



CIATTI  
GLOBAL WINE & GRAPE BROKERS



# *Global Market Report*

September 2022  
*Volume 13, Issue No. 9*

**Ciatti Global Wine  
& Grape Brokers**

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## September 2022

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This year, more than normal, August and the start of September felt like a holding period while the Northern Hemisphere harvests commenced and their likely respective sizes are assessed. The slowness of the bulk market in many countries – persisting for 2-3 months, brought about by the inflationary picture in key markets, perhaps too a lag in the shipping of already-contracted volumes – suggested only crops significantly down from their averages would stimulate activity. We have seen something of that in California, where an already light crop was hit by a week of extreme temperatures at the start of September.

Europe, however, has remained largely unmoved, as the crops in France, Spain and Italy appear to be coming in below their averages but not significantly so. Red wine carryover is large in Europe and across the world. Whites are in healthier supply-demand balance, and the Languedoc's bulk campaign for the white varietals kicked off early and quickly as many buyers possess little or no 2021 carryover. There is no clear trend on 2022 bulk prices in Europe, with pricing on southern French whites having fallen back somewhere between their 2020 and 2021 levels, while Spanish pricing is steady, with a small uptick in grape pricing offset by lower demand from Italy where, in turn, 2022 white wine production looks good and pricing has softened.

As this month's Italy page states: "The next big task will be to understand how much wine consumption is going to be affected by inflation and the economic instability during the next six months." Inflation has doubtless already led to consumer belt-tightening, while high energy prices come the European winter could dampen consumption further. Wine sales in the premium categories of the US market appear to be slowing markedly, falling into line with the entry-level categories which fell back quickly after COVID's pantry-stocking boom ended; the on-trade appears to be slowing down after its post-COVID bounce-back.

There seems to be a loose consensus that inflation will peak in many markets at the end of this year, may even have already peaked in some, while others are actively working to repress it through direct intervention: the UK government is to spend at least GBP100 billion capping energy bills through to 2024, for example. As the bulk market has been proceeding conservatively for some months now, things could change rapidly if the economic/consumer outlook improves and gaps in supply suddenly need filling.

Recent falls in the oil price have helped keep inflation in better check, especially in the US, but another upward pressure on inflation is high food and dry-good prices which – and the wine industry has been all too aware of this – is partly attributable to very high shipping costs. In a world interconnected by loops of shipping lanes, high container prices and added surcharges – together with container shortages still not fully resolved some months after the pandemic – can only serve to help keep inflation at an elevated level. Shipping's importance in this was illustrated by the French government's request to France-based CMA CGM to lower its prices as part of efforts to curb inflation. Such high shipping prices put immense pressure on both the buyer and seller to make a transaction work, in bulk wine as in any industry. It may be time for shipping companies to play a part in easing the business cost burden, for the good of the global economy.

As we move towards the final quarter of 2022, market uncertainty – in the main – persists. Get in touch with Ciatti, who can draw on decades of experience to help buyers and sellers alike to anticipate the future marketplace. In the meantime, read on for detailed updates from each market.

*Robert Selby*



# California

## *Time on target*

①

**HARVEST WATCH:** *Crop expectation revised downward to 3.5-3.7 tons (US)*

**A week-long wave of high pressure at the start of September brought intense heat levels to California, speeding up an already early harvest in the Coast – where it has been running 2-3 weeks ahead of a normal timetable – as many growers chose to pick before the risk of raisining. Although crush and storage capacity is plentiful this year, bottlenecks at wineries were likely as large amounts of fruit got picked simultaneously.**

While the Coast is picking noticeably earlier, it is a more mixed picture in Lodi and the Central Valley. Yes, the timetable here is one of the earliest of the past 10-20 years, but the trend in the past 5-6 years has been for earlier harvests anyway, so in some cases picking is in line with last year. Sauvignon Blanc picking was in some instances brought forward to avoid the heatwave; Pinot Grigio output seems a little light; Pinot Noir has for the most part been harvested; picking of the late-season reds is underway.

Again, unlike in the Coast where tonnages appear noticeably light, tonnages in Lodi and the Central Valley appear average, with just as many blocks coming in with an overage as a shortfall. Continuing vineyard pull-outs in the southern Valley raises a question mark over the area's tonnage potential, however, and this – combined with the fact the Central Coast is picking lighter than average when last year it performed above expectations – has made us revise down our rough harvest estimate from 3.7-3.9 million tons to 3.5-3.7 million.

A reduction in crop-size expectations, mainly due to the Coast, has stimulated activity on what had been a very quiet bulk market, with inquiries into 2021 wines in the Coast, where inventory of some varieties (mainly reds) in some areas is significant. Coastal sellers still with 2022 grapes uncontracted have become less flexible on price, some willing to crush the fruit themselves as they perceive good prices on the bulk campaign to come.

Coming into September, there was limited grape supply left unsold in Lodi and the Central Valley, with suppliers of the remaining pockets assessing which offers to accept. Chardonnay grapes in particular sustained the robust pricing seen in 2021, with any available lots that arose receiving multiple interest. Any overages that have come in have been readily acquired, the in-demand whites – such as Chardonnay and dry whites – being what has primarily come into the wineries so far. Growers with overages or uncontracted fruit may become comfortable with the idea of crushing the fruit themselves, if the bulk market firms up off the back of the state's third-successive short crop.

The Valley's bulk market started the month quiet, with activity greatest on 2021 Chardonnay and, to a lesser extent, dry white. Bulk Chardonnay has been able, like the grapes, to command probably the best price of any of the major varieties. Interest in 2021 Cabernet and other reds has been much quieter. However, suppliers still with availability have not been in a rush to sell, likely because they know there are other interested buyers. There has been some churn as pockets get removed from the market for internal use and other pockets open up. If the short crop leads to an increase in Coastal bulk prices, buyers may increasingly switch to sourcing from the Valley, especially so considering margins when supplying to retailers are becoming squeezed by inflationary pressure.

In this inflationary environment, with the Valley's bulk pricing firm and shipping costs elevated, international buyers of Californian bulk wine have had to digest increased prices. The strong dollar is another disincentive for export demand. The high cost of sea freight, meanwhile, and the lack of sales growth in boxed wines on the US retail market – entry-level wine sales have been performing poorest of all since the 2020 retail spike – disincentivises bulk imports.

California's grape juice concentrate market must contend with another year of tight supply, especially on the whites, and pricing is likely to be up again. International supply might normally be considered an alternative, but – again – shipping costs and delays are currently prohibitive.

*See next page for more on California.*



# Key Takeaways

California's 2022 crop is coming in lighter than average, though to what extent remains unclear: the Lodi and Central Valley crops appear closer to the average than in the Coast, with picking early but in some instances similar to last year. Supply of uncontracted Lodi/Central Valley grapes is limited, and pricing firm, with growers able to choose from offers or perhaps eyeing the opportunity to crush the grapes themselves. Pockets of 2021 wines intermittently pop up on the bulk market but, again, suppliers often have offers to choose from. Chardonnay and generic whites remain in tight supply; this in turn will lead to limited volumes on the white GJC market. Importing of GJC and generic whites might normally be a viable alternative, but high shipping costs currently make this prohibitive.

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
2021	Generic White	1.05 – 1.15	↑	2021	Generic Red	1.00 – 1.15	↑
2021	Chardonnay	1.40 – 1.80	↑	2021	Cabernet Sauvignon	1.15 – 1.25	↔
2021	Pinot Grigio	1.30 – 1.59	↔	2021	Merlot	1.15 – 1.40	↑
2021	Muscat	1.15 – 1.45	↑	2021	Pinot Noir	1.40 – 1.85	↔
2021	White Zinfandel	1.05 – 1.15	↑	2021	Syrah	1.05 – 1.45	↔
2021	Colombard	1.10 – 1.25	↑	2021	Ruby Cabernet	1.00 – 1.10	↔
				2021	Zinfandel	1.25 – 1.65	↔

## Argentina Time on target



**HARVEST WATCH:** *Cold, snowy winter stands vineyards in good stead*

Argentina's growing areas have experienced good winter weather, with cold temperatures, rainfall, and snowpack laid down in the mountains. Conditions appear conducive to a positive growing season, though – with spring imminent – the frost risk must first be safely navigated.

The bulk wine market continues to be quiet, with most demand that does arise coming domestically. Generic red supply is thus short, in common with generic white,

and Argentina's generic wine prices stand at an elevated level.

Pricing in general remains stable. Malbec continues to constitute the majority of stock, with high-quality supplies available in large volumes. Some small pockets of high-quality white varietal wine – Chardonnay, Pinot Grigio – have been popping up on the market intermittently, mainly due to wineries readjusting their case-good needs. There has been some international buyer activity on these white varieties.

The shipping of wines out of Argentina has been running relatively smoothly in comparison with other

*See next page for more on Argentina.*

markets around the world, though demand is down. Latest data from Argentina’s national viticultural institute, INV, shows the country’s wine exports were 26.9% lower in July 2022 versus July 2021, from 27.2 million litres to 19.9 million. Bulk wine exports fell away by 60.1%, from 8.2 million litres to 3.2 million; packaged shipments dropped by 12.4% to 16.6 million. Varietal wine exports fell 24.8%, generic exports by 41.8%. For the January-July 2022 period, Argentina’s total wine exports were down 20.4%, with bulk exports down 42.6% and packaged down 7.3%.

Statistics for the domestic market were more positive, showing a 0.7% increase in sales in July 2022 versus the

same month of 2021. For the January-July period, sales were up 0.5%, with growth in varietal wine sales (+7.7%) offsetting a fall in generic (-3.4%), and bottled wine sales (+3.1%) offsetting a fall in Tetra Brik (-2.5%).

Argentina’s economic situation continues to be parlous: annual inflation is past 70%, while interest rates are at 69.5% and possibly rising to 75% in September. The peso continues its gradual weakening against the dollar, currently standing at ARS145/dollar versus ARS140 a month earlier and ARS97/dollar a year ago; the unofficial “blue dollar” is at ARS285/dollar.

## Key Takeaways

Argentina can provide large volumes of high-quality Malbec at stable pricing. Some limited pockets of high-quality varietal whites – originally destined for case-good programs – have arisen in recent weeks. High pricing and slowing demand have hurt export performance; domestic sales have held up better, but Argentina’s economy continues to worsen and sales are expected to struggle. The peso continues to weaken gradually against the dollar. Argentina has enjoyed a winter conducive to vineyard health: spring, and the risk of frost, is now getting underway.

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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:** *Water reserves good; fluctuating early-spring temperatures*

August was drier than June and July, but Chile's winter was a wet one overall, with some areas, particularly in the south, moving into water surplus after some years in deficit. There is a feeling that reservoir levels have been replenished enough to supply at least one, maybe two, growing seasons. The countryside is looking lush and green, recovering after years of drought. Temperatures have been fluctuating, with some unusually high temperatures – this early, with spring just underway – raising concerns of a quick snowpack melt.

The quietness on Chile's bulk market continued through August – a traditionally quiet month anyway, when the Northern Hemisphere crops are underway – while buyers assess their needs in the face of shipping costs and high inflation in key markets. Consequently, Chile's availability and pricing remains largely stable. Stock of 2022 varietal whites is minimal; supply of good-quality 2022 red wines supply of good-quality 2022 red wines remains plentiful.

The official inflation rate in Chile is running at 13%, but individuals and businesses believe the real rate – when a longer list of costs is taken into account, such as labour – is closer to 30%. As result, 2023 grape prices are likely to remain in line with 2022, as inflationary costs offset the drag of a slow market. Shipping delays and high freight costs are dampening international interest in Chile, as they are in many markets around the world. Buyers will always tend towards proceeding conservatively until such time as freight costs become less prohibitive.

Chile's wine export statistics remain in positive territory, with total shipments 3.7% higher in January-July 2022 versus the first seven months of 2021; bulk

exports were up 4.8%. This is a reflection of a more positive sales picture 12 months ago. Since then, some North American buyers have switched to cheaper sources, while demand from China has slowed considerably as the country's ongoing COVID-19 restrictions limit consumption and inventories are still being worked through. Brazil – a country in which Chilean wine enjoys an excellent reputation – is one good-news export market, benefiting from the ability to truck instead of ship. Brazil does not permit the entry of bulk wine, only bottled, which – due to high shipping costs – gives nearby Chile a further advantage. Demand from North America could see an uptick if California's new crop comes in short – as it looks like doing – but other supplier countries may be able to offer more attractive pricing.

Chile's Ministry of Agriculture has published its official crush figure for 2022: 1.24 billion litres of wine was produced, 7.4% below 2021's 1.34 billion litres but above 2020's 1.03 billion litres. Wines with designation of origin (DO) represented 83% of the declared total at 1.03 billion litres (-5% versus 2021) while production of wines without a DO increased slightly to 190 million litres (+1.6%). Some 69% of DO wines produced were red, with Pinot Noir (+8.1%) and Syrah (+4.4%) production seeing the largest uptick of the wine varieties versus the previous vintage.

Chile voted overwhelmingly – by 62% to 38% – to reject a new constitution in a nationwide referendum on 4th September. Voting was mandatory. No regions possessed a majority in favour. The resounding defeat of what was seen as a market-unfriendly constitution could potentially renew international investor confidence in Chile, shaken by 2019's civil unrest. The peso duly strengthened when the result became clear, into the CLP860/dollar area, but has since settled back into the CLP900/dollar area.

*See next page for more on Chile.*



# Key Takeaways

Bulk pricing and availability in Chile remain stable. Inflationary pressure is likely to maintain 2023 grape prices roughly in line with 2022's, potentially leading to bulk prices that will struggle to compete with alternative suppliers, though there are a lot of unknowns when looking ahead right now. Stock of 2022 red wines remains large; export statistics remain positive but reflect loading of wines contracted some months ago. It is hoped the resounding defeat of the country's proposed new constitution in September's referendum will revive Chile's credibility as a place to invest. The 2022 winter has replenished water reserves for perhaps two growing seasons, and agricultural land is looking lush.

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### Chilean Export Figures

Wine Export Figures	January 2021 - July 2021			January 2022 - July 2022			Volume
	Million Liters	Million US\$ FOB	Average Price	Million Liters	Million US\$ FOB	Average Price	Variance %
Bottled	274,09	904,11	3,30	282,37	923,08	3,27	3,02
Bulk	197,15	186,88	0,95	206,75	192,29	0,93	4,87
Sparkling Wines	1,80	7,27	4,05	1,80	7,12	3,96	-0,02
Packed Wines	12,66	22,86	1,81	13,12	22,63	1,72	3,64
<b>Total</b>	<b>485,70</b>	<b>1.121,12</b>	<b>2,53</b>	<b>504,04</b>	<b>1.145,11</b>	<b>2,47</b>	<b>3,78</b>

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
NV	Generic White	0.65 – 0.75	↔	NV	Generic Red	0.58 – 0.65	↔
2022	Chardonnay	0.95 – 1.10	↓	2022	Cabernet Sauvignon (Basic)	0.60 – 0.70	↓
2022	Sauvignon Blanc	0.95 – 1.05	↓	2022	Cabernet Sauvignon (Varietal Plus)	0.75 – 0.85	↓
2022	Sauvignon Blanc Cool Climate	Sold out		2022	Merlot	0.65 – 0.75	↔
2022	Carmenere	0.80 – 0.90	↔	2022	Malbec (Basic)	0.75 – 0.90	↓
2022	Pinot Noir	0.95 – 1.05	↓	2022	Syrah	0.75 – 0.85	↑





# France

## Time on target

①

**HARVEST WATCH:** *Heatwave, drought and hailstorms; average-sized crop expected*

**August brought the third heatwave of the summer to France, with drought – present in all regions – raising concerns regarding grape size and juice yield. The drought brought picking readiness forward by 7-10 days in advance of a normal timetable: harvest is in full swing in all areas and should be complete everywhere by mid-October. Disease pressure has been negligible. Nationally, an average crop size is expected.**

The harvest in southern France got underway in the Languedoc first, on 8th August. The severe heat levels complicated the ripening of the grapes and – in some instances – white grapes came in exhibiting a decrease in malic acid levels, while a lack of differentiation in daytime and night-time temperatures decreased aromaticity. Consequently, work might be needed to get a good acid-sugar balance in the final wine but, overall, growers are happy with the 2022 grapes that have come in so far. In addition, the odd patch of rain through August may have helped with berry-sizing and the acid-sugar balance in the later varieties.

In terms of tonnage and yield, performance in the Languedoc has been variable, but a general rule has been that irrigated vineyards – particularly in the coastal regions and the flatlands – have performed well, while the non-irrigated areas of the foothills have struggled more. In total, it will be an average-sized vintage. It is a case of so far, so good in Provence, while the Rhone Valley has especially suffered from the drought, receiving no rain at all through summer. In southern France in general, the white grape harvest is almost over, so too the picking of early-ripening reds such as Merlot and Pinot Noir; the picking of red grapes for rosé is now in full swing, while Cabernet and the late-ripening varieties await harvesting.

Over in the large white-producing area of South West, Gascony was recovering from the effects of early-season hailstorms only to receive another severe one – in previously unaffected areas – just before picking got underway in mid-August. There are expectations of a smaller crop in Gascony than in 2021, which was already a short year. Consequently, pricing for Gascony's 2022 table whites is expected to be slightly up versus 2021. The Charentes region has also suffered from drought and hailstorms, reducing excess tonnage that can be redirected into winemaking once Cognac needs are fulfilled. In general, the anticipated shortness of 2022 white wine supply from South West, combined with little to no 2021 carryover, means any 2021 Gascony whites still yet to load are unlikely to be released back onto the open market. Furthermore, buyers unable to source the whites they need in South West may seek what they need in Languedoc instead.

Consequently, although we foresee market pricing for the Languedoc's 2022 white varieties softening from the 2021 vintage level because of the good tonnages this year in that region, the bulk campaign for the Languedoc's 2022 whites has commenced early and quickly, with buyer demand especially strong on the higher qualities. Buyers have come into the new campaign with zero 2021 carryover, so are eager to make the vintage switchover as soon as possible in order to launch bottling runs to fulfil orders. An early kick-off is manageable because of the early harvest: the first white wine samples will be ready in a few days. The first offer prices for varietal whites have been where we predicted – roughly in between their 2020 and 2021 levels.

The Sauvignon Blanc harvest is almost complete in Bordeaux and crop quality looks good but, in terms of size, production looks like being below the five-year average. Demand will be high and most Sauvignon Blanc will be sold as Bordeaux-appellated wine, with little left over for the Vin de France market. Up in

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the Loire Valley, meanwhile, bunches in general have looked good but there are concerns about juice yield considering the intense heat and dryness. Harvest is just getting underway, so the picture on tonnage performance – and what gets allocated to AOPs, IGPs and sparkling bases etc – will be clearer next month.

With pricing on white varieties in Languedoc having softened from their 2021 levels and unlikely to soften further in the short to medium term, and with current demand strong, we recommend that potential buyers requiring 2022 white varieties make their needs known sooner rather than later so that we can then negotiate with producers.

The bulk red wine market in France, meanwhile, remains becalmed: prices in general are softening, and some 2021 AOP reds are being declassified into the Vin de France market in a bid to attract a buyer and free-up cellar space. Therefore, there are some very attractive and negotiable opportunities on 2021 French red wine from a price-quality ratio perspective. With carryover levels high, the bulk campaign for the 2022 reds is unlikely to start before the end of calendar 2022 into early 2023, except on some Pinot Noir and specific high-proof, high-alcohol reds. The market for

good-quality bulk rosé is likely to remain stable, though pricing could be negotiable if a buyer can commit to big volumes.

There are excellent opportunities to be had on French organic wines moving forward: the uptick in French wine production this year versus last applies to organic wines as well as conventional and – in addition – new organic vineyards have come into production this year. As a result, we expect availability of Languedoc organic wines from the 2022 vintage to be almost double that of 2021. Increasingly, the organic and conventional wine markets are merging in terms of pricing, and we believe the new buying campaign will be an opportune moment for buyers to launch new, or expand existing, organic wine programs.

Buyers in general remain a little cautious considering inflation levels in France (+5.8%) and especially in key export markets such as the UK (+10.1%) and the US (+8.5%). The impact such inflationary pressure is having on consumer sales will become clearer in the final quarter of the year, but the consensus seems to be that that consumers are cutting back on all but necessities and wine sales will contract to some degree.

## Key Takeaways

With carryover of 2021 white varieties so low, the buying campaign for southern France's 2022 white varieties is getting underway quickly and – with harvest running 7-10 days ahead of a normal year – samples will start becoming ready by mid-September. We urge potential buyers to get in touch with their requirements as soon as possible so that we can help them secure the qualities they need. Pricing on the white varieties has softened from the 2021 vintage level, but is unlikely to soften further later in the campaign – now is a good time to secure volumes. There are some excellent price-quality opportunities to be had on 2021 red wines. With new organic vineyards coming online this year, helping to level out pricing with conventional wines, the new buying campaign is an opportune time to start or expand existing organic wine programs.

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## 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*

①

**HARVEST WATCH:** *Early varieties coming in slightly shorter than average*

After an intensely hot summer, temperatures in Spain fell from their very high levels from mid-August. Some areas of the north and east – such as parts of Catalonia and Valencia – received aggressive hailstorms and rainfall during the month, but vineyards are understood to have weathered things relatively well and La Mancha was spared.

La Mancha's harvest moved into full swing at the end of August: most of the international varietal whites were picked by the second week of September and some of the international varietal reds are now coming in. Due to the summer's intense heat, juice yield has sometimes been slightly down and, in some rows in some areas, red grape and international varietal grape production is coming in a little lighter than the average. Overall, by the second week of September, 40% of the crop was picked, with the main body of the generics to come; the harvest should be complete in mid-October.

Spain's bulk market was very quiet through August, with intermittent activity – mainly domestic – on limited volumes, and some activity on fresh must and fresh juice. Pricing on sulfated must is expected to soften in the face of increased Italian competitiveness. Carryover of Spanish red wines from the 2021 vintage is significant and pricing on these remains highly competitive. Consequently, the 2022 crop potentially coming in slightly shorter than the average is unlikely to move the market significantly. In addition, buyers and sellers are sceptical about the market, assessing their strategies moving forward while they wait for the harvest picture and the global economic situation – and its impact on consumer behaviour – to become clearer.

Spain's 2022 grape prices are very similar to 2021's – generic grape prices are up about 6-8% – as growers are aware of the economic environment that wineries are operating in. The issue is that, with grape-price increases so limited, and the cost of doing business rising rapidly, profitability is a major concern for grape growers who were already operating on slim margins: some are asking themselves whether grape growing is sustainable. Spanish wineries, meanwhile, must weigh sustainable prices against the risk of losing market share; 2022 bulk

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prices appear in line with 2021. Buyer interest from France is muted while the French harvest is ongoing, while prices have softened slightly in Italy, reducing Spain's attractiveness as a source – but, as in France, Italy is still harvesting and the crop picture there will be clearer later in September. German buyers are still loading what they acquired earlier in the year; Chinese demand is limited to highly specific, low-volume items.

Spanish wineries, like wineries all around the world, must contend with unpredictable costs for glass bottles and other dry goods. The annual inflation rate in Spain fell from 10.8% in July to 10.4% in August, with falls in fuel prices offsetting continued rises in food and energy costs. In short, the situation in Spain is largely paused until October, by which time the harvest picture across Europe will be much clearer and, it is hoped, also consumer patterns in the major markets experiencing high inflation levels.

# Key Takeaways

Spain can offer large volumes of good-quality, very competitively-priced red wines. The country's 2022 harvest is approximately 40% complete and volumes appear to be coming in slightly down from the average due to the intensely hot summer. With 2021 red wine carryover significant, and 2022 grape prices almost in line with 2021, this harvest picture is unlikely to lift Spanish bulk prices nor stimulate activity on a bulk market effectively paused until October, when the European crop picture will be clearer, so too – it is hoped – consumer behavior in the face of inflation and rising energy costs.

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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:** *Potentially 5% below average in size; late alleviating rain*

**At the time of writing – 9th September – the harvest in Italy is, on average, approximately 30% complete. To give a precise estimation is difficult because the situation varies greatly between, and within, regions. The main Italian authorities released in mid-September their joint forecast of this year's crush size: 50.2 million hectolitres, in line with 2021.**

The first signs are optimistic: rains arrived from the second half of August onward, helping the vines recover greatly from drought and high temperatures. The total quantity of grapes will likely be about 5% down on the average: some regions that last year were affected by the frost will be back to a more normal crop size, while some others – like Piemonte and Tuscany – suffered more from the drought than other regions like Puglia and Abruzzo. White wines production is good and the price level, even if not fully defined yet, seems to be more competitive versus Spain, so the main bottling companies will not need to source abroad for the moment.

The Prosecco harvest is proceeding well and volumes should be enough to meet the upcoming new production law that comes into effect from the 2023 vintage onward, in which the new vintage enters into commerce the following year. It means that the 2022 vintage must last for 14-15 months instead of 12. Bottlings of Prosecco were 3% down in August; the trend since January remains very positive, however, with a 7.6% increase versus the first eight months of 2021. The indicative price of the bulk wine is not yet clear.

Pinot Grigio is continuing to suffer from the lack of glass. The 2022 vintage size will be in line with 2021, with some areas like Trentino seeing production slightly higher and others like Treviso and Pordenone seeing slightly lower. Where IGT Pinot Grigio will be available from is also changing, with a reduction in volumes from the Pavia and Sicily areas and an increase from Abruzzo, Puglia and Romagna.

The stock of 2021-vintage red wines remains significant and prices for some varieties like Primitivo IGT Puglia are traded at a large discount versus last year's quotations. The feeling is that consumption of reds in many countries has reduced; the reasons for this decrease are not clear, but it seems to be a global trend.

Europe's energy crisis is deepening after the Nord Stream 1 shutdown, and rising inflation and interest rate hikes are adding even more complication to the production process. Meanwhile, the supply of glass bottles is complicated and will probably become more problematic during the upcoming winter, making the supermarket tendering process difficult for the bottling companies. All this uncertainty is injecting doubt into the main decisions on the market. The next big task will be to understand how much wine consumption is going to be affected by inflation and the economic instability during the next six months.

With so much uncertainty at the moment, navigating the market can be highly difficult – which is where the Ciatti team comes in. We are able to draw on decades of experience to support our customers with advice and up-to-the-minute information at this complex time. Don't hesitate to get in touch.

*See next page for more on Italy.*

# Key Takeaways

The crop picture remains unclear but there is an expectation of a volume down 5% from the average, with late August rain helping to alleviate drought and heat effects. White wine, Prosecco and Pinot Grigio volumes are expected to be sufficient, with churn in the source of supply as some areas have been affected by drought and heat more than others. Bulk wine prices are not yet clear, though the price for white wines appears to be more competitive versus Spain than the previous vintage. Stock of 2021 red wines remains significant and prices in some instances have fallen significantly. Inflation, high energy prices and dry-good shortages – especially for glass – make doing business more challenging, while the impact of inflation and rising interest rates on consumer confidence will become clearer in the coming months.

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2021	Generic White (Alc. 10.5%)	0.45 – 0.55	↓	2021	Generic Red (Alc. 11 - 12%)	0.40 – 0.55	↓
2021	Generic White (Alc. 11 - 13%)	0.50 – 0.65	↓	2021	Generic Red (Alc. 13%)	0.55 – 0.70	↓
2021	Organic Generic White (Alc. 10.5 - 12%)	0.70 – 0.90	↔	2021	Organic Generic Red (Alc. 12.5 - 13%)	0.85 – 1.15	↔
2021	Varietal Chardonnay (Alc. 11 - 13%)	0.75 – 0.95	↓	2021	Varietal Cabernet Sauvignon (Alc. 12 - 13%)	0.90 – 1.10	↔
2021	Organic Pinot Grigio (Alc. 12%)	1.30 – 1.45	↔	2021	Varietal Merlot (Alc. 12 - 13%)	0.70 – 1.00	↔
2021	DOC Pinot Grigio delle Venezie	1.05 – 1.15	↔	2021	Varietal Syrah (Alc. 12 - 13%)	0.90 – 1.15	↔
2021	Pinot Grigio IGT (Different Regions)	0.95 – 1.05	↔	2021	Rossissimo (Alc. 12.5 - 14%)	0.85 – 1.00	↓
2021	Pinot Grigio IGT (Blends)	0.70 – 0.90	↔	2021	Primitivo IGT Puglia/ Salento (Alc. 12.5 - 14%)	1.10 – 1.40	↓
2021	DOC Prosecco (Cannot be sold outside of Italy)	2.20 - 2.30	↔	2021	Sangiovese IGT (Alc. 11.50 - 13%)	0.70 – 0.90	↔
2021	Soave or Garganega DOC	0.90 – 1.00	↔	2021	Trebbiano IGT (Alc. 10.5 - 12%)	0.50 – 0.70	↔
				2020	Chianti DOCG (13 - 13.50%)	1.85 – 1.95	↔

**\*Bottled Price**

# South Africa

## *Time on target*



**HARVEST WATCH:** *Average rainfall levels in August; more rain would be helpful*

As per normal during the Northern Hemisphere's summer holiday season, international buyer activity on South Africa's bulk wine market was muted through August, with intermittent requests on limited volumes. The focus was on shipping those wines already contracted: to Europe, shipping was largely free of significant logistical issues; exporting to North America was more challenging, with a shortage of vessels, citrus/fruit exports dominating container space, and trucking delays from US ports.

Shipping firms continue to forecast an improving situation and, overall, in recent months, we have seen performance gradually improve. In general, shipping prices remain at an elevated level.

Availability on South Africa's 2022 Chardonnay and Sauvignon Blanc only arises with the cancellation of other deals. There is little to no availability left on Chardonnay, while pockets of Sauvignon Blanc are available. Dry White and Chenin Blanc remain in stock. Availability of 2022 Pinotage, Shiraz, Cabernet and Merlot is high and the market for these has been slow over the past three to four months, perhaps indicative of ultra-competitive red varietal pricing in Australia, the market share South Africa lost in the years before COVID-19, and greater buyer emphasis in Europe on sourcing closer to home.

In general, there has been buyer hesitancy in recent months due to the economic picture in Europe and North America, and buyers have also been waiting for the Northern Hemisphere harvest picture to become clearer. As the market has been proceeding conservatively for some time now, it could speed up rapidly if the economic/consumer outlook changes for the better and gaps in supply need to be filled.

From a dollar perspective, South Africa is especially competitive on Dry White before shipping costs and duties are factored in. Rand pricing has remained

stable since an uptick at the start of the year, and the Rand itself is currently weak: past the ZAR17 mark against both the dollar and euro, and past ZAR19 versus pound sterling.

Domestic demand is strong for Dry Red that can meet entry-level category needs, keeping prices firm at an uncompetitive level versus Spain's generic red offer and disincentivising export. Dry Red supplies have been drawn down and there has been some consideration given to importing. This buoyancy in the domestic market, combined with the loss of market share on export markets from 2015/16 to 2019, has changed South African wine's export/domestic sales dynamic from one 60-40% in favour of exports to more like an even 50-50% split.

This parity is illustrated in the latest data from SAWIS (SA Wine Industry Information & Systems). Total wine sales domestically were up 13% in the 12 months to the end of June 2022 versus the previous 12 months, from 377 million litres to 427 million. Exports, meanwhile, were also up 13%, from 375 million litres to 423 million. To the leading export destination, the UK, total wine shipments were up a significant 17%, exceeding the 100-million-litre mark for the first time in many years; bulk represented 69 million litres of this, growing 27% versus 54.5 million litres the year before. This impressive performance easily offset a 5% decline in total shipments to South African wine's second export market, Germany. Total wine exports to the third, the US, were up significantly, as buyers sought bulk wines they could not source in California at the time; some of this business will have since switched back to domestic sourcing.

After a relatively dry July in the Western Cape, August rainfall levels were closer to the average, bringing Cape Town dam water levels up from 75% of capacity at the start of the month to 85% by the end. Some good rainfall in September and October – not uncommon – would be welcome, though water supplies are sufficient enough to keep vineyards in good condition for at least the first part of the growing season.

*See next page for more on South Africa.*



# Key Takeaways

South Africa offers good supplies of – and stable pricing on – Shiraz, Merlot, Cabernet and Pinotage, Cinsault and Shiraz rosés, and Chenin Blanc. Dry White pricing is highly competitive (before shipping costs/duties are factored in). Pricing has been stable since the start of the year and the Rand is weak at ZAR17+ versus both the dollar and euro and ZAR19+ versus pound sterling. Total wine exports were up 13% in the 12 months to the end of June, powered by strong UK demand for bulk. Strong domestic demand – also up 13% – prices out Dry Red for export; some buyers are considering importing Dry Red to meet the good domestic demand levels. The shipping situation continues to improve overall, with routes to Europe performing well; to North America, less so. Dam water levels – at 85% of capacity – are enough to ensure water is not a concern at the start of the growing season; more rain in the next two months is hoped-for.

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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*



①

### **HARVEST WATCH:** *Third-consecutive La Niña effect likely in Australia*

**Many grape growers in Australia continue to prune and prepare their vineyards for the 2023 vintage, even if they are out of contract and have no immediate prospects of selling their fruit. Some are focusing solely on their white varieties whilst putting minimal effort into their reds, others are planning an extensive/heavy prune to cut the vines right back and reset for the following 2024 season.**

A number of grape growers dumped their 2022 fruit on the ground earlier this year and are reluctant to have to do this again – many saying that others in the industry should be taking their turn next year. Calls for regulation and subsidies from government are rife, but many are not expecting to see any action taken as the government focuses its attention elsewhere.

The overall consensus is that the size of the 2023 crush needs to be much smaller than the long-term average of 1.75 million tonnes – the main focus being on reducing the intake of red varieties as the industry is long in red inventory across all qualities and price points. Larger-sized wineries have already made it clear to many growers that they will be unable to take in the regular volume of red fruit due to limited tank space, with many opting to pay their contracted growers not to pick their reds or alternatively to look into grafting over to other white varieties.

Off the back of this, red wine sales remain subdued in the domestic market. There has been some activity for wines from smaller cool-climate areas with softening pricing. International buyers still express interest in entry-level material but also cite concerns regarding shipping availability, timing and the cost to receive the wine. White wine demand is stable and consistent.

Water remains in abundance throughout Australia's river systems as the country prepares for another La Niña weather event during the 2022-23 growing season. The World Meteorological Organisation has

estimated there is a 70% chance the phenomenon will continue through September, October and November; this drops to a 55% chance during December-January-February 2022/23. This would be an unprecedented third-consecutive Southern Hemisphere summer to experience La Niña, an event which can bring heavy rainfall and widespread flooding to the south-eastern areas of Australia. The event is caused by the cooling of ocean surface temperatures leading to changes in wind pressure and rainfall levels.

New data from market research company Roy Morgan's 'Alcohol Consumption Report' reveals Australians are consuming less alcohol since the lockdown periods of 2020 and early 2021. In the year ending June 2022, an average of 13.6 million Australians (67.9%) aged over 18 consumed alcohol in an average four-week period, down from 13.9 million (69.7%) in the prior 12 months. Whilst wine was still the most popular choice of alcoholic beverage, the number of consumers nonetheless dropped from 9.2 million (46.3%) to 8.9 million (44.6%) in the same period. Those consuming wine are mainly (51.1%) in the 65-79 age range. Beer and spirits also saw consumption declines whereas RTD (ready-to-drink) options, notably seltzers, increased by 3.2%.

The fifth-consecutive monthly interest rate rise in Australia has lifted the cash rate to 2.35% – the highest since 2015. The rate increases are in response to surging inflation, currently at 6.1% and expected to peak at the end of the year. By contrast, the unemployment rate is at its lowest level since 1974 at 3.4%

In **New Zealand**, meanwhile, an uptick in the availability of surplus 2022 Marlborough Sauvignon Blanc has been evident after the larger-sized crush this year. Parcels being released onto the market are seeing a quick traction to sale with pricing remaining stable.

New Zealand has agreed to recognise the name 'Prosecco' as a protected geographical indication and will therefore phase out its use for New Zealand-based material or wines imported into New Zealand

*See next page for more.*



from outside the Italian Prosecco-making region. This comes as part of New Zealand’s new free trade agreement with the EU. New Zealand is the main market for Australian Prosecco, representing nearly 50% of the export market by value. The consequence of the new NZ-EU agreement for Australian suppliers is that any Australian Prosecco exported to New Zealand would need to be labelled Glera, the grape variety, within five years from when the FTA comes into force. The agreement must first be ratified by the New Zealand and European parliaments.

New Zealand is temporarily changing its immigration laws in an attempt to attract more international workers. Border closures during the COVID-19 pandemic caused difficulties for many agricultural sectors who rely heavily on skilled migrants travelling to New Zealand on working holiday visas. With this in mind, the one-time changes mean that visas under the working holiday scheme that are due to expire before 31 May 2023 can be extended by an additional six-months, while the number of new visas available under the programme will be doubled for 2022/23.

# Key Takeaways

Australia is long in red inventories across all qualities and price points: wineries are warning many growers they will be unable to accept the regular volume of red fruit in 2023. Some growers are reducing work on the reds, planning a heavy prune to start afresh in 2024, or considering grafting over to white varieties. White wine demand remains good. Water availability for the coming season is plentiful. An unprecedented third-consecutive La Niña is likely, increasing the heavy rainfall/flood risk in south-eastern Australia. New Zealand’s larger 2022 crop has expanded Marlborough Sauvignon Blanc availability and parcels are being sold quickly. Ratification of the NZ-EU FTA would prohibit – within five years – the use of the ‘Prosecco’ name on wines produced in New Zealand or wine imported from anywhere outside Italy, such as Australia. New Zealand’s working holiday visa scheme is temporarily expanding in 2022-23 to boost the agricultural workforce following shortages induced by COVID-19 restrictions.

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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	0.45 – 0.55	↓
2022	Chardonnay	0.95 – 1.10	↔	2021/22	Cabernet Sauvignon	0.50 – 0.70	↓
2022	Sauvignon Blanc	1.45 - 1.75	↔	2021/22	Merlot	0.50 – 0.70	↓
2022	Pinot Gris	1.20 – 1.30	↔	2021/22	Shiraz	0.50 – 0.70	↓
2022	NZ Marlborough SB	NZD 5.95 - 6.25		2021/22	Muscat	0.90 – 1.00	↔

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



# Structan

## A solution to smoke-tainted wine



Wildfires have increasingly plagued some of the world's most important wine regions over the past two decades, with notable fires in Australia, California, and even recently in France. While wildfires can be vital to an area's biodiversity – stimulating the germination of endemic plant species – they can put nearby wine production at risk. With wildfires growing more common, measures to reduce smoke taint are becoming more crucial for winemakers globally.

Vineyard smoke exposure can severely influence a downstream wine's taste and aroma. Winds can carry wildfire smoke kilometres into vineyards where volatile compounds in the smoke can diminish the quality of wine grapes. When **volatile phenols** (VPs) – which are molecular constituents of wildfire smoke – reach the grapevines, they accumulate on the plant's surface. This surface presence is already a recipe for them to be introduced into wine, but these ashy compounds can also diffuse into grape berries or enter the vine from the soil via the root system. Therefore, VPs are not only present on the surface of the plant, but also within the grapes. The VPs are responsible for sensory attributes, including smokiness, ashiness, and unpalatable bitterness, which are typically collectively described as 'smoke taint'. Smoke taint is not always obvious from the grapes, and winemakers can have difficulty deciding the fate of a smoke-exposed harvest.

When VPs are assimilated by the plant, they form covalent bonds with grape sugars: they are converted from their free, volatile form into odour-neutral **glycoconjugates** (bound form). Through this chemical conversion, their characteristic taste and odour are suppressed. But as the VPs are released from the glycoconjugates during fermentation, malolactic fermentation, ageing, and wine storage, their distinct taste and aroma will come to the fore. This spoils the wine for the consumer, whose salivary enzymes will further exacerbate the unpleasant, ashy aftertaste. The consequent implications for the wine brand are obvious.

Luckily, new and ongoing research is encouraging and indicates that effective smoke-taint amelioration strategies may be employed in the winery after all. A good finishing agent like **Structan** can go a long way as a means of improving the marketability of wines made from smoke-exposed grapes.

Previous research outputs from Stellenbosch University (SU) have documented a smoke-taint mitigation strategy whereby enzymatic hydrolysis ( $\beta$ -glucosidases) and activated charcoal treatments were used to 'release and remove' VPs from smoke-affected wines. The same research also considered the effects of Structan as a masking agent, concluding that Structan can successfully bring woody attributes to the fore.

A wildfire event in January 2021 presented the researchers with an opportunity for continued investigations into the 'release and remove' strategy. An initial report of this work was recently presented at the International Cool Climate Wine Symposium (ICCWS 2022). In short, instead of working to prevent or delay the release of VPs from their glycoconjugates, enzymes were employed to encourage the release of VPs into a smoke-affected Malbec. Sensorially, smoke-taint characteristics were exacerbated by the enzymatic treatment because, chemically, the free VP pool was increased. This allowed for the subsequent employment of activated charcoal treatment to remove the free VPs from the wine. The remaining glycoconjugate reservoir in the wine was reduced. Therefore, fewer bound VPs were available to be released and diminish wine quality downstream.

Unfortunately, activated charcoal treatments are known to have a scalping effect on wines. And this is where the power of **Structan** comes into play. In an attempt to offset the scalping effect of the charcoal treatment, the affected Malbec was treated with Structan. After three months of bottle storage, the Structan-treated wines were re-evaluated for smoke-taint characteristics. Initial results indicated that Structan can improve the perception of sweet and spicy aromas in the wine and thus bring about the masking of smoke and ash.

Structan can help winemakers improve the palatability and market acceptance of wines made from smoke-exposed grapes. With Structan, winemakers can have peace of mind that they've minimised the risk of unpalatable wines reaching their customers – and damaging their reputation and brand.

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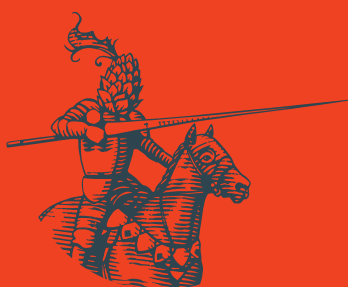
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# Export Pricing: USD per liter

Currency Conversion Rates as of September 19, 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: 0.672662 / NZD Rate: 0.596053					
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Dry White	0.57	-	0.64	↔	NV	Dry Red	0.30	-	0.37	↓
2022	Chardonnay	0.64	-	0.74	↔	2021/22	Cabernet Sauvignon	0.34	-	0.47	↓
2022	Sauvignon Blanc	0.98	-	1.18	↔	2021/22	Merlot	0.34	-	0.47	↓
2022	Pinot Gris	0.81	-	0.87	↔	2021/22	Shiraz	0.34	-	0.47	↓
2022	NZ Marlborough SB	3.55	-	3.73		2021/22	Muscat	0.61	-	0.67	↔

California (Pricing in bulk; FCA)											
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2021	Generic White	1.05	-	1.15	↑	2021	Generic Red	1.00	-	1.15	↑
2021	Chardonnay	1.40	-	1.80	↑	2021	Cabernet Sauvignon	1.15	-	1.25	↔
2021	Pinot Grigio	1.30	-	1.59	↔	2021	Merlot	1.15	-	1.40	↑
2021	Muscat	1.15	-	1.45	↑	2021	Pinot Noir	1.40	-	1.85	↔
2021	White Zinfandel	1.05	-	1.15	↑	2021	Syrah	1.05	-	1.45	↔
2021	Colombard	1.10	-	1.25	↑	2021	Ruby Cabernet	1.00	-	1.10	↔
						2021	Zinfandel	1.25	-	1.65	↔

Chile (Pricing in bulk; FOB Chilean Port)											
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Generic White	0.65	-	0.75	↔	NV	Generic Red	0.58	-	0.65	↔
2022	Chardonnay	0.95	-	1.10	↓	2022	Cabernet Sauvignon (Basic)	0.60	-	0.70	↓
2022	Sauvignon Blanc	0.95	-	1.05	↓	2022	Cabernet Sauvignon (Varietal Plus)	0.75	-	0.85	↓
2022	Sauvignon Blanc Cool Climate		-			2022	Merlot	0.65	-	0.75	↔
2022	Carmenere	0.80	-	0.90	↔	2022	Malbec	0.75	-	0.90	↓
2022	Pinot Noir	0.95	-	1.05	↓	2022	Syrah	0.75	-	0.85	↑



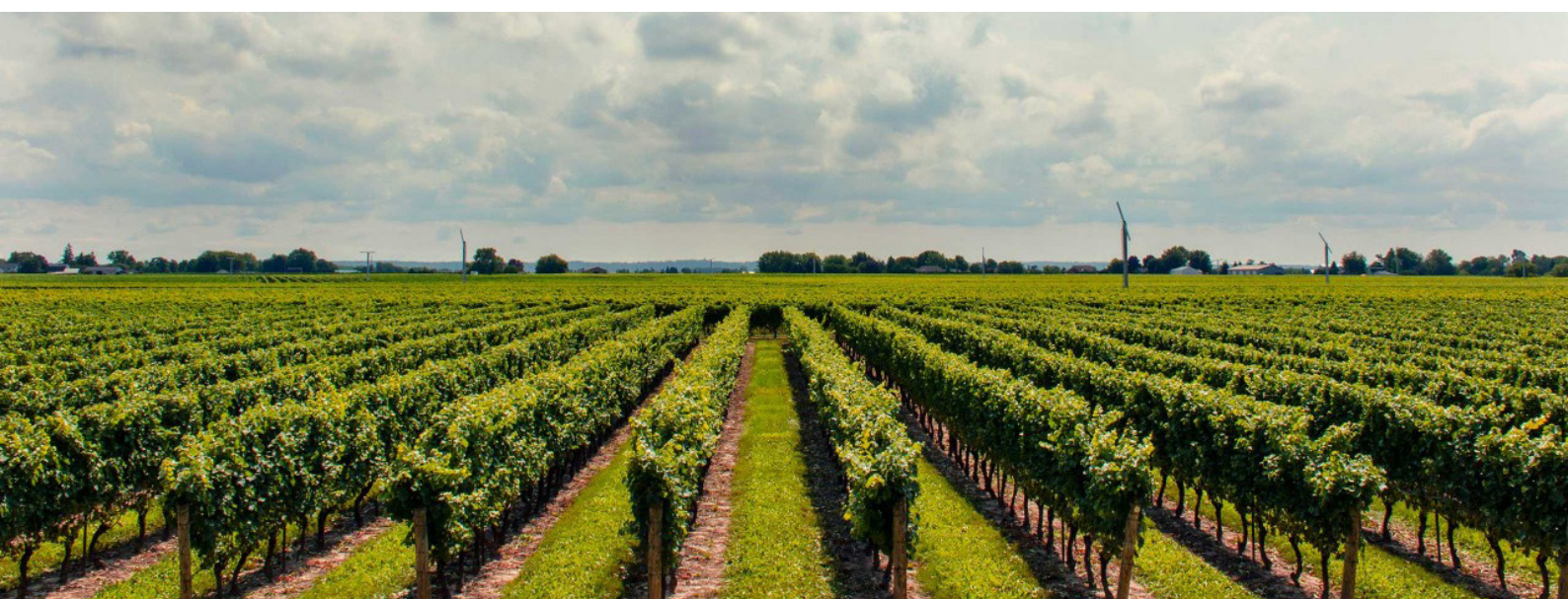
France (Estimated Pricing in bulk; Ex-Winery)										Rate: 1.0021272	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2021	Generic White	0.95	-	1.05	↑	2021	Generic Red	0.75	-	1.00	↔
2021	Chardonnay IGP	1.40	-	2.00	↑	2021	Cabernet Sauvignon IGP	0.95	-	1.30	↔
2021	Chardonnay VDF	1.40	-	2.00	↑	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	Red Syrah / Grenache IGP	0.90	-	1.30	↔
2021	Generic Rosé VDF	0.90	-	1.00	↔	2021	Varietal Rosé IGP	0.95	-	1.20	↔

Italy (Pricing in bulk; Ex-Winery)										Rate: 1.0021272	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2021	Generic White (Alc. 10.5%)	0.45	-	0.55	↓	2021	Generic Red (Alc. 11 - 12%)	0.40	-	0.55	↓
2021	Generic White (Alc. 11 - 13%)	0.50	-	0.65	↓	2021	Generic Red (Alc. 13%)	0.55	-	0.70	↓
2021	Organic Generic White (Alc. 10 - 12%)	0.70	-	0.90	↔	2021	Organic Generic Red (Alc. 12.5 - 13%)	0.85	-	1.15	↔
2021	Varietal Chardonnay (Alc. 11 - 13%)	0.75	-	0.95	↓	2021	Varietal Cabernet Sauvignon (Alc. 12 - 13%)	0.90	-	1.10	↔
2021	Organic Pinot Grigio (Alc. 12%)	1.30	-	1.45	↔	2021	Varietal Merlot (Alc. 12 - 13%)	0.70	-	1.00	↔
2021	DOC Pinot Grigio delle Venezie	1.05	-	1.15	↔	2021	Varietal Syrah (Alc. 12 - 13%)	0.90	-	1.15	↔
2021	Pinot Grigio IGT (Different Regions)	0.95	-	1.05	↔	2021	Rossissimo (Alc. 12.5%)	0.85	-	1.00	↓
2021	Pinot Grigio IGT (Blends)	0.70	-	0.90	↔	2021	Primitivo IGT Puglia/ Salento (Alc. 12.5 - 14%)	1.10	-	1.40	↓
2021	DOC Prosecco (Cannot be sold outside of Italy)	2.20	-	2.30	↔	2021	Sangiovese IGT (Alc. 11.50 - 13%)	0.70	-	0.90	↔
2021	Soave or Garganega DOC	0.90	-	1.00	↔	2021	Trebbiano IGT (Alc. 10.5 - 12%)	0.50	-	0.70	↔
						2021	Chianti DOCG (Alc. 13 - 13.5%)	1.85	-	1.95	↔
*Bottled Price										0.89	

South Africa (Pricing in bulk; FOB Cape Town)										Rate: 0.056574	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2021/22	Generic White	0.28	-	0.34	↓	2021/22	Generic Red	0.48	-	0.51	↔
2021/22	Chardonnay	0.61	-	0.67	↑	2021/22	Cabernet Sauvignon	0.62	-	0.74	↔
2021/22	Sauvignon Blanc	0.62	-	0.76	↑	2021/22	Ruby Cabernet	0.51	-	0.59	↔
2021/22	Chenin Blanc	0.41	-	0.47	↓	2021/22	Merlot	0.62	-	0.71	↔
2021/22	Colombard	0.33	-	0.37	↔	2021/22	Pinotage	0.57	-	0.65	↔
2021/22	Muscat	0.38	-	0.41	↑	2021/22	Shiraz	0.62	-	0.68	↔
2021/22	Generic Rosé	0.34	-	0.37	↔	2021/22	Cinsaut Rosé	0.47	-	0.51	↔
2021/22	Cultivar Rosé	0.46	-	0.48	↔						



Spain (Pricing in bulk; Ex-Winery)										Rate: 1.0021272	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2021	Generic White	0.38	-	0.42	↑	2021	Generic Red	0.40	-	0.50	↓
2021	White Blends (Higher Quality)	0.45	-	0.50	↔	2021	Generic Red (Higher Quality)	0.50	-	0.60	↑
2021	Sauvignon Blanc	0.70	-	0.80	↑	2021	Cabernet Sauvignon	0.55	-	0.65	↔
2021	Chardonnay	0.75	-	0.80	↑	2021	Merlot	0.60	-	0.70	↔
2021	Generic Rosé	0.40	-	0.45	↔	2021	Syrah	0.50	-	0.60	↔
2021	Varietal Rosé	0.45	-	0.50	↔	2021	Moscatel	0.55	-	0.65	↑





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