Harvest Estimate by Area (AGRESTE, 1st November, unit: 1,000 hectolitres)

Region	5-year Average	2018	2019	2019/18	2019/average
Champagne	2.624	3.417	2.526	-26%	-4%
Bourgogne-Beaujolais	2.403	2.960	1.894	-36%	-21%
Alsace	1.098	1.293	1.022	-21%	-7%
Savoie	114	133	116	-13%	3%
Jura	86	132	60	-54%	-29%
Val de Loire	2.658	3.376	2.373	-30%	-11%
Charentes	8.570	9.933	7.768	-22%	-9%
Sud-Ouest	3.567	3.866	3.448	-11%	-3%
Bordelais	5.437	5.534	5.098	-8%	-6%
Languedoc-Roussillon	12.362	12.659	11.800	-7%	-5%
Corse	332	338	306	-10%	-8%
Sud-Est	5.374	5.084	5.142	1%	-4%

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

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

Spain

Time on target

HARVEST WATCH: *Estimated at 34.3 million hectolitres*

The latest OIV estimate of Spain's 2019 harvest is 34.3 million hectolitres, down 24% from 2018's bumper yield of (an estimated) 44.9 million hectolitres due to a cold, rainy spring and some extreme summer temperatures.

The weather at the end of the harvest was to some extent helpful, with rainfall in September and October helping size-up berries (though it also caused flooding in some areas). As a result, the white grapes were not as impacted by adverse conditions as the reds, though it was difficult for sparkling base and low alcohol degree whites because the summer heatwave sent alcohol degrees rising in all grapes. The rain probably came too late to help the international varieties; it looks like their volumes have significantly suffered.

The market price in Spain has stabilised – insofar as it is no longer rising – but, as most of the French, German and Spanish buyers are well covered until the end of winter and are not currently buying, the new campaign is still getting set up. The future trend on prices is unclear; suppliers have experienced a smaller harvest so their instinct is to remain firm on pricing for the moment, but we do not expect to see any further price increases in the coming months, and time will tell whether or not prices trend downward – there could be a price softening on whites and rosés.

Buyers in need of red wines and international varietal wines, however, are encouraged to commit as soon as possible due to the shortfalls on these wines outlined above. Spain's international varietal wines, traditionally as low as half the price found in France, are currently EURO.10-0.15/litre cheaper than their French equivalents. In addition, low alcohol degree wines (10% alcohol etc) will be difficult to source on the first-hand market at the sort of very attractive pricing buyers are used to. There is also likely to be limited supply of the low-priced traditional fermentation or semi-controlled fermentation white wines as more grapes were channelled into maximising controlled fermentation whites.

Key Takeaways

The market on 2019 wines in Spain is yet to really get underway, with prices stabilising after the short 2019 crop and the big European buyers still working through their inventories for a few more weeks yet. Buyers with immediate need of Spanish red wines, international varietal wines, low alcohol wines and traditional/semi-controlled fermentation white wines are encouraged to get in touch as soon as possible, as Spain's supply of these is reduced this year.

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

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

Italy

Time on target



HARVEST WATCH: *Estimated at 46.6 million hectolitres*

As across the rest of Europe, the wine market in Italy has been quiet in November. Although Italy's 2019 harvest is estimated by OIV to have come in 15% down on 2018's bumper crop, at 46.6 million hectolitres; the big European retailers are resistant to an increase in prices from the very low level they were at on the previous vintage.

This has resulted in many contracts still to be closed and the competition between bottlers is sometimes pushing prices below the cost of production. The sales data on Italy's main products like Prosecco, Primitivo and Pinot Grigio shows demand for them is still growing and production is not in oversupply (bottling of Pinot Grigio DOC increased by 39% compared with 2018), but buyers are holding off for as long as possible in the hope the market will become slightly cheaper.

Good quality sparkling bases are in good demand, so too high-quality red wines. However, due to the late harvest in Italy this year there has consequently been a delay in the sampling and blending process, with most of such activity expected to occur at the end of November. The overall impression of the 2019 vintage quality is that it is generally good, with reds that are significantly better than in 2018, especially the late varietals.

Key Takeaways

Sales of Italy's flagship products – Prosecco, Primitivo and Pinot Grigio – remain strong but the market for the 2019 wines is yet to get fully underway as suppliers seek a rise in prices from the 2018 vintage levels and buyers hold off in the hope the offer prices come down. Good quality sparkling bases and high-quality red wines are in good demand, but the delayed harvest means sampling and blending will take place towards the end of November. Quality looks good.

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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%)	0.37 – 0.44	↑	2019	Generic Red (Alc. 11 - 12%)	0.48 – 0.60	↑
2019	Generic White (Alc. 11 - 12.5%)	0.40 – 0.55	↑	2019	Generic Red (Alc. 13%)	0.65 – 0.80	↑
2019	Organic Generic White (Alc. 10 - 12%)	0.50 – 0.70	↑	2019	Organic Generic Red (Alc. 11 - 13%)	0.80 – 1.20	↑
2019	Varietal Chardonnay (Alc. 11 - 13%)	0.75 – 1.10	↑	2019	Varietal Cabernet Sauvignon (Alc. 12 - 13%)	0.80 – 1.00	↑
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)	0.60 – 0.90	↑	2019	Primitivo IGT Puglia/ Salento (Alc. 12 - 14%)	1.30 – 1.50	↑
2019	DOC Prosecco (Cannot be sold outside of Italy)	1.60 – 1.70	↑	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%)	0.50 – 0.60	↑				

***Bottled Price**

2019 Italian Harvest Estimate by Area (Assoenologi, ISMEA, UIV, 29th August, unit: 1,000 hectolitres)

	2018*	2019	Volume Difference 2019/2018	Var. % 2019/2018
Piemonte	2.905	2.470	-435	-15%
Valle d'Aosta	17	17	0	-15%
Lombardia	1.173	1.200	-513	-30%
Trentino Alto Adige	1.591	1.350	-241	-15%
Veneto	13.413	11.270	-2.143	-16%
Friuli Venezia Giulia	2.167	1.780	-387	-18%
Liguria	46	41	-5	-10%
Emilia-Romagna	9.260	7.410	-1.850	-20%
Toscana	2.335	2.570	235	10%
Umbria	444	340	-104	-24%
Marche	968	820	-148	-15%
Lazio	781	660	-121	-15%
Abruzzo	3.423	3.050	-373	-11%
Molise	239	239	0	0%
Campania	616	580	-36	-6%
Puglia	9.521	8.000	-1.521	-16%
Basilicata	94	85	-9	-10%
Calabria	116	113	-3	-3%
Sicilia	4.701	3.760	-940	-20%
Sardegna	434	380	-54	-13%
Italy	54.783	46.135	-8.648	-16%

* 2018: dato Agea, dichiarazioni di produzione



South Africa

Time on target



HARVEST WATCH: *Good conditions at start of growing season*

The Western Cape's early season growing conditions have been very good thus far. Rainfall in September and October supplemented good precipitation levels through winter – Cape Town dams were at 85% of capacity as of 11 November – and warmer weather is now coming in. There is already some fruit set and the growers are happy with what they are seeing.

There have been some plantings carried out this year – particularly in the Breede River and Robertson areas – but, as mentioned in previous reports, rootstock has been hard to come by in South Africa and many growers will wait until next year to plant. Although planting levels are – currently – below where they need to be to keep yields at a consistent level moving forward, the outlook seems positive because of the widespread intention to plant when more rootstock does become available.

Remaining 2019 wines continue to become available on South Africa's bulk market, international varieties and – increasingly – generics. Rand pricing is stable but is potentially open to negotiation should a buyer be able to offer quick removal and shipping terms. The varietal wines, at least, are competitively priced versus the world.

Market activity in the Western Cape is slow – both domestic and international interest – and mainly consists of buyers with specific South African portfolios and tenders to fulfil. The rest of the buyers have essentially postponed the discussion about South African wine – both on the 2019 carryover and the coming 2020 vintage – while they first ascertain

what sales are like on retail shelves, what is going on regarding bulk wine's availability and pricing in their respective home markets and/or global prices and volumes. We encourage South Africa's suppliers to work hard to build relationships with their international buyers moving forward, in order to keep Western Cape wines on buyers' radars following two short years.

Although the slow activity in South Africa is not a big concern for many Western Cape wineries, considering the low stock levels following two successive short harvests in 2018 and 2019, wineries that find themselves with larger inventories are more concerned – and what happens when harvests in the Western Cape return to more normal sizes? Suppliers and potential buyers of Western Cape wines are encouraged to get in touch with Ciatti to get the most up-to-date information on availability and demand.

Shipping for the domestic (-6%) and export (-23%) markets continues but at a slower rate than in the previous year, as outlined last month. Consumer spending has slowed dramatically in South Africa as the cost of living – such as water and energy bills – rise dramatically. (News surrounding South Africa's troubled energy supplier Eskom saw the Rand weaken out to ZAR15.10/dollar and ZAR16.90/euro on 31 October, before it strengthened again to ZAR14.80/dollar and ZAR16.40/euro by 11 November). Consumers feeling the pinch are switching to cheaper alternatives to wine, such as beer.

On the export front, a good yardstick is the annual Tariff Rate Quota (TRQ) that South African wines enjoy with the EU; in previous years this quota was maxed-out by 1 September, but in 2019 it took until the second half of October.

See next page for more on South Africa.

Key Takeaways

Wine is continuing to pop up on the Western Cape's bulk wine market – varietal and generic – with Rand pricing stable but open to negotiation should buyers be able to offer quick loading. The market remains quiet as domestic and international bulk wine buyers assess retail sales levels, global availability and prices, and how the early growing season fares in the Cape. Opportunities can arise and get snapped-up quickly: contact Ciatti for the very latest information on supply and demand.

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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	Dry White	7.30 – 8.00	↑	2019	Generic Red	9.00 – 9.50	↑
2019	Chardonnay	10.50 – 11.50	↑	2019	Cabernet Sauvignon	11.00 – 13.00	↔
2019	Sauvignon Blanc	10.00 – 12.00	↔	2019	Ruby Cabernet	9.00 – 10.00	↑
2019	Chenin Blanc	8.20 – 8.80	↑	2019	Merlot	11.00 – 12.50	↔
2019	Colombard	7.50 – 8.00	↑	2019	Pinotage	10.50 – 11.50	↑
2019	Muscat	7.80 – 8.50	↔	2019	Shiraz	11.00 – 12.50	↑
2019	Generic Rosé	7.50 – 8.00	↑	2019	Cinsaut Rose	8.60 – 9.00	↑
2019	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

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Australia & New Zealand

Time on target



HARVEST WATCH: *Severe hailstorm in South Australia's Riverland*

The value of Australia's wine exports reached a record AUD2.89 billion in the 12 months from 1 October 2018 to 30 September 2019, according to the latest WEAR report from Wine Australia. This was an increase of 7% over the prior year and driven by the strong performance (+18% to AUD1.2 billion) of wine exports to China, making it Australian wine's most valuable market.

In fact, Australia is now the number one country of origin for imported wine – by value – into China, surpassing France to take top spot. The leading country of origin by volume is Chile, but most of its imports have been in bulk and its overall value of USD2.19/litre is half as much as Australia's USD5.54/litre.

The second most valuable market for Australian wines, the US, took AUD436 million in the 12 months to September, up 3% on the year before. At the same time, volumes to the US fell by 9% to 146 million litres, so that there was a 13% increase in the average value to AUD2.97/litre FOB. In fact, exports to the US with an average value of AUD10 and above surged by 20% in value to AUD47 million, the highest value since 2009.

The value of shipments to the UK, Australia's third-largest market in value terms, dropped by 4% to AUD365 million; volumes fell 2% to 25.8 million cases. Of the top ten markets for Australian wine, Germany saw the biggest decline in terms of value (-12% to AUD49 million), while sales to Japan were down by 7% to AUD51 million and to Canada down by 6% to AUD188 million. Exports to the Netherlands, however, rose 17% in value to reach AUD44 million.

In terms of volume, Australia's wine exports fell 8% to 774 million litres (86 million 9-litre case equivalents). With the simultaneous value increase, the average value increased by 16% to AUD3.74/litre, the highest level

since 2008. The value of exports of unpackaged wine, meanwhile, were down 3% to AUD512 million. Volumes declined by 10%. The average value of unpackaged wine thus increased – by 9% to AUD1.22/litre FOB, the highest level since 2009.

Back home, farmers in South Australia's Riverland fear they will not survive another year if water prices continue to skyrocket: temporary water prices in areas of the Murray-Darling Basin below the Barmah Choke – or 'Zone 7' – spiked to over AUD950/megalitre. In addition, the Riverland was hit by a freak storm that caused widespread hail damage on 4 November. Early estimates of the hailstorm's economic impact suggest upwards of AUD100 million. Riverland growers are still counting the cost, with a detailed estimate expected in coming weeks.

Growth in Australian wine exports by value (1 October 2018 - 30 September 2019)

Northeast Asia	+17%	AUD1.34 billion
North America	+0.1%	AUD625 million
Southeast Asia	+5%	AUD179 million
Oceania	+1%	AUD106 million
Middle East	+16%	AUD35 million



(1 October 2018 - 30 September 2019)
Source: Wine Australia

See next page for more.

Meanwhile, in **New Zealand**, Appellation Marlborough Wine (AMW) – a new wine appellation certification founded in 2018 and designed to protect the reputation of Marlborough wine, specifically Marlborough Sauvignon Blanc – has announced that it is now legally trademarked globally, including in key wine markets of North America, Europe and Asia. AMW said it “strives to protect the integrity of Marlborough wine by addressing critical factors including quality and authenticity in grape-growing and winemaking using fruit from Marlborough”.

AMW clarified that wineries can gain certification to carry the AMW logo on their labels “if their grapes are 100% grown in Marlborough, from vineyards certified by Sustainable Winegrowing New Zealand, the wine is bottled in New Zealand, and made from grapes cropped at or below set parameters, established according to soil type and vine density variability”.

The first round of trophies has been announced in the 2019 New Zealand Wine of the Year competition and the winner of ‘Best Wine – Marlborough’ was not in fact a Sauvignon Blanc but a 2018 Wild Barrique Chardonnay from Isabel Estate Winery. The winner of the ‘Champion Sauvignon Blanc’ category was a 2019 Sauvignon Blanc from Seifried Estate, Nelson, while a 2018 Thornbury Pinot Noir from Central Otago won the ‘Champion Pinot Noir’ category. The Marlborough region was victorious in the Pinot Gris, Riesling, Chardonnay, and rosé categories, while Hawke’s Bay took the ‘Champion Merlot, Cabernet & Blends’ category with a 2018 Saint Clair Pioneer Block 17 Plateau Cabernet Merlot.

Key Takeaways

Australia’s wine exports to China continue to grow strongly in value, reaching a record high in the 12 months to September 2019; Australia is now the leading country of origin for imported wine – by value – into China, surpassing France. The average value of Australia’s total unpackaged wine exports, meanwhile, increased 9% to AUD1.22/litre FOB, the highest level since 2009. Water prices continue to surge in South Australia’s Riverland; growers in the region are also counting the cost of a severe hailstorm on 4 November. New Zealand’s new wine appellation certification – Appellation Marlborough Wine – is now legally trademarked in key export markets in North America, Europe and Asia.

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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	0.90 – 1.05	↓	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



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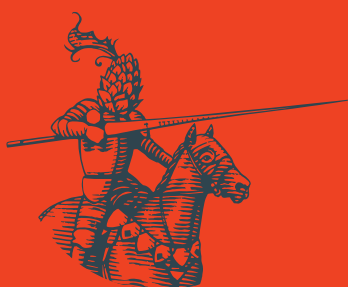
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Export Pricing: USD per liter

Currency Conversion Rates as of November 18, 2019

Argentina (Pricing in bulk; FCA)											
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2018	Generic White (Criolla)	0.22	-	0.24	↓	2018	Generic Red	0.25	-	0.30	↓
2018	Generic White Standard	0.24	-	0.36	↓	2018	Cabernet Sauvignon	0.50	-	0.60	↓
2018	Muscat	0.30	-	0.35	↓	2018	Merlot	0.45	-	0.55	↓
2018	Torrontes	0.35	-	0.45	↓	2018	Syrah	0.35	-	0.45	↓
2018	Sauvignon Blanc	0.45	-	0.55	↓	2018	Malbec Standard	0.55	-	0.65	↓
2018	Chardonnay	0.45	-	0.55	↓	2018	Malbec Premium	0.70	-	1.05	↓
2018	Bonarda	0.35	-	0.45	↓	2018	Malbec High End	1.00	-	2.50	↓
2018	Tempranillo	0.35	-	0.45	↓						

Australia & New Zealand (Pricing in bulk; FCA)						AUD Rate: 0.681824 / NZD Rate: 0.640633					
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Dry White	0.58	-	0.65	↔	NV	Dry Red	0.82	-	0.92	↑
2019	Chardonnay	0.61	-	0.72	↓	2019	Cabernet Sauvignon	1.02	-	1.13	↔
2019	Sauvignon Blanc	0.78	-	0.89	↔	2019	Merlot	1.02	-	1.13	↔
2019	Pinot Gris	0.82	-	0.95	↔	2019	Shiraz	1.02	-	1.13	↔
2019	NZ Marlborough SB	2.50	-	2.72	↑	2019	Muscat	0.61	-	0.68	↑

California (Pricing in bulk; FCA)											
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2018	Generic White	0.85	-	0.99	↔	2018	Generic Red	0.79	-	1.05	↔
2018	Chardonnay	1.20	-	1.59	↔	2017/2018	Cabernet Sauvignon	0.99	-	1.85	↓
2018	Pinot Grigio	1.20	-	1.59	↔	2018	Merlot	1.20	-	1.58	↔
2018	Muscat	1.12	-	1.45	↔	2018	Pinot Noir	1.32	-	1.85	↓
2018	White Zinfandel	0.90	-	0.99	↔	2018	Syrah	1.20	-	1.58	↔
2018	Colombard	0.86	-	1.12	↔	2018	Ruby Cabernet	0.92	-	1.05	↔
						2017/2018	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	0.50	-	0.60	↑
2019	Chardonnay	0.76	-	0.85	↔	2019	Cabernet Sauvignon (Basic)	0.72	-	0.80	↔
2019	Sauvignon Blanc	0.73	-	0.85	↔	2019	Cabernet Sauvignon (Varietal Plus)	0.85	-	0.95	↔
2019	Syrah	0.70	-	0.75	↔	2019	Merlot	0.74	-	0.85	↔
2019	Carmenere	0.78	-	0.90	↔	2019	Malbec	0.80	-	0.95	↔
2019	Pinot Noir	0.90	-	1.05	↔						

France (Estimated Pricing in bulk; Ex-Winery)										Rate: 1.107995	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2018	Generic White	0.66	-	0.78	↔	2018	Generic Red	0.72	-	0.89	↔
2018	Chardonnay IGP	1.05	-	1.22	↔	2018	Cabernet Sauvignon IGP	1.00	-	1.22	↔
2018	Chardonnay VDF	1.00	-	1.16	↔	2018	Cabernet Sauvignon VDF	0.94	-	1.00	↔
2018	Sauvignon Blanc IGP	1.05	-	1.22	↔	2018	Merlot IGP	0.94	-	1.11	↔
2018	Sauvignon Blanc VDF	1.00	-	1.11	↔	2018	Merlot VDF	0.89	-	0.94	↔
2018	Generic Rosé IGP	1.00	-	1.11	↔	2018	Red Syrah / Grenache IGP	0.94	-	1.11	↔
2018	Generic Rosé VDF	0.83	-	1.00	↔	2018	Varietal Rosé IGP	1.00	-	1.33	↔

Italy (Pricing in bulk; Ex-Winery)										Rate: 1.107995	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2019	Generic White (Alc. 9 - 10%)	0.41	-	0.49	↑	2019	Generic Red (Alc. 11 - 12%)	0.53	-	0.66	↑
2019	Generic White (Alc. 11 - 12.5%)	0.44	-	0.61	↑	2019	Generic Red (Alc. 13%)	0.72	-	0.89	↑
2019	Organic Generic White (Alc. 10 - 12%)	0.55	-	0.78	↑	2019	Organic Generic Red (Alc. 11 - 13%)	0.89	-	1.33	↑
2019	Varietal Chardonnay (Alc. 11 - 13%)	0.83	-	1.22	↑	2019	Varietal Cabernet Sauvignon (Alc. 12 - 13%)	0.89	-	1.11	↑
2019	Organic Pinot Grigio (Alc. 12%)	1.33	-	1.88	↑	2019	Varietal Merlot (Alc. 12 - 13%)	0.83	-	1.11	↑
2018	DOC Pinot Grigio delle Venezie	0.94	-	1.16	↔ ↑	2019	Varietal Syrah (Alc. 12 - 13%)	0.83	-	1.11	↔
2019	Pinot Grigio IGT (Different Regions)	1.00	-	1.22	↑	2019	Rossissimo (Alc. 12.5%)	1.16	-	1.33	↑
2019	Pinot Grigio IGT (Blends)	0.66	-	1.00	↑	2019	Primitivo IGT Puglia/ Salento (Alc. 12 - 14%)	1.44	-	1.66	↑
2019	DOC Prosecco (Cannot be sold outside of Italy)	1.77	-	1.88	↑	2019	Sangiovese IGT (Alc. 11.50 - 13%)	0.66	-	0.89	↑
2019	Soave or Garganega DOC	1.05	-	1.22	↑	2019	Chianti*	2.22	-	2.49*	↔
2019	Trebbiano IGT (Alc. 10.5 - 12%)	0.55	-	0.66	↑						

**Bottled Price*

South Africa (Pricing in bulk; FOB Cape Town)										Rate: 0.067589	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2019	Generic White	0.49	-	0.54	↑	2019	Generic Red	0.61	-	0.64	↑
2019	Chardonnay	0.71	-	0.78	↑	2019	Cabernet Sauvignon	0.74	-	0.88	↔
2019	Sauvignon Blanc	0.68	-	0.81	↔	2019	Ruby Cabernet	0.61	-	0.68	↑
2019	Chenin Blanc	0.55	-	0.59	↑	2019	Merlot	0.74	-	0.84	↔
2019	Colombard	0.51	-	0.54	↑	2019	Pinotage	0.71	-	0.78	↑
2019	Muscat	0.53	-	0.57	↔	2019	Shiraz	0.74	-	0.84	↑
2019	Generic Rosé	0.51	-	0.54	↑	2019	Cinsaut	0.58	-	0.61	↑
2019	Cultivar Rosé	0.58	-	0.61	↔						

Spain (Pricing in bulk; Ex-Winery)										Rate: 1.107995	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2018	Generic White	0.33	-	0.44	↑	2018	Generic Red	0.44	-	0.55	↑
2018	White Blends (Higher Quality)	0.44	-	0.61	↑	2018	Generic Red (Higher Quality)	0.55	-	0.66	↑
2018	Sauvignon Blanc	0.83	-	0.89	↑	2018	Cabernet Sauvignon	0.66	-	0.83	↑
2018	Chardonnay	0.89	-	1.00	↑	2018	Merlot	0.72	-	0.83	↑
2018	Generic Rosé	0.39	-	0.50	↑	2018	Syrah	0.66	-	0.83	↑
2018	Varietal Rosé	0.55	-	0.66	↑	2018	Moscatel	0.55	-	0.66	↑



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