



**CIATTI**  
GLOBAL WINE & GRAPE BROKERS



# *Global Market Report*

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**Ciatti Global Wine  
& Grape Brokers**

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## May 2022

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The wine industry heads to the first ProWein fair in three years experiencing – like every other industry – inflationary costs, a global supply chain crisis, and a shortage of dry goods. It is undoubtedly a difficult environment in which to do business, and fairs like ProWein can provide an important opportunity to gain clearer visibility of market pitfalls and thrash out workarounds in person – even before one takes into account the fact that, for two years, having such meetings has been very difficult due to the pandemic. See our ProWein Preview this month for more details.

The OIV's latest 'State of the World Vine & Wine Sector', published in April, gave a preliminary global wine production figure for 2021 of 260 million hectolitres, in line with 2020 and slightly down from the ten-year average, with good-sized Southern Hemisphere crops offsetting the impact of spring frost in Europe. Global consumption, meanwhile, was estimated at 236 million hectolitres, up 0.7% from 2020, turning around a three-year downward trend but from a low base as consumption in 2020 was greatly affected by COVID-19's arrival. In short, global production has remained adequate to cover consumption. This fact, plus the general consumption shift in some markets towards white wines – as well as the fall in Chinese demand since 2018 and the country's imposition of import tariffs on Australian wines since 2020 – explains the generally slow market for red wines versus that for whites. Argentina, France, Australia, and Spain all possess big volumes of uncontracted bulk reds, at stable or softening pricing.

What about production this year? Chile's 2022 crop is expected to be down approximately 10% from last year – but last year's was bumper. Argentina is expected to have a below-average crop – but will have over 600 million litres of carryover at vintage switchover. South Africa's crop looks in line with the ten-year average. Australia's is potentially smaller, as some red grapes were left unpicked. New Zealand should report a crop size bouncing back from 2021's shortness. In the Northern Hemisphere, meanwhile, a wet spring in Spain has allayed drought fears and brought confidence of a good-sized crop; April frost visited France but is currently expected to have had limited impact on overall crop potential; conditions have been good in Italy; ongoing dryness could limit California's crop potential. In short, we've not seen anything – yet – to suggest any drastic changes to availability patterns.

This year's consumption, however, is altogether harder to grasp. In broad terms, consumer patterns spent the second half of 2021 trending back towards their pre-COVID normal, with pantry-stocking moving into the past and the on-trade concertedly open again in the major consumption markets. By the Northern Hemisphere springtime, high inflation rates meant the "cost of living crisis" had replaced COVID-19 as the headline news topic. We are thus in an intermediate stage where an unleashing of pent-up consumer demand after two years of lockdowns is meeting rising awareness of inflationary pressure, a confluence of forces that is leading to churn. Consequently, there is some buyer hesitancy while they wait for the churn to pass and for the settled, long-term trends of our post-pandemic world – at least into 2023 and 2024 – to crystallise. **Ciatti can draw on its decades of experience to help you navigate the market, whatever it brings. Why not pop in to see us at ProWein? We'll be in Hall 12, on Stand G24. It'll be great to see you! In the meantime, read on for detailed updates from each market, and stay safe.**

*Robert Selby*

# ProWein Preview

**ProWein, the world's biggest wine fair, is back this month (15th-17th May) after a three-year hiatus. Some 5,500 wine and spirits producers from over 60 countries will be attending Messe Düsseldorf, looking forward to seeing some old faces – in person – for the first time in what has felt like an age, as well as meeting new faces.**

The number of exhibitors is understandably down from the 6,900 scheduled to attend 2020's fair, which was cancelled due to the onset of the COVID-19 pandemic. However, those who have walked ProWein's vast show floor before – this year's fair will be the 26th incarnation – will know comfortable shoes are essential, and they will be even more important this time as three new halls have been added, taking the hall count to 13! At least part of this expansion was planned pre-pandemic, but comes in particularly useful now as it allows for wider aisles.

Italy will have the biggest number of exhibitors at ProWein 2022 with over 1,420 – in Halls 15 and 16 – followed by France with 1,100 (Halls 9 and 11), Germany with just under 700 (Halls 1 to 4), Spain with 650 (Halls 13 and 14), and Argentina with over 120. Argentina, Chile, South Africa, Australia and New Zealand will be located in Hall 12. Organic wines will be centred at Organic World in Hall 5.

**We at Ciatti will be out in force both around the show and on our stand, G24, in Hall 12.** As every year, brokers from each of our offices around the world will be in attendance, so don't hesitate to get in touch whatever your bulk wine and grape needs. We look forward to seeing you!

In the meantime, Ciatti Australia's Simone George, Ciatti Chile's Marco Adam, and Ciatti Europe's Nicolas Pacouil, all spoke to the *Global Report* about what they were looking forward to and expecting to find at this year's show.

**Simone George, broker for Ciatti Australia, which covers Australia, New Zealand and Asia:** "Australians are very keen to see their clients in person to touch base with them on how they have operated over the past two years. There is a buzz around travelling internationally again and – being social creatures – we are keen to reconnect and interact with old faces we have missed and new faces we are eager to see in person for the first time, perhaps over a pork knuckle and a shot of killepitsch! Many feel they gain more from face-to-face interaction than any phone call or email could offer. While there are high hopes that ProWein will bring in new business, increasing costs worldwide means many will be carefully weighing up their options when it comes to hosting stands at major fairs."

"The Australian wine market has faced a number of challenges during the last three years – notably dealing with COVID-19, the imposition of tariffs on bottled wine exports to China, and the increasing dilemma around global freight. On the positive side, we are now the most competitively-priced red wine market in the world with favourable options across all quality levels. Suppliers are eager to find new markets and build relationships with buyers for the long term."

"New Zealand has continued to see an increasing demand for its Marlborough Sauvignon Blanc – mainly heading to the US as bottled product. Bulk wine inventories were depleted from a small 2021 crush and what could be offered remains high in price. Fortunately, a larger size crush in 2022 will offer international buyers more volume this year."

"Ciatti's presence in China was unperturbed by China's imposition of high tariffs on Australian bottled wine imports: we have overseen the abrupt shift away from Australian wine to additional volumes of French and Chilean material. The Chinese focus has been building towards homegrown wines made from domestic-based grapes as the government promotes Ningxia as a wine region to rival Bordeaux. Recent lockdowns are seeing wine movements suspended and sales dip as consumers are unable to drink in the on-trade."

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**Marco Adam, Ciatti Chile broker:** “ProWein being pushed back from March to May definitely helps Chile. The traditional March dates come too soon to showcase Chile’s new vintage whites and can come too late for much of the prior vintage reds in terms of sampling, so the only new thing to discuss might be the latest on the ongoing harvest. But, this year, with the dates pushed back to mid-May, Chile’s harvest will be 99% complete by ProWein, the vintage picture will be clear and Chile will be bringing fresh new whites including Chardonnay and Sauvignon Blanc to showcase. “

“After two years, everyone is looking forward to meeting in person. Chilean numbers should also be boosted by

the fact ProWein’s traditional timing in March prevents many of the country’s suppliers from attending, as they are busy with harvest, but by this year’s show the crush will essentially be complete. I expect much discussion about world affairs that are currently impacting the global wine industry – the Russia-Ukraine conflict, spiralling logistics costs and delays, dry-good shortages, inflation etc – and speculation as to when these issues will pass: everyone will want to give their own theory!”

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**Nicolas Pacouil, Ciatti Europe broker:** “It will be interesting to see how ProWein goes this year. On the one hand it will be great to catch up with people after two years without wine fairs, people will be happy being there and meeting clients. On the other hand, people have continued doing business over the past two years in the absence of fairs – and in recent months have been travelling internationally again anyway – so will perhaps be assessing the show’s pros and cons more closely. With the cost of doing business rising, globally, hopefully ProWein doesn’t become too big, too long, and too costly. Some French suppliers will not be attending as they are already sold out of their 2021 vintage, some have potentially been tempted not to attend because of costs.”

“ProWein’s always an interesting fair for the Southern Hemisphere as they get to present their new vintage. For the Europeans, it’s all about preparing for the next buying campaign, in this case the one that starts with vintage 2022 in the autumn. They will be reviewing their sales and, from that, projecting their sales expectations until the end of this current buying campaign so that they can plan for the 2022 vintage. We all know we will have to talk about the logistics issue and the shortage and rising cost of dry goods before talking about the future wine deals. The situation looks like being like this for the next couple of years: we are not going to be back to a normal situation quickly.”



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# California

## *Time on target*



### **HARVEST WATCH:** *Dryness persists; frost in Northern Interior*

The early morning of 12th April brought a frost episode to California's growing areas that mainly had a patchy, localised impact but was more concerted in the Northern Interior, including in parts of northern Lodi, Clarksburg, and Dunnigan Hills. Vineyards situated in the Sierra foothills were also concertedly affected. The impact will have been felt most on the white varieties which were more advanced.

While the frost incident is unlikely to significantly reduce this year's state total crush size, some vineyards in the Northern Interior have been severely impacted and, in turn, the individual wine programs that heavily

rely on grapes from this region. Some buyers have subsequently acted quickly to replace lost tonnages by sourcing additional grapes, while others may still be exploring options. This activity has mainly occurred on the white varieties (Chardonnay, Pinot Grigio, Sauvignon Blanc, Chenin Blanc) and Pinot Noir in the Lodi/Delta region. In general, however, the Central Valley's grape market is proceeding steadily and supply is tight.

Parts of Oregon were visited by the same frost episode, leading to some inquiries from there into the possibility of replacement grapes or wines from California. The grape-growing areas affected by the frost are not traditionally suppliers to California's grape juice concentrate industry, but there could be an indirect effect on GJC if there is a trickle-down of replacement grape-buying into more southern reaches of the Central Valley. Demand for both red and white GJC has been high, many suppliers are now sold out of one or both and finding the right colour is problematic. Suppliers intend to prioritise existing customers when the next vintage's GJC becomes available, making a spot market difficult – though pockets of domestic availability may open up if international supply is seen by some buyers as offering better margin.

On the Valley's bulk market, as on the grape market, some recent 2022 bulk wine deals have been driven by April's frost, and some wineries that had put bulk wine on the market in recent months paused their sales while they assessed the damage. In general, bulk activity has been proceeding steadily on small volumes.

The Central Valley, and the Central Coast, are slightly behind last year in terms of degree day accumulation, a reflection of the cooler-than-normal spring. April brought some welcome rainfall to the Coastal growing areas but not enough to meaningfully replenish water reserves. We expect water usage curtailments in some Coastal areas will start in May, and allocations for the federal Central Valley water management project could be at 0%. Given the ongoing drought conditions,

*See next page for more on California.*



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tentative early expectations are for a state total crop shorter than average in 2022, though most vineyards in most areas are looking healthy; the picture will be clearer in June once veraison is underway.

Southern Valley bulk wine export pricing remains relatively stable, but availability has reduced after two-successive shorter crops in 2020 and 2021, as well as vine

pull-outs and domestic bulk demand. Chile, Australia and South Africa continue to dominate bulk imports as they enjoy zero duty. As elsewhere around the world, the import/export conversation is dominated by logistics delays and spiralling costs: the West Coast's ports of Los Angeles and Oakland remain hotspots for backlogs.

## Key Takeaways

The Central Valley's grape and bulk wine markets continue to proceed steadily, though a localised frost episode on 12th April led to some extra grape and bulk wine buying activity mid-month. The frost will not affect this year's state-wide crop size overall, which is tentatively expected to be shorter than average, but damage was significant in some vineyards in some areas of the Delta and Sierra foothills, sending the individual wine programs that rely on grapes from this region back onto the market for extra grape supply and/or 2022 bulk wines. Bulk export pricing remains relatively stable, but supply availability has become more limited. Domestic grape juice concentrate supply is tight, pricing is high and existing customers will be prioritised on 2022 supply; consequently, some buyers may look to international markets for alternative sources of supply. Soaring shipping costs, and prolonged delays at West Coast ports, are hurdles to import/export business.

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

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### California: Current Export Market Pricing (USD per liter)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2020	Generic White	0.95 – 1.05	↔	2020	Generic Red	1.00 – 1.15	↑
2020	Chardonnay	1.20 – 1.59	↔	2020	Cabernet Sauvignon	1.15 – 1.25	↔
2020	Pinot Grigio	1.30 – 1.59	↔	2020	Merlot	1.15 – 1.40	↑
2020	Muscat	1.15 – 1.45	↑	2020	Pinot Noir	1.40 – 1.85	↔
2020	White Zinfandel	1.05 – 1.15	↑	2020	Syrah	1.05 – 1.45	↔
2020	Colombard	0.95 – 1.00	↔	2020	Ruby Cabernet	1.00 – 1.10	↔
				2020	Zinfandel	1.25 – 1.65	↔





# Argentina

## *Time on target*



**HARVEST WATCH:** *1.89 million tons, down from 2.25 MT in 2021*

**Argentina's 2022 harvest came to an end in April at 1.89 million metric tons picked, down from both the 2.25 million tons of 2021 and the approximate long-term average of 2.4-2.5 million tons due to spring frosts in October. Quality appears to be good and some new wines will be ready to showcase at ProWein – a benefit of the show dates being pushed back by two months.**

Argentina's wine sales in both domestic and export markets have been continuing to fall in 2022 following a decline through 2021. The recently-published figure for total stock at the country's wineries as of 1st April – 803.4 million litres, down from 1.052 billion litres as of 1st January – corroborates this. The drawdown of stock over the three months between 1st January and 1st April, 249 million litres, represents approximately 83 million litres per month, down from the average monthly sales through 2021 of 98 million litres. This decline confirms the trajectory highlighted by the statistics we provided last month: January and February domestic sales volumes down 6.9% versus the first two months of 2021, and January-March export volumes down 16.3% versus the first three months of 2021.

Extrapolating out the fall in sales from an average of 98 million litres per month to 83 million, our original assessment that some 600 million litres of stock would still be available at vintage changeover on 1st June can be revised upward to 675 million. Despite this large

stock, the domestic prices for Argentina's bulk wines ticked-up week by week during the growing season due to the prospect of a shorter crop and the country's 50% annual inflation rate.

Argentina's Malbec export pricing also increased, from USD0.90-1.05/litre on standard-quality Malbec to USD1.10-1.30/litre. Export pricing has since stabilised at this level thanks to the official peso's steady, daily devaluation against the dollar: as of 9th May, the peso was at ARS121.75/dollar, out from ARS117/dollar a month earlier, with the Rosario Board of Trade's futures exchange Rofex projecting ARS167.60/dollar by the end of the year. (The unofficial "blue dollar" peso rate has now pushed past the ARS200/dollar mark.) As well as the price uptick on the bulk wine itself, a further drag on attracting export demand is the rising cost of freight – from USD0.20/litre to USD0.50/litre.

However, ProWein will provide a good opportunity for in-person price negotiations on what is a reliable, steady supply of good-quality wines available out of Argentina. As mentioned above, the show's timing this year allows for some new vintage wines to be sampled and there will be a solid Argentinian contingent in attendance, including Ciatti Argentina's Eduardo Conill.

Mendoza is now experiencing its traditional autumn dryness and some temperatures in the mid 20°Cs. There was an early snowstorm in the mountains at the end of April, closing the border with Chile for a day, but windy conditions are likely to have prevented this settling into a snowpack; consistent snow will come from mid-June onward.

*See next page for more on Argentina.*

# Key Takeaways

Despite a 2022 crop below average in size, Argentina can offer good-quality wines in good, reliable volumes, bolstered by an estimated 675 million litres of carryover as a result of slowing domestic and export sales over the past 15 months. Malbec export prices have risen but are now stable – assisted by the consistent devaluation of the peso versus the dollar (ARS121.75/dollar as of 9th May) – and ProWein provides an opportunity for in-person price negotiating; buyers seeking potential opportunities should get in touch.

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2021	Generic White (Basic)	0.75 – 0.85	↑	2021	Generic Red	0.85 – 0.95	↑
2021	Generic White (Standard)	0.80 – 0.90	↑	2020/21	Cabernet Sauvignon	1.30 – 1.50	↑
2021	Muscat	0.85 – 0.95	↑	2020/21	Merlot	1.20 – 1.50	↑
2021	Torrontes	0.90 – 1.00	↑	2020/21	Syrah	1.10 – 1.20	↑
2021	Sauvignon Blanc	1.40 – 1.60	↑	2020/21	Malbec Standard	1.10 – 1.30	↑
2021	Chardonnay	1.50 – 1.70	↑	2020/21	Malbec Premium	1.40 – 1.70	↑
2020/21	Bonarda	0.95 – 1.05	↑	2020/21	Malbec High End	1.90 – 2.50	↑
				2020/21	Tempranillo	0.95 – 1.05	↑

White Grape Juice Concentrate (per metric ton in bulk): 1,400-1,500 (FCA Plant)





# Chile

## Time on target



**HARVEST WATCH:** *Crush expected down approx. 10% versus 2021*

Chile's 2022 harvest is winding down and should be complete by mid-May. Crush size is still to be determined but we continue to expect something in the region of a 10% drop from last year's large 1.34 billion litres due to several frost incidents and accumulated drought. For the first time in many years, however, April lived up to the traditional saying "en abril, aguas mil" ("in April, a thousand rains"), with significant rainfall that helped replenish water courses and rejuvenate greenness.

This rain fell too late to benefit the 2022 crop and Chile is still in drought, but it is good news for the next growing season that water accumulation is already occurring. Some snow also fell in the mountains but, in the days since, temperatures have regularly been high and further rain does not feature in the shorrange forecast, raising a question mark over this snowfall's contribution to any snowpack.

The 2022 vintage whites are now becoming available and everyone so far is happy with the quality, with the season not experiencing any weather conditions that would threaten alcohol levels. Chardonnay and Sauvignon Blanc are already being sampled and approved. Due to the show's postponement from March to May, Chile will be able to showcase its new whites at ProWein this year. There are some limited quantities of 2022 international whites still uncontracted; the market for the 2021 reds continues to be slower and good quantities remain. Export pricing remains stable with last month.

International buyer activity in Chile has mainly focused on approving samples of the international varietal whites and starting to ship them. The number of new deals has been limited due to a combination of factors: with inflationary pressure around the world now being felt by consumers, most buyers are choosing to maintain – or, in some cases, reduce –

program sizes; freight delays are also a drag on buyer interest; Chile's market pricing remains stable and on some wines in some instances is softening, further disincentivising buying now; and many potential buyers are in any case waiting for in-person talks at ProWein.

Domestic buyer demand for Chile's generic whites has been robust. Consumer consumption within Chile, meanwhile, continues to be buoyed by last year's economic stimuli, but inflationary pressure and the rapidly rising price of gasoline is expected to dampen confidence in the second half of this year.

The shortage of dry goods – including items such as cork, glass bottles and cardboard – is sometimes acute. Availability of glass bottles – especially non-standard types – is particularly tight, and prices have soared, as damage to two production facilities (one in Chile and one across the border at Verallia in Mendoza) have reduced output just after new export markets were realized and COVID-19 pantry-stocking dramatically increased the need for beer bottles.

## Key Takeaways

Chile's 2022 harvest is almost complete and crush size is expected to be down approximately 10% from 2021's bumper crop; the pre-contracted international varietal whites are now going through sample approval and everyone is happy with the quality. Whites fresh from vintage 2022 will be showcased at ProWein. Market activity on reds is quieter and 2021 carryover remains available. Bulk pricing for export is mainly stable, and on some items softening. This fact – combined with rising logistics costs/delays and the questionable strength of consumer demand around the world amid the inflationary environment – is disincentivising buyer activity for now. Significant April rainfall means water accumulation ahead of the next growing season is off to a good start.

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*See next page for more on Chile.*

## Chilean Export Figures

Wine Export Figures	January 2021 - March 2021			January 2022 - March 2022			Volume
	Million Liters	Million US\$ FOB	Average Price	Million Liters	Million US\$ FOB	Average Price	Variance %
Bottled	104,53	344,75	3,30	104,03	338,40	3,25	-0,47
Bulk	88,59	88,89	1,00	92,65	86,95	0,94	4,58
Sparkling Wines	0,74	3,03	4,11	0,73	2,89	3,94	-0,49
Packed Wines	5,82	10,50	1,80	5,73	9,88	1,72	-1,51
<b>Total</b>	<b>199,67</b>	<b>447,16</b>	<b>2,55</b>	<b>203,14</b>	<b>438,13</b>	<b>2,46</b>	<b>1,74</b>

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
NV	Generic White	0.70 – 0.75	↑	NV	Generic Red	0.60 – 0.67	↔
2022	Chardonnay	1.05 – 1.10	↔	2021/22	Cabernet Sauvignon (Basic)	0.65 – 0.75	↔
2022	Sauvignon Blanc	1.05 – 1.15	↔	2021/22	Cabernet Sauvignon (Varietal Plus)	0.80 – 0.90	↔
2022	Sauvignon Blanc Cool Climate	1.35 – 2.00	↔	2021/22	Merlot	0.68 – 0.75	↔
2021/22	Carmenere	0.73 – 0.82	↔	2021/22	Malbec (Basic)	0.75 – 0.85	↔
2022	Pinot Noir	1.00 – 1.20	↔	2021/22	Syrah	0.68 – 0.72	↔

# France

## Time on target



**HARVEST WATCH:** *April's frost damage expected to be limited*

Assessment of the impact of early April's frosts is ongoing: the perception is that the frost wave was more widespread than in 2021 but less severe, as vine development was not as advanced. This year's overall crop size in France is expected to be down from the average but not as significantly as in 2021. Much of the Languedoc, for example, has escaped largely unscathed and should be able to offer more normal volume levels of Chardonnay and Sauvignon this coming vintage.

In the region most affected by frost, South West, the early budding varieties in Gascony – such as

Chardonnay, Sauvignon Blanc and Colombard – will have been most impacted. Although Chardonnay and Sauvignon Blanc represent only a fraction of the region's output – Ugni Blanc is expected to be largely unaffected – their shortness could add pressure to the Vin de France white wine and high-quality blend-booster markets in this region, and place further pressure on the tight Chardonnay and Sauvignon Blanc markets in southern France more generally. The Charentes region has faced the same issues, mainly on the early budding varieties: even though crop losses will be milder, base wine needs for Cognac and brandy production could significantly reduce the availability of 2022 still wine.

*See next page for on France.*

Confidence of a return to a more normal-sized crop across France in general has been boosted by the passing of the frost season without further incident. Temperatures in southern France have been fluctuating – sunny days of 25°C followed by cooler ones of 15°C – but the overall trend is for mildness and spring-like conditions. Rainfall levels have been below average so far this year, but there have been some patches of rain in the past 2-3 weeks and potential drought is not yet a concern. Vineyards are proceeding through their normal development, looking green, with plenty of leaves.

Early April's frosts did not excite the bulk market. Southern French 2021 varietal whites are essentially sold out, though some limited batches are sometimes placed back onto the market. Some batches of organic Chardonnay are also being put back on the market, sometimes at pricing too high to elicit much buyer interest. High-quality, high-alcohol varietal reds are becoming hard to find: Merlot remains available but Cabernet and Syrah are proving tough to locate on the first-hand market, so buyers seeking these should get in touch so we can identify any pockets of availability that might be in the hands of the bulk negociants.

Some pockets of varietal white or high-quality red wine may reappear on the bulk market due to the slow loading pace on certain programs, but pricing for what pops up can be relatively high. Logistics delays as well as slowing sales in domestic and international retail are dragging back the loading pace. The shortage of dry goods, too, is holding up bottling runs by a week or two, sometimes a month, placing a further lag on sales.

Attractive opportunities remain on southern French AOP reds, from a price-quality ratio perspective. Supplies of Bordeaux, Côtes du Rhône and Languedoc AOP reds are currently ample and prices have been softening.

While European buyers are active – mainly focussing on shipping what they have already contracted – US and Chinese demand has been relatively quiet. The difficulties in shipping bulk wine to the US in a timely and cost-effective manner has impacted sales of French wines to that market. The lack of Chinese interest, meanwhile, is at least partly the result of the ongoing COVID-19 lockdown in Shanghai, the main entry point into China for wine samples; in addition, the rapidly rising cost of packaging for case goods and small

bulk containers (such as totes) has rendered margins unattractive for many Chinese buyers.

According to FranceAgriMer, total export shipments of French wines were up 4% in volume and 20% in value in the August 2021 to February 2022 period – i.e., the first seven months of the 2021/22 buying campaign – versus the equivalent period of 2020/21. The value of exports reached EUR6.52 billion, the highest level recorded by mid-campaign; the volume of 8.09 million hectolitres was the highest since the 2017/18 campaign and in line with the five-year average. Export volumes to the EU (+5%), the UK (+1%) and the US (+14%) were all up, with the increase in shipments to the US assisted by the lifting of those US import tariffs levied as part of the US-EU civil aviation dispute. Volumes to China were down 14% for the period, with a large and escalating drop from December onward.

Meanwhile, domestic sales of still wines at French supermarkets were down 10% in volume in the January through March 2022 period versus the same three months of 2021, at least partly attributable to concerns around the Omicron variant of COVID-19. (Volumes were also 10% down versus the 2019/21 average.) All still wine categories experienced volume declines. The total sales value of still wines was also 10% down versus 2021 (and 6% down versus the 2018/20 average), though the value of still white wine sales grew.

## Key Takeaways

Attractive price-quality opportunities remain on good-quality Bordeaux, Côtes du Rhône and Languedoc AOP reds, with prices softening. High-quality, high-alcohol Cabernet and Syrah are proving tough to locate on the first-hand market, so buyers seeking these should get in touch with us so we can identify any pockets of availability that might arise. Batches of 2021 varietal whites intermittently become available, so too 2021 organic Chardonnay. Formative assessments of the damage from early April's frost wave suggest limited impact on the prospective size of southern France's 2022 crop, with the biggest impact likely to be felt on Gascony's early-budding international white varietals and white blenders.

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*See next page for more on France.*

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2021	Generic White	0.95 – 1.05	↑	2021	Generic Red	0.75 – 1.00	↔
2021	Chardonnay IGP	1.40 – 2.00	↑	2021	Cabernet Sauvignon IGP	0.95 – 1.30	↔
2021	Chardonnay VDF	1.40 – 2.00	↑	2021	Cabernet Sauvignon VDF	0.90 – 1.00	↔
2021	Sauvignon Blanc IGP	1.30 – 1.50	↑	2021	Merlot IGP	0.90 – 1.20	↔
2021	Sauvignon Blanc VDF	1.30 – 1.50	↑	2021	Merlot VDF	0.90 – 1.20	↔
2021	Generic Rosé IGP	0.90 – 1.10	↔	2021	Syrah / Grenache IGP	0.90 – 1.30	↔
2021	Generic Rosé VDF	0.90 – 1.00	↔	2021	Varietal Rosé IGP	0.95 – 1.20	↔

# Spain

## Time on target



**HARVEST WATCH:** *Wet March and April allays drought fears*

Spain's growing areas have been receiving consistent rainfall for the past 7-8 weeks, allaying drought fears. The rain has been very heavy in places: the city of Valencia, for example, experienced flooding after registering its wettest May day since records began in 1871. Treatment will be required to stave off disease, as per normal after rain, but the vineyards look in healthy condition and the early expectations are for a good-sized 2022 crop. April also brought some limited frost patches, sparsely distributed.

The prospect of a good crop is applying further downward pressure to Spain's bulk red wine pricing, which has been gradually softening – fastest on the entry-level wine – due to slow sales; pricing is potentially negotiable and there are good opportunities to be had for buyers.

International white varieties, both organic and standard, are almost sold out, and locating some is often dependent on resales where contracted wine has not been loaded in time. Availability of other whites remains, assisted by the cancellation of contracts – due to high logistics costs or the wine being no longer needed, plus some Russian

business has been lost – and prices on these batches have been softening. **Grape juice concentrate** supply, meanwhile, remains stable in price at an elevated level.

The strike by Spanish hauliers in March has not been repeated since, partly thanks to a reduction in the petrol price of EURO.20/litre subsidised by the Spanish government as of 1st April. Furthermore, the Spanish and Portuguese governments' so-called "Iberian exception" from the EU's Single Market rules on energy, granted by the EU at the end of April, has capped wholesale gas prices and in turn significantly reduced electricity bills for many businesses and individuals across Spain and Portugal.

Spanish bulk and bottled wine exports remain in positive territory but we are continuing to see shipping costs rise – in some instances reaching three times the price they were at the end of last year. These rises are presumably exacerbated by the COVID-19 lockdowns in China which have caused a logjam of ships and compounded the global container shortage. Shipping reliability out of Spain is better than out of other countries; the main impediment to it is cost rather than supply.

Many international buyers are only coming in for those wines that are urgent, others are pausing or cancelling transactions. The cost of dry goods including glass and

*See next page for more on Spain.*

cardboard is also making the business environment very difficult at the moment: the wine itself might be attractively priced, but it means little if dry-good and transport costs are prohibitive.

Should it continue for the foreseeable, the squeeze on margins is likely to make the domestic market's popular entry-level retail categories (EUR2.00/bottle and under) unsustainable. In better news, overall domestic sales remain in positive territory and the wine consumption trend among Spanish consumers seems to be bucking the long-term stagnation trend seen in many other developed markets. Beer has always dominated in Spain but wine education is improving: the industry's longstanding commitment to wine tourism and tastings is paying dividends with a discernible growth in the country's wine

culture. The industry was thus unsurprisingly poised to react strongly to reports – later denied by the Ministry of Health – that the country's Interterritorial Health Council had recommended beer and wine be barred from inclusion in traditional “menú del día”, economical lunchtime menus served at a fixed price in the country's on-trade.

Alimentaria in Barcelona at the start of April was a positive show, with everyone enthusiastic to meet in person again after so long; Fenavin in Ciudad Real, scheduled for just before ProWein, is expected to be busy with buyers and importers/exporters, while ProWein itself will doubtless be busy with negotiations on those wines suppliers have been preparing in the lead-up to discuss.

## Key Takeaways

Pricing is gradually softening and negotiable on Spain's good supply of red wines; supply of organic and standard international varietal whites is more limited, though batches intermittently become available again where not loaded or no longer required by the original buyer. GJC pricing is stable at a high level. Shipping out of Spain is currently relatively smooth versus other sources of supply, but transport costs have risen significantly to – in some cases – levels prohibitive for business. Domestic and export sales remain in positive territory for now. A wet March and April in the growing areas has reduced drought concerns; early expectations are for a good-sized 2022 crop.

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2021	Generic White	0.38 - 0.42	↑	2021	Moscatel	0.55 - 0.65	↑
2021	White Blends (Higher Quality)	0.45 - 0.50	↔	2021	Generic Red	0.40 - 0.50	↓
2021	Sauvignon Blanc	0.70 - 0.80	↑	2021	Generic Red (Higher Quality)	0.50 - 0.60	↑
2021	Chardonnay	0.75 - 0.80	↑	2021	Cabernet Sauvignon	0.55 - 0.65	↔
2021	Generic Rosé	0.40 - 0.45	↔	2021	Merlot	0.60 - 0.70	↔
2021	Varietal Rosé	0.45 - 0.50	↔	2021	Syrah	0.50 - 0.60	↔

# Italy

## Time on target



**HARVEST WATCH:** *Vineyard conditions currently good across the country*



The first Vinitaly fair in more than two years helped bring into the focus the fact that the wine market is entering a really difficult moment: on one side there is a strong slowdown in consumption in many export markets and also domestically in Italy, and on the other side there are increases in all production costs as well as supply shortages and price increases on all dry goods and logistics.

The bulk wine price itself is likely to be the only production cost that can be negotiable for the foreseeable future, and we have started to see the first price decreases on reds at every quality level; pricing on whites remains more stable. The unstoppable Prosecco saw its sales grow “only!” +3.6% in April versus April 2021, but its +17.8% sales growth since January is keeping the price of the bulk wine at a record high.

Pinot Grigio DOC, meanwhile, experienced a notable slowing of bottlings (-23%) in April. The appellation is probably the one most affected by the shortage of clear glass bottles on the market. Pinot Grigio DOC’s bulk prices, however, remain stable because of the smaller 2021 production.

At the time of writing, vineyard conditions appear to be good across Italy, with the north – which was experiencing a record precipitation shortfall until the end of April – finally receiving some rainfall. If summer is not too hot, production in 2022 can potentially return to the perceived normal, though the OIV’s latest figure for Italy’s 2021 production – 50 million hectolitres,

above the five-year average – seems to be larger than many thought it was anyway.

According to this latest OIV report, global wine production in 2021 was only 1% smaller than in 2020, while global consumption increased by 2 million hectolitres (+0.7%). If these statistics are accurate, it would suggest the level of alarm after last year’s April frosts in Europe was misplaced.

## Key Takeaways

Sales in the domestic and some export markets are starting to slow as rising inflation curbs consumer confidence around the globe. Prosecco’s sales growth was relatively modest – by the product’s standards – in April and price decreases are starting to occur on bulk red wines of all quality levels. Pinot Grigio DOC bottlings shrank markedly in April, but a shortage of clear glass bottles – a global problem – was likely a significant contributory factor. Strong Q1 2022 sales have kept the bulk Prosecco price at a record high; smaller production in 2021 is keeping the Pinot Grigio price stable.

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*See next page for more on pricing.*

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2021	Generic White (Alc. 10.5%)	0.50 – 0.65	↔	2021	Generic Red (Alc. 11 - 12%)	0.40 – 0.65	↓
2021	Generic White (Alc. 11 - 13%)	0.53 – 0.75	↔	2021	Generic Red (Alc. 13%)	0.75 – 0.95	↔
2021	Organic Generic White (Alc. 10.5 - 12%)	0.75 – 0.95	↑	2021	Organic Generic Red (Alc. 12.5 - 13%)	0.90 – 1.20	↑
2021	Varietal Chardonnay (Alc. 11 - 13%)	0.90 – 1.10	↔	2021	Varietal Cabernet Sauvignon (Alc. 12 - 13%)	0.90 – 1.10	↑
2021	Organic Pinot Grigio (Alc. 12%)	1.35 – 1.50	↔	2021	Varietal Merlot (Alc. 12 - 13%)	0.75 – 1.05	↔
2021	DOC Pinot Grigio delle Venezie	1.20 – 1.30	↔	2021	Varietal Syrah (Alc. 12 - 13%)	0.90 – 1.15	↔
2021	Pinot Grigio IGT (Different Regions)	1.10 – 1.20	↔	2021	Rossissimo (Alc. 12.5 - 14%)	1.00 – 1.10	↓
2021	Pinot Grigio IGT (Blends)	0.75 – 0.90	↔	2021	Primitivo IGT Puglia/Salento (Alc. 12.5 - 14%)	1.45 – 1.70	↓
2021	DOC Prosecco (Cannot be sold outside of Italy)	2.80 - 2.90	↑	2021	Sangiovese IGT (Alc. 11.50 - 13%)	0.75 – 0.95	↔
2021	Soave or Garganega DOC	0.95 – 1.10	↔	2021	Trebbiano IGT (Alc. 10.5 - 12%)	0.55 – 0.75	↔
				2020	Chianti DOCG (13 - 13.50%)	1.90 – 2.00	↔

*\*Bottled Price*

# South Africa

## *Time on target*



**HARVEST WATCH:** *Prolonged harvest now finished; forecast in line with avg.*

South Africa's bulk pricing continues to remain stubbornly stable, despite numerous upward pressures on input costs. Committed to improving their market share in export markets and diversify their international business, South Africa's suppliers now prefer having a discussion with potential buyers based on removal terms and volumes instead of increasing prices. South Africa possesses availability on all wines – though supply is shorter on particular varieties (such as Chardonnay) than others – making the country an attractive proposition. This availability applies to

rosés – Shiraz, Cinsault and Pinotage – as well as to the reds and whites, again at similar pricing to last year.

The 2022 harvest in South Africa has finally drawn to a close this month after a picking period prolonged by unseasonably cool weather during the growing season, then a wet April. Official estimates are still to be released but we expect a crop size in line with the ten-year average of 1.4 million tonnes.

The prolonged pick delayed the start of the buying campaign until May, with wineries still harvesting

*See next page for more on South Africa.*

the final grapes through April. Now, however, the process of sending samples of the early varieties (Sauvignon Blanc, Chardonnay, Chenin Blanc), receiving sample approvals, and putting orders together for early shipment, is in full swing. Sauvignon Blanc and Chardonnay activity is of course busy, but there has also been an uptick in sample requests for Chenin Blanc as a Sauvignon Blanc alternative. Muscat sampling is also active, while Cinsaut rosé will be available to sample imminently. We are receiving some sample requests for red wines but it is a little early; activity around reds should pick up in the next month. Quality across all varieties is good this vintage.

Movement of the white wine out of South Africa is going as well as it can in the context of the global supply chain crisis. We at Ciatti are able to help buyers and sellers with the shipping process – coordinating daily dialogue and keeping up the pressure on the logistics operators to ensure wines move as rapidly as possible – and, with the supply chain currently such a headache, this ability has become increasingly appreciated by our clients.

South Africa's bulk suppliers are committed to diversifying the number of countries to which they export, particularly important when global events – such as the Ukraine-Russia conflict threatening exports to Russia/Eastern Europe, or the closure of shipping routes between Cape Town port and Australia amid the logistics crisis – are potentially threatening business with traditional markets.

The cost of dry goods imported into South Africa has risen dramatically in recent months and availability is intermittent. The bulk market domestically, meanwhile, is seeing steady movement. As mentioned last month, domestic consumption within South Africa has bounced back strongly after a 2020 and 2021 blighted by government-mandated alcohol sales prohibitions, with sales up 40% in the 12 months to the end of January 2022 versus the prior 12 months.

## Key Takeaways

South Africa can offer good-quality wines in good volumes at stable, competitive pricing that is negotiable based on removal timetable and volumes. The 2022 harvest is now complete, crop size appears in line with the ten-year average and people are happy with quality. Sample approvals are now underway on Chardonnay, Sauvignon Blanc, Chenin Blanc and Muscat. Chenin Blanc is receiving an uptick in sample requests as it becomes increasingly viewed as a price-competitive alternative to Sauvignon Blanc. Sampling will soon commence on Cinsaut rosé. A full range of rosés – Cinsaut, Shiraz, and Pinotage – will be available this year.

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2021/22	Dry White	5.00 – 6.00	↓	2021/22	Generic Red	8.50 – 9.00	↔
2021/22	Chardonnay	10.80 – 11.80	↑	2021/22	Cabernet Sauvignon	11.00 – 13.00	↔
2021/22	Sauvignon Blanc	11.00 – 13.50	↑	2021/22	Ruby Cabernet	9.00 – 10.50	↔
2021/22	Chenin Blanc	7.20 – 8.25	↓	2021/22	Merlot	11.00 – 12.50	↔
2021/22	Colombard	6.00 – 6.50	↔	2021/22	Pinotage	10.00 – 11.50	↔
2021/22	Muscat	6.80 – 7.20	↑	2021/22	Shiraz	11.00 – 12.00	↔
2021/22	Generic Rosé	6.00 – 6.50	↔	2021/22	Cinsaut Rose	8.35 – 9.00	↔
2021/22	Cultivar Rosé	8.20 – 8.50	↔				

**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:** *Australia's crop complete, quality good; NZ crop size in line with a normal year*

**Australia's 2022 harvest is complete and allocation tastings have commenced. Many wineries are happy with the quality level of this year's fruit intake. White wines remain in demand with repeat inquiries for cool climate Sauvignon Blanc, Pinot Gris, Chardonnay and Pinot Noir, most notably from the Adelaide Hills. Red wines inventories remain long, with availability in evidence across all quality levels of the staple varieties – Shiraz, Cabernet Sauvignon, Merlot.**

According to the latest Wine Australia report, both the total volume and total value of Australian wine exports decreased in the 12 months to 31st March 2022. Value was down 26% to AUD2.05 billion, whilst volume was down 13% to 626 million litres. The decline is a result of the high import tariffs imposed on bottled wine into China, the global freight situation, and the ongoing effects of COVID-19. Bulk wine exports saw a 11% value decline to AUD515 million, with volume also declining by 6% to 389 million litres.

A small number of growers who are struggling with limited sales of their wine since China's import tariffs came into effect are now considering alternative options – these include the removal of vines and use of the available land for farming, including for animal-based agriculture such as sheep or cattle. Citrus and almonds are other popular avenues; however, these take some time to produce viable crops (5-7 years). Short-term options include selling available water supply to other farmers. With enough volume, this can cover most costs and provide a healthy wage for the grape grower.

Australia has banned the supply of certain luxury goods – including wine – to Russia. From 7th April, in accordance with the sanctions imposed by the Australian government, the supply, sale or transfer of wine directly or indirectly to Russia is banned. For

the year to December 2021, Australia exported 1.6 million litres of wine to Russia at a value of AUD7.8 million. All material was shipped as bottled wine, none as bulk.

The cost of living in Australia has increased 5.1% over the past 12 months, the highest since 2001 when prices rose due to the introduction of the Goods and Services Tax (GST) at 10%. The rising cost of dry goods, winery additives, fuel and everyday items is causing further strain on cash flow for many businesses, and it is a similar picture for households where the rising cost of everyday items – including fruit and vegetables – is being felt. The Reserve Bank of Australia has increased the official interest rate for the first time in 11 years, by 0.25% to 0.35%, and expectations are that it will continue to increase through the remainder of the year. This is the first interest rate rise to occur in Australia during an election campaign since 2007: the election for Prime Minister is scheduled for 21st May.

In **New Zealand**, meanwhile, the wine industry has welcomed a better-sized crush in 2022 after a short one in 2021. The output from the main growing regions has seen a return in line with a normal year, though the final tonnage figure is yet to be determined. The harvest period was an anxious time for many wineries due to a lack of adequate workers, with labour supply still an issue amid the reopening of New Zealand's borders. Wineries and many others in the agricultural sector have long been reliant on overseas pickers as there are not enough New Zealand-based workers available.

Over 96% of all vineyard area in New Zealand is now certified as sustainable through the Sustainable Winegrowing New Zealand (SWNZ) programme, with 10% of New Zealand wineries holding organic certification.

Pricing for bulk Sauvignon Blanc remains high at NZD5.75–6.25/litre ex winery, with limited parcels being released onto the market. International shipping remains an issue with getting packaged material out to target markets in a timely manner.

*See next page for more.*

# Key Takeaways

Australia's 2022 crop is complete and allocation tastings are underway; white wines are in most demand, especially cool climate Sauvignon Blanc, Pinot Gris, Chardonnay and Pinot Noir; red wine inventory remains long and there is availability on all quality levels of Shiraz, Cabernet, and Merlot. Australia's total wine exports were down in both value (-26%) and volume (-13%) in the year to 31 March due to a number of factors including China's imposition of import tariffs; some growers now struggling with limited sales are considering alternative farming. The exporting of Australian wines to Russia is now banned as part of the Australian government's sanctions in response to the Russia-Ukraine conflict. New Zealand's crop looks to have bounced back to a more normal size after 2021's short one; pricing for bulk Sauvignon Blanc remains high and only limited parcels are being released onto the market.

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Australian wine exports Top five markets by value 1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022		
	AUD	% Var
UK	449 million	-2%
USA	416 million	-4%
Hong Kong	184 million	+24%
Canada	171 million	-13%
Singapore	168 million	+96%
Top five markets by volume 1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022		
	Litres	% Var
UK	246 million	-6%
USA	127 million	-5%
Canada	51 million	-7%
Germany	34 million	-8%
New Zealand	33 million	+6%

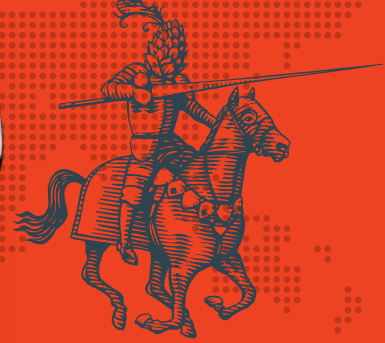
Source: Wine Australia

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	0.55 – 0.70	↓
2021/22	Chardonnay	1.00 – 1.15	↔	2021	Cabernet Sauvignon	0.60 – 0.80	↓
2021/22	Sauvignon Blanc	1.45 - 1.75	↔	2021	Merlot	0.60 – 0.80	↓
2021/22	Pinot Gris	1.20 – 1.30	↔	2021	Shiraz	0.60 – 0.80	↓
2022	NZ Marlborough SB	NZD 5.75 - 6.25		2021	Muscat	0.90 – 1.00	↔

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

# Structan

## Your sustainable, eco-friendly barrel-ageing alternative



**Oak trees have immense cultural significance: often living for up to a thousand years, they symbolise strength and endurance. The most famous oak worshipers were the pagan Druids – ‘Dru’ and ‘Id’ being Ancient Greek for ‘oak’ and ‘spirit’. Their acorns were symbols of fertility and renewal, and an important source of food.**

But even more importantly, oak trees are a keystone species for the planet’s wellbeing. They are often an area’s most ecosystem-rich trees. In California’s Central Valley, for example, they support approximately 300 species of bird and animal, 1,100 plants, 370 fungi, and 5,000 insects and invertebrates. And oaks continue to be useful to wildlife even after they die: worms, snails and ants live in decomposing logs and help turn the wood into humus, which enriches the soil.

That’s just the start. With humanity having been forced by COVID-19 to take a breather, our air quality improved and we have come to realise that we can, quite rapidly, tangibly improve the environment. Oaks like other trees sequester carbon in their mass but – due to their often immense size and age – they convert via photosynthesis more quantities of harmful carbon dioxide into oxygen than most other tree species, contributing hugely to the offsetting of rising CO2 emissions. Oak leaves absorb airborne pollutants: one tree can absorb up to 10lbs of air pollution in a single year.

Furthermore, due to the ecosystem-rich nature of oaks, the surrounding soil is immensely dense in organic content which can also sequester high levels of CO2. Finally, if all that were not enough, oaks reduce water pollution by absorbing fertilizer nutrients, pesticides, and other trace contaminants in soil, allowing compounds to break down slowly and be taken up as nutrients. So, when 150-year-old oak trees are cut down in France, or 90-year-old oak trees in the US, to be turned into barrels in which to age wine, is that good guardianship of the environment for the next generation and the generations that come after? Is it really sustainable, with the global population surging from 2.5 billion to 7.5 billion in just 70 years, to fell oaks which – like all trees – are the lungs of the planet and a finite resource? What simple change can you make to improve sustainability around your business and contribute to the environment?

This is where Structan from Stoak Technologies come into their own. Structan contains the same aromatic integrating congeners contained in 150-year-old French oak and 90-year-old American oak but in a highly concentrated and effective, easy-to-dose liquid form. They greatly reduce cost by improving production efficiency and shortening maturation times while still enhancing the structure, flavor, aromatics and color of the wine just as barrel-ageing would. But the attribute of Structan that Stoak is most passionate about is this: while 50 kilograms of wood will make one 300-litre barrel which – if it is used three times – will produce 900 litres of finished product, Structan with the same 50kg of wood can treat 30,000 litres of finished product. And Structan uses less wood than chips and staves which – anyway – have an inconsistent impact, absorb liquid, and require removal.

The United Nations Environment Programme has called for a “transformational and green recovery”, in which new steps by individuals and businesses to help the environment dovetail with the post-COVID-19 economic rebuild. The question every business should now be asking itself is: are we being responsible with the natural resources at our disposal? An easy first step for wineries is to look into Structan, which dramatically reduces the need for oak barrels.

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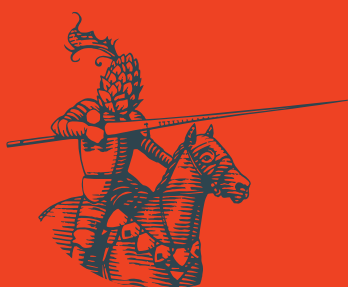
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# IBWSS

San Francisco / July 26 & 27, 2022

## Grow your bulk wine, bulk spirits, and private label business

The International Bulk Wine and Spirits Show (IBWSS) is an annual trade show and conference, open to trade professionals only, which is set to happen in San Francisco on July 26 & 27, 2022. IBWSS exhibitors are wineries and distilleries looking to sell bulk wine and spirits, producers and negociants who offer contract manufacturing, private label programs and wineries, distilleries, importers who have one-time excess stock to clear.

In addition to a wide range of programs running throughout the fair, the trade show will also feature a business conference dedicated to the private label and bulk wine and spirit business. With in-depth market studies and instructional seminars from some of the industry's biggest names, the central part of the conference's remit is to encourage sustainable growth and profitability in the bulk wine and spirit sector.

### WHATS ON AT IBWSS

- Expo Floor
- Conference



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# Export Pricing: USD per liter

Currency Conversion Rates as of May 10, 2022

Argentina (Pricing in bulk; FCA)											
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2021	Generic White (Basic)	0.75	-	0.85	↑	2021	Generic Red	0.85	-	0.95	↑
2021	Generic White Standard	0.80	-	0.90	↑	2020/21	Cabernet Sauvignon	1.30	-	1.50	↑
2021	Muscat	0.85	-	0.95	↑	2020/21	Merlot	1.20	-	1.50	↑
2021	Torrontes	0.90	-	1.00	↑	2020/21	Syrah	1.10	-	1.20	↑
2021	Sauvignon Blanc	1.40	-	1.60	↑	2020/21	Malbec Standard	1.10	-	1.30	↑
2021	Chardonnay	1.50	-	1.70	↑	2020/21	Malbec Premium	1.40	-	1.70	↑
2020/21	Bonarda	0.95	-	1.05	↑	2020/21	Malbec High End	1.90	-	2.50	↑
						2020/21	Tempranillo	0.95	-	1.05	↑

White Grape Juice Concentrate (per metric ton in bulk): 1,400-1,500 (FCA Plant)

Australia & New Zealand (Pricing in bulk; FCA)											
						AUD Rate: 0.693073 / NZD Rate: 0.629167					
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Dry White	0.59	-	0.66	↔	NV	Dry Red	0.38	-	0.49	↓
2021/22	Chardonnay	0.69	-	0.80	↔	2021	Cabernet Sauvignon	0.42	-	0.55	↓
2021/22	Sauvignon Blanc	1.00	-	1.21	↔	2021	Merlot	0.42	-	0.55	↓
2021/22	Pinot Gris	0.83	-	0.90	↔	2021	Shiraz	0.42	-	0.55	↓
2022	NZ Marlborough SB	3.62	-	3.93		2021	Muscat	0.62	-	0.69	↔

California (Pricing in bulk; FCA)											
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2020	Generic White	0.95	-	1.05	↔	2020	Generic Red	1.00	-	1.15	↑
2020	Chardonnay	1.20	-	1.59	↔	2020	Cabernet Sauvignon	1.15	-	1.25	↔
2020	Pinot Grigio	1.30	-	1.59	↔	2020	Merlot	1.15	-	1.40	↑
2020	Muscat	1.15	-	1.45	↑	2020	Pinot Noir	1.40	-	1.85	↔
2020	White Zinfandel	1.05	-	1.15	↑	2020	Syrah	1.05	-	1.45	↔
2020	Colombard	0.95	-	1.00	↔	2020	Ruby Cabernet	1.00	-	1.10	↔
						2020	Zinfandel	1.25	-	1.65	↔

Chile (Pricing in bulk; FOB Chilean Port)											
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Generic White	0.70	-	0.75	↑	NV	Generic Red	0.60	-	0.67	↔
2022	Chardonnay	1.05	-	1.10	↔	2021/22	Cabernet Sauvignon (Basic)	0.65	-	0.75	↔
2022	Sauvignon Blanc	1.05	-	1.15	↔	2021/22	Cabernet Sauvignon (Varietal Plus)	0.80	-	0.90	↔
2022	Sauvignon Blanc Cool Climate	1.35	-	2.00	↔	2021/22	Merlot	0.68	-	0.75	↔
2021/22	Carmenere	0.73	-	0.82	↔	2021/22	Malbec	0.75	-	0.85	↔
2022	Pinot Noir	1.00	-	1.20	↔	2021/22	Syrah	0.68	-	0.72	↔

## France (Estimated Pricing in bulk; Ex-Winery)

Rate: 1.053776

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2021	Generic White	1.00	-	1.11	↑	2021	Generic Red	0.79	-	1.05	↔
2021	Chardonnay IGP	1.48	-	2.11	↑	2021	Cabernet Sauvignon IGP	1.00	-	1.37	↔
2021	Chardonnay VDF	1.48	-	2.11	↑	2021	Cabernet Sauvignon VDF	0.95	-	1.05	↔
2021	Sauvignon Blanc IGP	1.37	-	1.58	↑	2021	Merlot IGP	0.95	-	1.26	↔
2021	Sauvignon Blanc VDF	1.37	-	1.58	↑	2021	Merlot VDF	0.95	-	1.26	↔
2021	Generic Rosé IGP	0.95	-	1.16	↔	2021	Red Syrah / Grenache IGP	0.95	-	1.37	↔
2021	Generic Rosé VDF	0.95	-	1.05	↔	2021	Varietal Rosé IGP	1.00	-	1.26	↔

## Italy (Pricing in bulk; Ex-Winery)

Rate: 1.053776

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2021	Generic White (Alc. 10.5%)	0.53	-	0.68	↔	2021	Generic Red (Alc. 11 - 12%)	0.42	-	0.68	↓
2021	Generic White (Alc. 11 - 13%)	0.56	-	0.79	↔	2021	Generic Red (Alc. 13%)	0.79	-	1.00	↔
2021	Organic Generic White (Alc. 10 - 12%)	0.79	-	1.00	↑	2021	Organic Generic Red (Alc. 12.5 - 13%)	0.95	-	1.26	↑
2021	Varietal Chardonnay (Alc. 11 - 13%)	0.95	-	1.16	↔	2021	Varietal Cabernet Sauvignon (Alc. 12 - 13%)	0.95	-	1.16	↑
2021	Organic Pinot Grigio (Alc. 12%)	1.42	-	1.58	↔	2021	Varietal Merlot (Alc. 12 - 13%)	0.79	-	1.11	↔
2021	DOC Pinot Grigio delle Venezie	1.26	-	1.37	↔	2021	Varietal Syrah (Alc. 12 - 13%)	0.95	-	1.21	↔
2021	Pinot Grigio IGT (Different Regions)	1.16	-	1.26	↔	2021	Rossissimo (Alc. 12.5%)	1.05	-	1.16	↓
2021	Pinot Grigio IGT (Blends)	0.79	-	0.95	↔	2021	Primitivo IGT Puglia/Salento (Alc. 12.5 - 14%)	1.53	-	1.79	↓
2021	DOC Prosecco (Cannot be sold outside of Italy)	2.95	-	3.06	↑	2021	Sangiovese IGT (Alc. 11.50 - 13%)	0.79	-	1.00	↔
2021	Soave or Garganega DOC	1.00	-	1.16	↔	2021	Trebbiano IGT (Alc. 10.5 - 12%)	0.58	-	0.79	↔
						2021	Chianti DOCG (Alc. 13 - 13.5%)	2.00	-	2.11	↔

**\*Bottled Price**

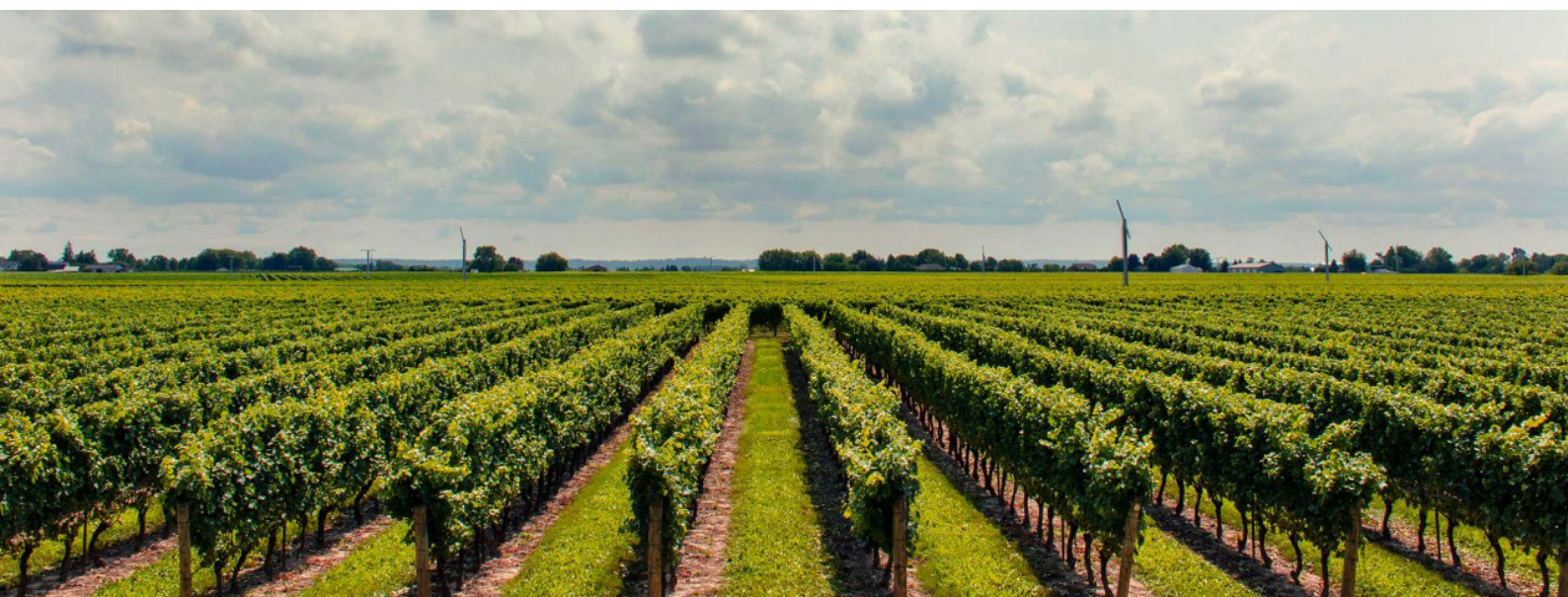
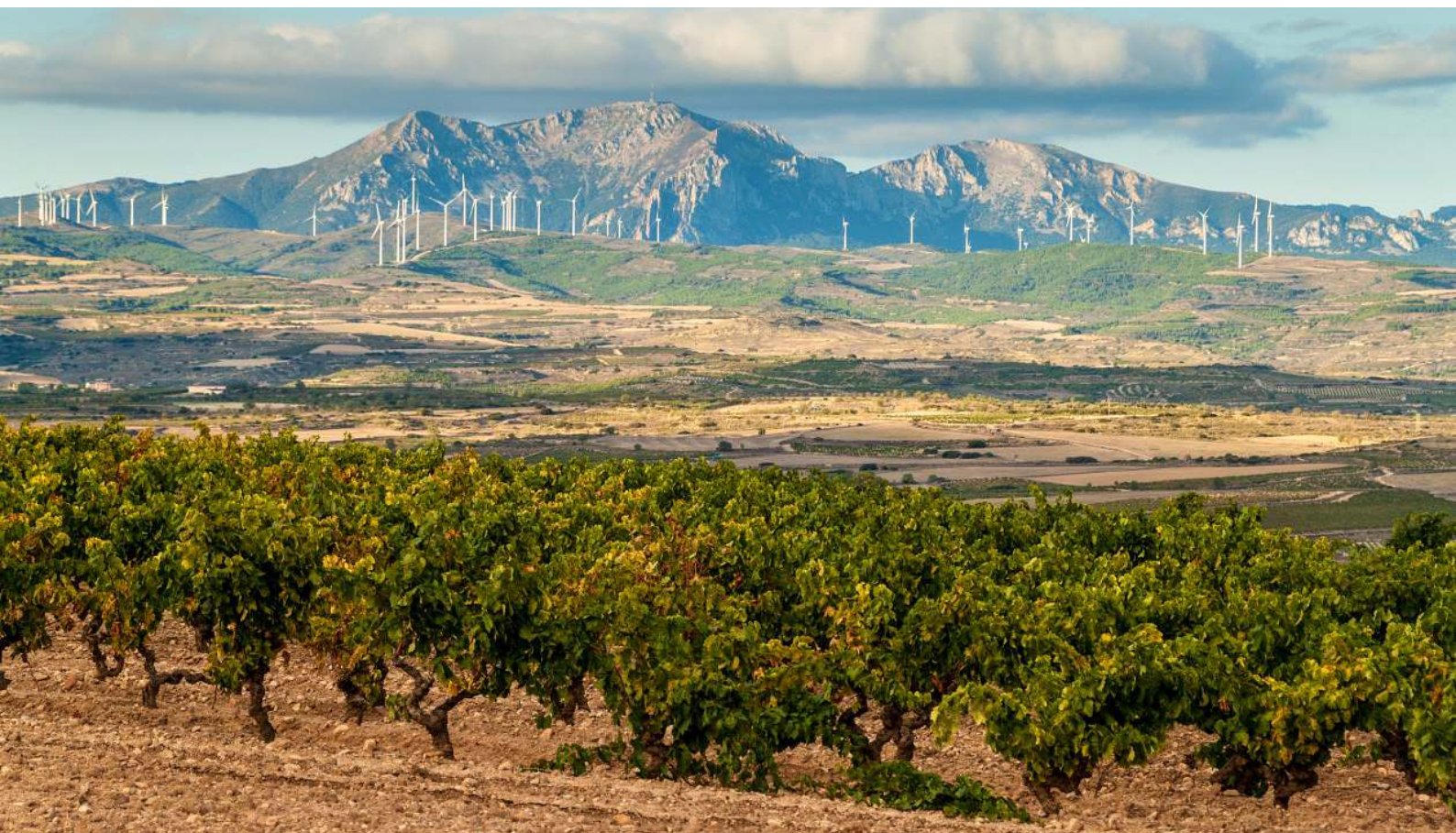
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## South Africa (Pricing in bulk; FOB Cape Town)

Rate: 0.061842

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2021/22	Generic White	0.31	-	0.37	↓	2021/22	Generic Red	0.53	-	0.56	↔
2021/22	Chardonnay	0.67	-	0.73	↑	2021/22	Cabernet Sauvignon	0.68	-	0.80	↔
2021/22	Sauvignon Blanc	0.68	-	0.83	↑	2021/22	Ruby Cabernet	0.56	-	0.65	↔
2021/22	Chenin Blanc	0.45	-	0.51	↓	2021/22	Merlot	0.68	-	0.77	↔
2021/22	Colombard	0.37	-	0.40	↔	2021/22	Pinotage	0.62	-	0.71	↔
2021/22	Muscat	0.42	-	0.45	↑	2021/22	Shiraz	0.68	-	0.74	↔
2021/22	Generic Rosé	0.37	-	0.40	↔	2021/22	Cinsaut Rosé	0.52	-	0.56	↔
2021/22	Cultivar Rosé	0.51	-	0.53	↔						

Spain (Pricing in bulk; Ex-Winery)										Rate: 1.053776	
Vintage	Variety	Price		Trend	Vintage	Variety	Price		Trend		
2021	Generic White	0.40	- 0.44	↑	2021	Generic Red	0.42	- 0.53	↓		
2021	White Blends (Higher Quality)	0.47	- 0.53	↔	2021	Generic Red (Higher Quality)	0.53	- 0.63	↑		
2021	Sauvignon Blanc	0.74	- 0.84	↑	2021	Cabernet Sauvignon	0.58	- 0.68	↔		
2021	Chardonnay	0.79	- 0.84	↑	2021	Merlot	0.63	- 0.74	↔		
2021	Generic Rosé	0.42	- 0.47	↔	2021	Syrah	0.53	- 0.63	↔		
2021	Varietal Rosé	0.47	0.53	↔	2021	Moscatel	0.58	- 0.68	↑		





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