



Global Market Report

October 2020
Volume 11, Issue No. 10

**Ciatti Global Wine
& Grape Brokers**

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October 2020

Volume 11, Issue No. 10

- 3 California
- 4 Argentina
- 6 Chile
- 8 France
- 10 Spain
- 11 Italy
- 13 South Africa
- 14 Australia
- 15 New Zealand
- 16 COVID-era Wine Trends Report
- 18 Structan – a smoke taint solution
- 20 USD Pricing
- 23 Contacts

Reading online?
Use the links above
to jump through this
document.

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Europe's harvests are drawing to a close and the crops appear average-sized in France (45 million hectolitres) and Spain (45-47 million hectolitres), and in line with the average or slightly lighter in Italy depending on area. California's yields are approximately 10-30% down on an average year, before rejections due to wildfire smoke exposure – a problem mainly in the Coastal areas – are taken into account.

Europe's average-sized crops – combined with emergency distillation plans having removed some, but by no means all, inventory – means adequate availability on most wines, with the odd exception (southern French Chardonnay, for example, is tight, and reportedly suffered most from mildew this vintage). Spanish prices trended downward throughout the 2019/20 buying campaign and – although they have since stabilised while foreign and domestic crops are assessed – the likelihood is that Spanish pricing will be in the discussion should buyers of Californian wines need alternatives and are unable to find them in South America.

Afterall, Chile's 2020 Sauvignon Blanc, Chardonnay, dry white and Pinot Noir is sold out or close to being so; the corresponding 2021 grapes have risen in price accordingly. Demand has also reduced Argentina's white wine inventory substantially and prices are now firming up. There is a risk that many wines across South America – particularly the whites – get sold out before the new 2021 vintage is ready. (A polar wave brought a serious frost to the growing areas of both countries at the start of October – damage assessments are still being carried out.) Australia's 2020 entry-level varietal white wines and dry whites, meanwhile, are close to being sold out. A common theme across the world, then, is the low white wine availability, at least compared to red (symptomatic of the global red-white hectare ratio and the decline in Chinese demand). Spain and South Africa currently look best-placed to profit from this, possessing as they do large volumes of white wines at highly attractive pricing.

Buyers are now assessing the Northern Hemisphere harvests, the Southern Hemisphere's springs, analysing their sales data and having to make careful judgements about future consumer demand: COVID-19 is still with us, so too the attendant boom in off-trade sales across key markets, but will these linked phenomenons decouple as consumers start to feel the economic consequences of virus measures? Our report into COVID-era wine sales this month suggests bulk wine (at least large, national/international brands) could benefit from more conservative, at-home drinking choices, but nothing is certain. So it's left to buyers to walk the tightrope: proceed cautiously, but at the same time not miss out on the price/quality opportunities that do exist in the world right now. Read on for more, and don't hesitate to get in touch for the very latest opportunities.

Robert Selby

California

Time on target



HARVEST WATCH: *Complete in the Valley; 10-20% lighter*

The 2020 harvest in California's Central Valley should be finished any day now, with picking in Lodi expected to be over by around 15 October. Timing could be said to be slightly earlier this year, though five consecutive days of 110°F+ temperatures at the start of September and – in some areas on some varieties – the presence of layers of smoke from the state's wildfires stalled Brix rises and slowed picking towards the end.



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As across the state, yield in the Central Valley is estimated to have come in 10-20% lighter than the average. The Valley's crop potential has looked lighter throughout the growing season and this lighter estimate does not include the impact of smoke exposure because it has been much less of a concern in this region – and in the southern Valley in particular – than on the Coast. The Valley has seen very few rejections of grapes because of smoke exposure concerns.

The proliferation of wildfires from August onward triggered dramatic activity on California's 2018/2019 bulk inventory, mainly from buyers with large, nationwide brands in the US off-premise channel where wine sales have continued strongly since the pandemic struck in March (up 19.7% in the 17 weeks to 12 September versus the same period of 2019). California's inventory has significantly reduced in the past two months and bulk wine prices have risen across the board – on Central Valley wines as well as Coastal.

That said, as most of the buying is for the off-premise channel, there is likely a limit to how high prices can go. In addition, the price increases are more marked in the Coast and the old Coastal/California price division last seen two years ago has returned. We do not know if current pricing is sustainable and whether or not it will transfer across to the 2020 vintage. Southern Central Valley export pricing could rise should buyers who normally source bulk from other areas of the state begin to prospect the region.

There have been some tentative preliminary enquiries made into 2021 Central Valley fruit, perhaps a reflection of the 2020 crop coming in lighter and bulk inventory being far shorter now than six months ago.

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 2020 harvest is essentially complete and yields are approximately 10-20% down on the average, depending on area. This lighter yield estimate is not due to smoke: the Valley has seen very few rejections of grapes because of smoke exposure concerns. The burst of activity on the state's 2018/19 bulk inventory, induced by the wildfires, has upped prices across the board. Increases have been less marked in the Valley but there could be upward price pressure on the southern Valley's export prices if domestic demand moves into the region.

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California: Current Export Market Pricing (USD per liter)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2019	Generic White	0.90 – 0.99	↔	2018/19	Generic Red	0.79 – 1.05	↔
2019	Chardonnay	1.25 – 1.59	↔	2018/19	Cabernet Sauvignon	1.09 – 1.85	↔
2019	Pinot Grigio	1.25 – 1.59	↔	2018/19	Merlot	1.12 – 1.38	↔
2019	Muscat	1.10 – 1.45	↔	2018/19	Pinot Noir	1.40 – 1.85	↔
2019	White Zinfandel	0.94 – 1.00	↔	2018/19	Syrah	1.09 – 1.58	↔
2019	Colombard	0.95 – 1.00	↔	2018/19	Ruby Cabernet	0.97 – 1.10	↔
				2018/19	Zinfandel	1.20 – 1.65	↔

Argentina

Time on target



HARVEST WATCH: *Frost incident at October's start; impact being assessed*

Activity around Argentina's highly competitive bulk wine offer is continuing, both domestically and for export. Buyers from around the world – including Australia, China, Canada, the US and UK, and Scandinavia – are being drawn by a very attractive price-quality ratio, and more are expected to commit once the Northern Hemisphere harvest picture is clearer.

Argentina is keeping a watchful eye on the size of Europe's harvests and also on California's smoke-taint issues. There is an expectation that some further North American buyers will move onto the Argentinian market once the Californian harvest is assessed, and with the peso currently at ARS76-80/dollar – a slight weakening from the ARS73-74/dollar of recent months due to the imposition of stricter currency controls in September – the country can offer highly attractive pricing. (The unofficial 'blue dollar' is currently at approximately ARS145/dollar.) When will Argentina's economic woes lead to another peso devaluation? This remains unknown; buyers are recommended to make

See next page for more on Argentina.

their moves sooner rather than later while the price-quality ratio is in such a sweet spot.

Argentina's plentiful supply allowed the overall quality of its wines to rise. Malbec's quality was boosted by new vineyards and improved techniques; plus, with availability good, blending has not been required. This freed-up more Bonarda for generic reds, in turn boosting generic red colour points. In addition, Malbec availability has been enlarged by high-end wines that usually supply the on-trade being diverted into bulk instead. Strong domestic and international demand for Malbec had led to some price firming on the standard quality.

In contrast to the situation on the reds, there is a low inventory on the white wines – generic whites as well as the varietals including Chardonnay – and a shortness of **grape juice concentrate**. Prices on these are thus firming.

As around the world, with fewer on-trade visits being made and discretionary spending on other things (such

as holidays) paused, wine sales in Argentina's off-trade have grown strongly in recent months. Although Argentina's economic situation remains parlous, government-imposed freezes on energy and other bills have freed-up some extra discretionary spend for consumers. Consequently, bottling for domestic business – just like bottling for export – has been moving forward apace. Speculation on a currency devaluation is hurting Argentina's economy, as suppliers in many industries sit on their product. This is affecting the dry goods side of the wine business. Inflation remains steady at around 40-45%.

Spring is now well-established in the growing areas, with warming Zonda winds bringing higher temperatures from the second half of September onward. The first weekend of October, however, brought a frost episode to most growing areas; the impact has been variable and is still being assessed, but it is likely to have an effect on the final 2021 volumes. Warmer temperatures subsequently returned, with highs in the mid-20°Cs and lows of 9-10°C. Frost remains a risk until November.

Key Takeaways

Argentina offers a highly attractive price-quality ratio on all wines and, consequently, is attracting strong international interest. International and domestic demand for Argentinian Malbec is firming up the price on the standard quality, while inventory is low on all white wines including the varietals; grape juice concentrate is in short supply. The peso this past month weakened further – to AR\$76-80/ dollar – and a devaluation is expected; exactly when remains a big unknown. October brought a frost episode to Mendoza and the extent of the damage is yet to be established, but it is thought likely to have an impact on final 2021 volumes.

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Argentina: Current Market Pricing (USD per liter; FCA Winery)							
Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2020	Generic White (Basic)	0.30 – 0.35	↑	2019/20	Generic Red	0.30 – 0.35	↑
2020	Generic White (Standard)	0.33 – 0.38	↑	2019/20	Cabernet Sauvignon	0.50 – 0.60	↔
2020	Muscat	0.33 – 0.38	↑	2019/20	Merlot	0.45 – 0.55	↔
2020	Torrontes	0.40 – 0.45	↑	2019/20	Syrah	0.35 – 0.45	↔
2020	Sauvignon Blanc	0.50 – 0.60	↑	2019/20	Malbec Standard	0.55 – 0.65	↑
2020	Chardonnay	0.50 – 0.60	↑	2019/20	Malbec Premium	0.70 – 1.00	↔
2019/20	Bonarda	0.35 – 0.45	↔	2019/20	Malbec High End	1.00 – 2.50	↔
				2019/20	Tempranillo	0.35 – 0.45	↔
White Grape Juice Concentrate *Per metric ton in bulk		1,100.00	↑	Red Grape Juice Concentrate (Color 1,000) *Per metric ton in bulk		1,300.00	

Chile

Time on target



HARVEST WATCH: *October brought a frost to specific areas*

The high levels of activity on Chile's bulk market in recent months reduced in the second half of September. However, demand has since picked up again in recent days: some extra 2020 volumes are getting contracted (likely a reflection of continued strong off-premise sales domestically and internationally) but, mainly, enquiries are being made into 2021 wines (as some of the 2020 varieties are now sold out).

The off-premise sales boom since March in key markets such as the US, Canada and the UK created strong activity levels in recent months but, understandably, due to COVID-19 uncertainty, deals made were often conservative volume-wise. But with off-premise sales continuing to be strong, and Chile's bulk wine prices having trended upward as supply has diminished, buyers are now seeking to top-up their volumes to cover themselves until the 2021 vintage is ready.

However, with 2020 supply greatly reduced, most discussion is around potential 2021 prices and volumes. This is particularly true on Sauvignon Blanc, Chardonnay, dry white and Pinot Noir as these varieties are currently sold out or close to being so. Prices on the corresponding 2021 grapes for these wines have increased accordingly – mainly on Sauvignon Blanc and Pinot Noir – but, with the expectation that prices will continue to rise, growers are not committing to deals at this stage. As grape prices remain uncertain, wineries are wary of agreeing wine contracts with buyers.

With Chinese demand highly muted this year, Chile's red wines are experiencing less demand pressure

overall than the whites and volumes of 2020 Cabernet and Merlot remain available, albeit with prices continuing to rise. Prices on 2021 Cabernet and Merlot grapes are approximately in line with those for the 2020 grapes.

A potential source of further upward price pressure on 2021 grapes is frost concern. Although temperatures in Chile have been rising in recent weeks, a polar wave from the Antarctic brought a severe frost to some growing areas during the first weekend of October. This episode was not quite as severe as the one experienced this time last year, its impact being mainly restricted to specific areas – Casablanca (the premium Sauvignon Blanc and Pinot Noir area) and some areas of the Central Valley, especially Colchagua in the mid-part of the Valley.

In addition, another meteorological incident – the wildfires in California, together with the 10-30% lighter yield expected there – is creating the idea that there will be increased North American interest in Chile's bulk offer. This remains to be seen, especially as – at this stage – it seems to be California's appellation-focused premium Coastal areas that have been most affected by smoke exposure. California's bruising wildfire season this year is also raising fears of similar scenes during the Chilean summer. Water reserves are currently good; if there is a shortage, it will be felt at the end of the summer or next growing season.

The Chilean peso has weakened against the US dollar in recent weeks, averaging CLP792/dollar in the first few days of October and nearing the CLP800/dollar mark by the 9th of the month. The referendum on the country's new constitution, going ahead on the 25th October, is proving a focal point for civil unrest in certain areas. The referendum is expected to be decided in favor of the adoption of a new constitution.

See next page for more on Chile.

Good domestic demand levels – thanks to strong off-premise sales – are now being assisted by the widespread re-opening of Chile's on-premise channel. Restaurants and terraces have opened in time for the spring/summer season and are already receiving high footfall levels.

Chile's latest export data shows a robust performance in January through August: total wine export volumes were down only 2.35% versus the first eight months of

2019, despite COVID-19 uncertainty and very limited Chinese demand. Indeed, bottled exports were down only 1.62%, from 320 to 315 million litres, suggesting that, while the premium end of the bottled wine offer has been struggling greatly, bottled wines able to be sold at the 'entry to premium' sweet spot in the off-premise channel – domestically and abroad – are getting shipped.

Key Takeaways

Activity has risen again on Chile's bulk market: buyers are topping-up volumes while strong off-premise demand is ongoing and Chile's bulk prices continue to rise. But with many of Chile's 2020 wines now sold out, especially the whites, most of new activity is enquiries into 2021 wines. As 2021 grape prices are rising on the most-demanded varieties – Sauvignon Blanc, Chardonnay, Pinot Noir and also dry whites – wineries are wary of committing to wine contracts with buyers at this stage. Chile's 2020 reds (apart from Pinot Noir) remain available; it is possible to secure 2021 Cabernet and Merlot grapes at near to their 2020 prices. A recent frost – mainly impacting Casablanca and Colchagua – places a further upward price pressure on remaining 2020 wines and 2021 grapes.

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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	0.48 – 0.60	↔
2019/20	Chardonnay	0.85 – 0.95	↑	2019/20	Cabernet Sauvignon (Basic)	0.65 – 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)	0.90 – 1.15	↔
2019/20	Pinot Noir	0.95 – 1.15	↔				

Chilean Export Figures

Wine Export Figures	January 2019 - August 2019			January 2020 - August 2020			Volume
	Million Liters	Million US\$ FOB	Average Price	Million Liters	Million US\$ FOB	Average Price	Variance %
Bottled	320,24	1.037,83	3,24	315,04	966,40	3,07	-1,62
Bulk	247,23	238,32	0,96	235,14	196,15	0,83	-4,89
Sparkling Wines	2,84	11,45	4,03	2,09	9,04	4,32	-26,44
Packed Wines	13,51	24,32	1,80	17,83	30,88	1,73	31,96
Total	583,83	1.311,92	2,51	570,10	1.202,46	2,49	-2,35



France

Time on target



HARVEST WATCH: *Estimated at 44.9 mhl; average-plus in Languedoc*

The Languedoc's 2020 harvest is now complete. The picking period ran smoothly, weather-wise, though a forecast for rain in the final days sped up picking towards the end. On 8 September Agreste forecast the total French crop at 44.9 million hectolitres, around 6-7% up on the 2019 crop and in-line with the five-year average, with drought-affected yields in northern France being offset by good-sized crops in the south: the Languedoc's crush is estimated to have come in average-plus at close to 13 million hectolitres.

There will thus be good availability in the Languedoc – and southern France in general – on all 2020 wines except for Chardonnay, which suffered most from mildew, frost and drought. Chardonnay is balanced in terms of supply-demand and activity on it will kick-off the buying campaign once the wines are ready to taste in the coming days. Buyers requiring French Chardonnay should see to their needs now – some suppliers are reporting that their 2020 Chardonnay is already sold out and inventory by December is likely to be significantly shorter than it was 12 months before.

Activity on all other wines is proceeding at a normal, unhurried pace, with samples being requested. Due to the Covid-19 uncertainty at home and abroad, prospective buyers are carefully analysing retail sales data and calculating their sales projections before starting to acquire wines. Chardonnay prices are not expected to fall, due to demand, but prices on all other wines are expected to soften gradually, with entry-level wines softening most.

Organic Chardonnay, like standard Chardonnay, is almost fully contracted already, but the Languedoc's good-sized crop should boost availability of organic Sauvignon Blanc and the other organic varieties (red and white), as well as organic rosé. The output of organic

reds will have been further boosted by a new tranche of organic red production coming on-line this vintage. We expect to see pricing remain stable on organic white varieties – especially Chardonnay – and soften on the reds and rosés.

A product experiencing good demand is heavier Languedoc rosé for the US market. This is rosé made at 14%+ alcohol (advances in technology and expertise make this attainable while retaining the quality) to avoid the 25% tariff that the US has imposed on French (and Spanish, German and UK) wine imports that are “not over 14% alcohol”. We expect pricing to soften slightly on the standard-strength Languedoc rosés; pricing on the entry-level wines will soften most while the best qualities will remain stable.

Over in the **South West**, drought constrained yield: it is estimated to be up 1% on last year but down 4% on the five-year average. Chardonnay and Sauvignon Blanc yields are said to be similar to, or slightly below, their 2019 outputs, while aromatic Colombard and Ugni Blanc volumes are apparently more significantly down. Pricing on the South West's Chardonnay, Sauvignon Blanc and aromatic Colombard will be the same as prior vintage. Pricing on the South West's generic whites remain unclear, sensitive as it is to Spanish competition.

The crop is **Provence**, meanwhile, is forecast to be 6% down on the average due to spring frosts; inventory is balanced. Consequently, pricing there has stabilised after trending down for a time.

There is international demand for quotes on Languedoc Vin de France red, but the exact production figure for these wines – and thus their pricing – is unlikely to be known until December. In addition, an unknown factor is how much Cabernet, Merlot and generic red production in **Bordeaux** – believed to have had a 2020 crop in line with the five-year average – will be declared as Vin de France. (The region has been battling a significant slowdown in Chinese demand for its AOP reds.) How Bordeaux allocates its AOP/Vin de France

See next page for more on France.

supply, and what prices it quotes, could set the price for Vin de France table red across southern France. The country's Emergency Distillation Plan – the second half of which got underway from 1 October with suppliers able to send more of their remaining inventory to distillers – has set a price floor for table wines at EURO.58-0.68/litre.

In short, France will have Vin de France table wine but the market for it is yet to be established. The supposition is that southern French Vin de France prices will be more competitive than last year, including on Sauvignon Blanc.

Wine sales in the domestic market are down due to Covid-19 but not as much as feared – sales in the off-trade have held up well, while the on-trade was open across France in some capacity throughout the summer months. There are fears local lockdowns – involving on-trade closures – could proliferate in winter should virus cases, as expected, grow. In addition, the 25% US import tariffs on French wines is expected to continue for another year or so at least. This indifferent outlook means many suppliers are seeking to maintain their prices and replicate last campaign's deals.

Key Takeaways

Following a 2020 French crop in line with the long-term average, wine supply in southern France will be sufficient enough to meet buyers' needs and prices are expected to soften. The exceptions are standard and organic Chardonnay (which saw good demand in the previous campaign and then experienced a disappointing 2020 crop) and 14%+ alcohol rosé (demand for which has risen as it negates the US import tariffs on certain European wines). Buyers of either of these items are recommended to move onto the market sooner rather than later. The Vin de France table wine price is yet to be established and could be affected by Bordeaux depending on how much Vin de France wines the region declares following slow sales of its AOPs.

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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: *On course for average to average-plus in size*

Spain's 2020 harvest is coming to a close without incident: while there had been reports of a significantly reduced crop this year, down as low as 40 million hectolitres, more recent expectations are for an average-plus crop of approximately 45-47 million hectolitres, with Castilla-La Mancha at around 24-26 million hectolitres.

La Mancha's market prices are being established, with a close eye being kept on global affairs and what is happening in California in particular. A big question is whether Spain will be viewed as an option by North American buyers seeking international wines due to smoke taint concerns surrounding California's 2020 vintage. North American buyers may encounter difficulty sourcing specific wines from South America instead – either because they are not produced in significant quantities there or are currently low in availability as Argentina and Chile's next vintages are still some months away.

This could be especially true of rosé, the white varieties (particularly Chardonnay and Sauvignon Blanc), and organic wines (varietal and generic). Spain has good availability and attractive pricing on all these wine types. It can also offer the North American market good-quality high-proof reds. From a North American buyer's perspective, Spain is slightly less competitive on Cabernet, Merlot and generics versus South America, though Argentina's generic pricing is firming up slightly due to demand levels there. Could the diplomatic tensions between China and Australia generate more Chinese interest in Spanish bulk wine, over and above the normal demand for European red blends? That is something else the Spanish are watching.

Spain's prices trended down throughout the previous buying campaign and are currently stable while the crops at home and abroad are assessed. The 2019/20 buying campaign was sluggish and – according to the Spanish wine market observatory OEMV – Spain's export volumes for the August 2019 to July 2020 period were down 2.2%

versus the previous 12 months, at 25.7 million hectolitres. (The total value of exports was 6% down at EUR2.92 billion, with the average per litre price coming in at EUR1.14/litre, down 3.9%.)

Some 34.6 million hectolitres of inventory remained in Spanish cellars as of 31 July 2020 – down from the level on the same date of 2019, but 6.8% up on the five-year average. Spain's Emergency Distillation Plan did allow for the removal of 2.0 million hectolitres for distilling purposes, the private storage of another 2.25 million hectolitres, and the application of some green harvesting to thin-out the 2020 crop slightly. However, inventory levels still remain significant and – as per the above – the harvest is looking average-sized, so Spain is set to be highly aggressive on pricing during the 2020/21 campaign: at the very least it will continue to be the first port of call for European buyers.

Key Takeaways

Spain's 2020 crop looks average to average-plus following conducive vineyard conditions. Spain can offer good availability on all wines (including rosé, Chardonnay, Sauvignon Blanc and – varietal and generic – organics) and this, combined with sluggish sales in 2020 and significant inventory, means its pricing will continue to be highly competitive. It will remain the first port of call for many European buyers but it could also be an attractive proposition for North American buyers (should any be seeking an alternative to Californian wines due to smoke taint issues) and Chinese buyers (if any seek an alternative to Australian wines due to the recent diplomatic tensions).

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See next page for pricing.

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

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
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: *Slightly lower production than expected overall*

All across the Italian peninsula the 2020 harvest is drawing to a close. Production appears to be slightly lighter than expected, but performance varies between regions: while Piemonte, Lombardia, Abruzzo, Romagna and the western part of Veneto have seen normal-sized crops, yields in Sicily, Puglia, Tuscany and eastern Veneto appear to be down.

Overall quality seems to be very high in Italy this year thanks to big temperature differences between day and night throughout the summer months and the lack of any extreme meteorological events. Primitivo and Negroamaro are the two varieties from Puglia that have seen the biggest volume reduction. Prices are increasing and companies are struggling to secure the required volumes, exacerbated by the fact the 2019 vintage is completely sold out.

Prosecco DOC sales remain robust, with sales volumes up 1% in September versus the same month of 2019. Remaining 2019 volumes are highly limited and, in order to ensure companies do not run out of stock before Christmas, the Prosecco DOC Consortium has confirmed that 2020 DOC Prosecco will be bottled and

sold from mid-November onward instead of from the beginning of 2021. Prices are stable between EUR155 and EUR170 per hectolitre. The production, though official data is not yet available, will be lower by about 5% versus 2019.

Pinot Grigio DOC bottling is stabilising at a monthly average of approximately 160,000 hectolitres, which means the 2019 production will be finished very soon. The 2020 production will be lower by about 5-10% versus 2019. The market is yet to be defined as big buyers are just getting underway on sampling. The average requested price by big producers has a range between EUR85 and EUR100 per hectolitre, depending on quality.

Entry-level whites and reds are in good demand and 2019 stocks are almost sold out. High-level reds, Rossissimo and all the Appassimento-style wines from northern and southern Italy are also in good demand, together with organic wines.

The fear of future lockdowns is making the marketplace proceed with caution. For the next few months there will likely be volatility in prices and in the mood of operators. It is hoped that consumption will not be too negatively affected by the COVID-19 crisis and its impact on economies.

Key Takeaways

Italy's 2020 harvest has come in slightly lighter than expected overall, though it depends on area – for example, eastern Veneto's yields are down but western Veneto's appear normal in size. Quality is said to be very good, thanks to a conducive growing season without weather extremes. Italian wines are experiencing robust sales despite the pandemic, with remaining 2019 vintage Primitivo, Negroamaro, Prosecco DOC, Pinot Grigio DOC, and entry-level dry reds and whites, either sold out or nearly sold out. Primitivo and Negroamaro experienced the biggest volume decline in Puglia: prices are increasing and large volumes are already hard to come by. The supply of 2020 Prosecco DOC (-5%) and 2020 Pinot Grigio DOC (-5-10%) is expected to be down on the 2019 vintages; pricing for these wines is either stable or being defined, with sampling underway. The Prosecco DOC Consortium has brought forward the bottling and selling of 2020 DOC Prosecco – from mid-November onward instead of January 2021 – to ensure companies have stock for Christmas.

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2020	Generic White (Alc. 9 - 10%)	0.35 - 0.45	↑	2020	Generic Red (Alc. 11 - 12%)	0.45 - 0.60	↔
2020	Generic White (Alc. 11 - 13%)	0.40 - 0.58	↔	2020	Generic Red (Alc. 13%)	0.60 - 0.80	↑
2020	Organic Generic White (Alc. 10.5 - 12%)	0.55 - 0.70	↑	2020	Organic Generic Red (Alc. 11 - 13%)	0.80 - 1.20	↑
2020	Varietal Chardonnay (Alc. 11 - 13%)	0.70 - 1.00	↔	2020	Varietal Cabernet Sauvignon (Alc. 12 - 13%)	0.75 - 0.95	↑
2020	Organic Pinot Grigio (Alc. 12%)	1.20 - 1.50	↔	2020	Varietal Merlot (Alc. 12 - 13%)	0.70 - 0.90	↔
2020	DOC Pinot Grigio delle Venezie	0.85 - 1.05	↔	2020	Varietal Syrah (Alc. 12 - 13%)	0.70 - 0.95	↔
2020	Pinot Grigio IGT (Different Regions)	0.80 - 0.90	↔	2020	Rossissimo (Alc. 12.5 - 14%)	1.05 - 1.20	↑
2020	Pinot Grigio IGT (Blends)	0.60 - 0.80	↔	2020	Primitivo IGT Puglia/ Salento (Alc. 12 - 14%)	1.40 - 1.70	↑
2020	DOC Prosecco (Cannot be sold outside of Italy)	1.55 - 1.70	↔	2020	Sangiovese IGT (Alc. 11.50 - 13%)	0.55 - 0.65	↑
2020	Soave or Garganega DOC	0.85 - 1.00	↔	2020	Trebbiano IGT (Alc. 10.5 - 12%)	0.45 - 0.55	↔

***Bottled Price**



South Africa

Time on target



HARVEST WATCH: *Cape Town dams at 100% of capacity*

The Western Cape currently offers a highly attractive price-quality ratio on its varietal bulk wines and consequently is receiving steady interest from international buyers. Prospective buyers are scouting out the marketplace and weighing up their options with one eye kept on the Northern Hemisphere harvests and retail markets; COVID-19 is ensuring they remain conservative in their outlook and hesitant in buying big volumes.

The quality of the 2020 varietals out of the Cape is extremely good – one of the best vintages for many years – and pricing is highly attractive. The offer on varietals is one of – if not the – best in the world at this point in time: there is good availability and pricing on Sauvignon Blanc, Chardonnay, Cabernet and Shiraz. The Sauvignon Blanc in particular is an opportunity – usually by this stage of the buying campaign the Cape's Sauvignon Blanc volumes are hard to come by, but the excellent-quality 2020 vintage remain plentiful and should attract buyers struggling to source from other countries such as Chile or New Zealand.

Following the lifting of the alcohol sales ban in South Africa on 17 August, domestic sales have been good – perhaps in-line with a normal year's – but it remains to be seen whether the discounting of wine on retail shelves will help it take share from rival alcoholic beverages such as beer and spirits.

The country's bars, restaurants and tasting rooms are open, albeit operating under restrictions, but an ongoing drag on the on-trade's performance

will be the diminishing spending power of the average South African: the country was in recession even before the pandemic hit, and gross domestic product tumbled in the second quarter due to the strict national lockdown. The Rand remains stable against the dollar and euro, insofar as it fluctuates within the ZAR16-17/dollar and ZAR19-20/euro ranges.

Winter is turning to spring in the Cape but rainfall has continued: dam levels have in fact exceeded 100% of capacity for the first time in six years, so it is safe to assume there will be no issues with water reserves in the vineyards. The frost risk will last until the start of November; there has been the odd bit of frost in some areas, but nothing to worry about at this stage.

Key Takeaways

The Western Cape is receiving good levels of international interest in its very competitively-priced bulk wine offer. Its 2020 varietal wines are a big opportunity, being of excellent quality, plentiful availability and attractively priced. Sauvignon Blanc in particular should receive interest from buyers struggling to source from elsewhere. Chenin Blanc and the dry reds/whites are also plentiful and their prices negotiable. The Cape has had its most vine-friendly winter for ten years or so, with dam levels exceeding 100% of capacity.

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See next page for more on pricing.

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2020	Dry White	5.40 – 6.00	↓	2020	Generic Red	8.50 – 9.50	↓
2020	Chardonnay	10.80 – 11.50	↓	2020	Cabernet Sauvignon	11.80 – 13.00	↓
2020	Sauvignon Blanc	10.50 – 13.00	↓	2020	Ruby Cabernet	9.50 – 10.00	↓
2020	Chenin Blanc	7.00 – 8.50	↓	2020	Merlot	11.50 – 12.50	↓
2020	Colombard	6.00 – 6.50	↓	2020	Pinotage	10.50 – 11.50	↓
2020	Muscat	6.00 – 6.50	↓	2020	Shiraz	11.00 – 12.00	↓
2020	Generic Rosé	5.80 – 6.50	↓	2020	Cinsaut Rose	8.25 – 9.00	↓
2020	Cultivar Rosé	8.20 – 9.00	↓				

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

Australia & New Zealand

Time on target



HARVEST WATCH: *Wetter, warmer than avg. conditions forecast in Au*

Activity on Australia's bulk wine market has slowed somewhat, indicative of the October lull we normally see each year, coupled with apprehension regarding tariffs that are expected to be imposed on bottled wines exported to China at some stage. Entry-level varietal white wines and dry white are almost sold out, but entry-level red wines remain available. Mid-range AUD2.00-3.00/litre cool climate wines are experiencing good demand whilst demand for higher-end material is somewhat quieter.

Early discussions on the speculated 2021 grape price are ongoing in the industry, but no one is inclined to state any pricing as yet. Many expect entry-level reds to decrease in price, with entry-level white wines remaining steady. Chardonnay may increase in price.

Australia is forecast to experience the atmosphere phenomenon known as La Niña during 2020-21. La Niña can cause warming ocean temperatures which,

in turn, can bring heavy rainfall – normally to the northern parts of Australia but also possibly to South Eastern Australia. Overall, the remainder of 2020 is expected to be wetter than average for much of mainland Australia and La Niña is also expected to create above-average temperatures. Experts predict the event – which can last for 1-2 years – will be less extreme than the previous one seen in Australia which caused flooding and humid weather and led to an average/poor grape vintage.

The trade tensions between Australia and China – brought about by souring diplomatic relations between the two nations – have escalated. China's antidumping investigations ramped up when 31 of Australia's key wine exporters were issued with lengthy questionnaires by Chinese authorities. The 80-page document requested detailed information on each company's business practises, with the results then used to determine the sample size of businesses to be further investigated. Off the back of this questionnaire, four of Australia's large exporters have been named for further investigation into anti-dumping and/or countervailing duties.

Suggestions have been made that an interim tariff will be imposed on Australian wines by China on

18 October, but we understand the review of each of the questionnaires may take China's ministry of commerce some considerable time to evaluate. The previous tariff rate in place between China and Australia prior to the two countries' Free Trade Agreement (which came into force in 2015) was 15%. Bulk wines have not been included in any talk of tariffs as yet.

Meanwhile, demand for **New Zealand's** Marlborough Sauvignon Blanc is high, with 2020 material close to being sold out. We are seeing demand from both local New Zealand buyers and from numerous international countries too. Volumes of Pinot Noir and Pinot Gris are available; in previous years they have been hard to find by now. Customers are starting to enquire about 2021 supply potentials due to the shortages of available volumes of 2020 Sauvignon Blanc.

New Zealand's 2020 producing area totalled 39,935 hectares, up 2% on 2019, of which 32,155 hectares was accounted for by grapes for white wines. Sauvignon Blanc accounted for 63% (25,160 hectares) of the total hectares ahead of Pinot Noir (5,642). Marlborough – at 27,808 hectares – accounted for some 70% of New Zealand's total production area, with Sauvignon Blanc accounting for 56% (22,369) of the region's hectareage.

The 2021 edition of the Marlborough Wine & Food Festival – scheduled for February – has been cancelled due to COVID-19. Organisers decided congregating thousands of people in one place, including half the wine industry, was too risky just weeks out from harvest. It will be the first time in the festival's 36-year history that it has not gone ahead.

Key Takeaways

Australia's bulk market has been slower in recent weeks, typical for the time of year but also exacerbated by fears China will impose tariffs on Australian wine imports following the souring of diplomatic relations between the two nations. Entry-level varietal and generic whites are almost sold out; entry-level reds remain available. Many expect the price on entry-level reds to decrease in price, and entry-level whites to remain steady, in terms of 2021 grapes. For the rest of the year into 2021, Australia is forecast to experience the La Niña weather phenomenon which usually brings with it heavy rainfall. Demand for New Zealand Sauvignon Blanc remains strong domestically and for export; New Zealand Pinot Noir and Pinot Gris remain available.

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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	1.15 – 1.25	↔
2020	Chardonnay	1.10 – 1.20	↑	2020	Cabernet Sauvignon	1.35 – 1.50	↓
2020	Sauvignon Blanc	1.20 – 1.30	↑	2020	Merlot	1.35 – 1.50	↓
2020	Pinot Gris	1.20 – 1.30	↑	2020	Shiraz	1.35 – 1.50	↓
2020	NZ Marlborough SB	NZD 4.20 – 4.45	↑	2020	Muscat	0.90 – 1.00	↔

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

COVID-era Wine Trends Report

A new report from analysts Wine Intelligence – entitled ‘Wine Consumer Trends in the Covid Era’ – has found that regular wine drinkers across the key consumer markets of the US, Canada, UK, Germany, Sweden, Australia and China have been “turning more often to wine as a beverage during the Covid-19 pandemic, spurred by new ‘lockdown’ occasions and more drinking outside of mealtimes”.

The report corroborates data from individual markets showing a significant and sustained uptick in off-trade/online wine sales as consumers reduce their on-trade visits, travel and socialising – either voluntarily or because of COVID-19 restrictions. For instance, Nielsen data for US off-premise wine sales volumes has shown year-on-year volume growth near or above +20% every week since COVID-19 arrived in March (volumes were up 19.7% in the 17 weeks to 12 September versus the same period of 2019).

The UK’s Wine & Spirits Trade Association (WSTA), meanwhile, has shown that still wine sales in the UK off-trade were up 18% by volume in the 12 weeks to 13th June versus the same period of 2019, although this growth was behind beer (+46%) and spirits (+21%). All wine categories priced GBP5.0 and above saw strong volume growth in the UK off-trade – with the higher price points such as GBP8-9 seeing particularly marked growth as they started from smaller bases – while all categories below GBP5.0 declined in volume, suggesting consumers have sought to replace their on-trade experience by at least partially replicating it at home. With the on-trade closed/restricted and celebrations muted, sparkling wine sales in the UK were up only 2% while sales of Champagne – not on promotion and actually up in price just at the wrong time, according to the WSTA – were down 29%.

The latest Sweden market report from Solera Beverage Group in the Nordics shows off-trade wine sales in Sweden were up 9.4% in January-September 2020 versus the first nine months of 2019, growth behind beer (+13.9%) and spirits (+18.5%). Wine’s volume sales in Sweden were up 15.4% in the month of September versus September 2019. Growth in sparkling sales (+11.3% for the year so far) was more pronounced than in the UK, while Champagne volumes actually grew (+6.2% for the year so far; +26.4% in September). Rosé (+21.5% for the year so far)

is the wine segment growing most in Sweden.

While the increase in off-trade/online wine sales is thus well documented, Wine Intelligence’s ‘Wine Consumer Trends in the Covid Era’ report goes further by stating that wine has been an overall beneficiary of the pandemic in the seven markets analysed:

- “Despite the closure of much of the on-premise, combined with limited socializing, travel and vacation opportunities during 2020, the total number of wine drinking occasions [combined on-trade/off-trade consumption, among consumers who already drank wine at least once per month] remained steady and, in many markets, grew to above 2019 levels.”
- This growth in wine consumption frequency has been “more than compensating for the loss of on-premise occasions”.

Wine Intelligence also claims that “consumers have been switching into wine from other beverages, purchasing spirits less frequently, although the rates of beer purchasing did recover back above pre-pandemic levels during August from declines earlier in the year.” Beer and spirits are presumably more exposed to on-trade restrictions than wine, so that while beer and spirits sales in the off-trade have increased in recent months, they have done less well at offsetting the on-trade slump than wine. Other interesting findings:

- Across all seven markets analysed, women have increased their wine consumption more than men (and this being the main driver of the consumption increase in the UK, Germany, and Sweden).
- Consumers over 40 years old have increased their wine consumption most. In the US, the 40-55-year-old bracket and ‘Millennials’ (25-39) have increased their consumption most.
- In the home setting, non-food wine occasions (“a relaxing drink at the end of the day”) have driven growth, suggesting that, rather than merely being paired with lunch or dinner, wine is being enjoyed for its own sake.

See next page for more.

- Consumers are returning to “known, safer”, “trusted” or “retro” wine brands (“back to what I used to drink a few years ago”) to ensure they are not disappointed – good news for the big, established brands with national and international off-trade distribution.
- Good news, too, for producer countries: “localism” consumption trends were detected in those countries surveyed that produce their own wine in notable quantities, with a shift in consumption towards domestic wines among regular drinkers in Germany (+14%), the US (+13%), Canada (+24%), Australia (+31%), and China (+54%). While this may be at least partially put down to pricing trends and availability in the past few months, survey responses for “trust” in domestic wine showed a similar uptick.

The report contains a special section on the US market, finding that regular wine drinkers in the US upped their consumption occasions from an average of 9.3/month in March 2019 to 9.7/month in April 2020 – then it leapt to 11.1/month in August. This number of occasions per month is equal with

Australia and just ahead of the UK (10.6) and Canada (9.7). Californian and other US wines have been the beneficiary of this uptick in US at-home wine consumption and have also seen a commensurate increase in trust levels.

Unsurprisingly, Wine Intelligence sound a cautious note, remarking that while wine consumption in 2020 has benefited at least to some extent from the behavioural changes that COVID-19 has enforced, the virus’s damage to world economies – including rising unemployment – could be felt on consumption trends come 2021. The report already detects a fall back in demand for “small-scale treats” towards pre-pandemic levels, as the novelty of staying home more wears off and consumers start counting their pennies. On the flip-side, however, being a trusted alcohol beverage choice – as wine evidently is – stands it in good stead should more conservative buying choices predominate moving forward.

More information on the Wine Intelligence ‘Wine Consumer Trends in the Covid Era’ report is available here: www.wineintelligence.com/covid-19-impact/

HOW HAS TOTAL WINE CONSUMPTION FREQUENCY CHANGED IN 2020?

Total frequency of wine occasions has increased across all markets measured here since 2019, and this growth has been sustained through the period of Covid-related restrictions



Average number of times wine is consumed, combined on- and off-premise, per month amongst regular wine drinkers



Regular wine drinkers: Those who drink wine at least once a month or more. Exception China: All Chinese urban upper-middle class semi-annual imported wine drinkers
Source: Wine Intelligence Vinitrac® Global, Mar '19, Apr '20 (23rd March – 16th April), Aug '20 (16th July – 13th August), n>=709 regular wine drinkers in each market



Structan

A Smoke Taint Solution



As many winemakers in California are currently only too aware, with wildfires blazing across the state following August's freak lightning storms, the biggest commercial damage caused by fire can be smoke drifting into vineyards prior to – or during – harvest. Wines made from smoke-affected grapes can be characterized by unpleasant smoky, ashy or burnt aromas with an excessively drying back palate and retronasal ash character. Unsurprisingly, consumers have been shown to respond negatively to such wines.

The three main factors that determine if smoke-exposed grapes become smoke-tainted are: the growth stage of the grapevine, the variety of the grapes and the length of their smoke exposure. Grapes close to picking readiness, grapes being of the typically most susceptible varieties (Cabernet and Pinot Noir of the reds, Pinot Grigio, Chardonnay and Sauvignon Blanc of the whites), and prolonged smoke exposure, increase the taint risk. All three factors currently apply in California: the smoke has settled in vineyards mid-harvest, the most sensitive varieties are the state's leading cultivars by acreage, and smoke has been lying in some areas for many days.

The compounds in smoke known as free volatile phenols (such as Guaiacol and 4-methylguaiacol) are absorbed directly by the grapes and can bind to grape sugars as glycosides. These glycosides break apart during fermentation (or over time in the barrel or bottle), releasing the volatile phenols into the must/wine so that a smoky flavor becomes perceptible. They can also be released in the mouth during drinking, contributing to the perception of smoke taint.

What solution can our partners at Stoak Technologies offer winemakers visited by smoke? Well, Structan – their all-natural, organic-certified, liquid oak extract – can not only be used as a finishing tannin and wine stabilizer but also as a smoke-taint masking option. Results from chemical analysis and sensory evaluation against a control,

carried out by PhD research in the Viticulture & Oenology Department at the University of Stellenbosch, have shown that Structan reduces the perceived intensity of smoke-taint flavor and aroma in smoke-affected wines.

While other winemaking interventions – such as reverse osmosis – may reduce the concentration of smoke-derived volatile phenols in wine, it has not yet been shown that it is possible to completely remove them and, anyway, such interventions also strip the wine of its best characteristics (and any positive impact does not last). Structan, however, successfully masks the volatile phenols through increasing the wine's overall complexity, thus preserving the wine's best flavor, aroma and color attributes, for up to five years.

In fact, one of the Western Cape's premier wineries, which sells its wines into the European market, used Structan to make a highly successful red wine. That was after a wildfire similar to those seen in California, when thick smoke lingered in the vineyards for three weeks.

In summary, Structan is your smoke taint solution. And its stable liquid form makes measuring and adding really simple, with no premixing or dissolving necessary. Just dose during the fermentation process and/or in the blending tank, to get stabilized, complex wines free from unpleasant flavors and aromas. Give us a call.

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Export Pricing: USD per liter

Currency Conversion Rates as of October 15, 2020

Argentina (Pricing in bulk; FCA)

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2020	Generic White (Basic)	0.30	-	0.35	↑	2019/20	Generic Red	0.30	-	0.35	↑
2020	Generic White Standard	0.33	-	0.38	↑	2019/20	Cabernet Sauvignon	0.50	-	0.60	↔
2020	Muscat	0.33	-	0.38	↑	2019/20	Merlot	0.45	-	0.55	↔
2020	Torrontes	0.40	-	0.45	↑	2019/20	Syrah	0.35	-	0.45	↔
2020	Sauvignon Blanc	0.50	-	0.60	↑	2019/20	Malbec Standard	0.55	-	0.65	↑
2020	Chardonnay	0.50	-	0.60	↑	2019/20	Malbec Premium	0.70	-	1.05	↔
2019/20	Bonarda	0.35	-	0.45	↔	2019/20	Malbec High End	1.00	-	2.50	↔
						2019/20	Tempranillo	0.35	-	0.45	↔

Australia & New Zealand (Pricing in bulk; FCA)

AUD Rate: 0.708722 / NZD Rate: 0.659198

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Dry White	0.60	-	0.67	↔	NV	Dry Red	0.82	-	0.89	↔
2020	Chardonnay	0.78	-	0.85	↑	2020	Cabernet Sauvignon	0.96	-	1.06	↓
2020	Sauvignon Blanc	0.85	-	0.92	↑	2020	Merlot	0.96	-	1.06	↓
2020	Pinot Gris	0.85	-	0.92	↑	2020	Shiraz	0.96	-	1.06	↓
2020	NZ Marlborough SB	2.77	-	2.93	↑	2020	Muscat	0.64	-	0.71	↔

California (Pricing in bulk; FCA)

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2019	Generic White	0.90	-	0.99	↔	2018/19	Generic Red	0.79	-	1.05	↔
2019	Chardonnay	1.25	-	1.59	↔	2018/19	Cabernet Sauvignon	1.09	-	1.85	↔
2019	Pinot Grigio	1.25	-	1.59	↔	2018/19	Merlot	1.12	-	1.38	↔
2019	Muscat	1.10	-	1.45	↔	2018/19	Pinot Noir	1.40	-	1.85	↔
2019	White Zinfandel	0.94	-	1.00	↔	2018/19	Syrah	1.09	-	1.58	↔
2019	Colombard	0.95	-	1.00	↔	2018/19	Ruby Cabernet	0.97	-	1.10	↔
						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: 1.1699	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2019	Generic White	0.76	-	0.88	↔	2019	Generic Red	0.70	-	0.82	↔
2019	Chardonnay IGP	1.17	-	1.29	↔	2019	Cabernet Sauvignon IGP	1.05	-	1.29	↔
2019	Chardonnay VDF	1.11	-	1.17	↔	2019	Cabernet Sauvignon VDF	0.94	-	1.05	↔
2019	Sauvignon Blanc IGP	1.05	-	1.23	↔	2019	Merlot IGP	0.99	-	1.17	↔
2019	Sauvignon Blanc VDF	1.05	-	1.11	↔	2019	Merlot VDF	0.88	-	0.99	↔
2019	Generic Rosé IGP	0.99	-	1.17	↔	2019	Red Syrah / Grenache IGP	0.99	-	1.17	↔
2019	Generic Rosé VDF	0.94	-	1.05	↔	2019	Varietal Rosé IGP	1.05	-	1.29	↔

Italy (Pricing in bulk; Ex-Winery)										Rate: 1.1699	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2020	Generic White (Alc. 9 - 10%)	0.41	-	0.53	↑	2020	Generic Red (Alc. 11 - 12%)	0.53	-	0.70	↔
2020	Generic White (Alc. 11 - 13%)	0.53	-	0.70	↔	2020	Generic Red (Alc. 13%)	0.70	-	0.94	↑
2020	Organic Generic White (Alc. 10 - 12%)	0.64	-	0.82	↑	2020	Organic Generic Red (Alc. 11 - 13%)	0.94	-	1.40	↑
2020	Varietal Chardonnay (Alc. 11 - 13%)	0.91	-	1.29	↔	2020	Varietal Cabernet Sauvignon (Alc. 12 - 13%)	0.88	-	1.11	↑
2020	Organic Pinot Grigio (Alc. 12%)	1.40	-	1.75	↔	2020	Varietal Merlot (Alc. 12 - 13%)	0.82	-	1.05	↔
2020	DOC Pinot Grigio delle Venezie	0.99	-	1.17	↔	2020	Varietal Syrah (Alc. 12 - 13%)	0.82	-	1.11	↔
2020	Pinot Grigio IGT (Different Regions)	0.82	-	1.05	↔	2020	Rossissimo (Alc. 12.5%)	1.23	-	1.40	↑
2020	Pinot Grigio IGT (Blends)	0.70	-	0.94	↔	2020	Primitivo IGT Puglia/ Salento (Alc. 12 - 14%)	1.64	-	1.99	↑
2020	DOC Prosecco (Cannot be sold outside of Italy)	1.81	-	1.99	↔	2020	Sangiovese IGT (Alc. 11.50 - 13%)	0.64	-	0.76	↑
2020	Soave or Garganega DOC	0.99	-	1.17	↔	2020	Trebbiano IGT (Alc. 10.5 - 12%)	0.53	-	0.64	↔
*Bottled Price										0.71	

South Africa (Pricing in bulk; FOB Cape Town)										Rate: 0.060020	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2020	Generic White	0.32	-	0.36	↓	2020	Generic Red	0.54	-	0.57	↓
2020	Chardonnay	0.65	-	0.69	↓	2020	Cabernet Sauvignon	0.71	-	0.78	↓
2020	Sauvignon Blanc	0.63	-	0.78	↓	2020	Ruby Cabernet	0.57	-	0.60	↓
2020	Chenin Blanc	0.42	-	0.51	↓	2020	Merlot	0.69	-	0.75	↓
2020	Colombard	0.36	-	0.39	↓	2020	Pinotage	0.63	-	0.69	↓
2020	Muscat	0.36	-	0.39	↓	2020	Shiraz	0.66	-	0.72	↓
2020	Generic Rosé	0.43	-	0.47	↓	2020	Cinsaut Rosé	0.50	-	0.54	↓
2020	Cultivar Rosé	0.49	-	0.54	↓						

Spain (Pricing in bulk; Ex-Winery)										Rate: 1.1699	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2019	Generic White	0.39	-	0.47	↔	2019	Generic Red	0.47	-	0.58	↔
2019	White Blends (Higher Quality)	0.41	-	0.53	↔	2019	Generic Red (Higher Quality)	0.53	-	0.70	↔
2019	Sauvignon Blanc	0.76	-	0.88	↔	2019	Cabernet Sauvignon	0.70	-	0.88	↔
2019	Chardonnay	0.94	-	1.05	↔	2019	Merlot	0.76	-	0.88	↔
2019	Generic Rosé	0.41	-	0.47	↔	2019	Syrah	0.70	-	0.88	↔
2019	Varietal Rosé	0.53	-	0.64	↔	2019	Moscatel	0.53	-	0.64	↔

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