



## Newsletter Hungary – May 2019

At the moment the prices of the Hungarian bulk wines are not veritable. Lower than at any time at last 15 years because we have (much) bigger stocks as usual.

The white prices move btw. 0,45-0,58 EUR/lit. (white generic, Müller Thurgau, Grüner Veltliner), 0,55-0,65 EUR/lit. (Chardonnay, Sauvignon Blanc, Traminer, Muscat) and 0,80-0,90 EUR/lit. (Irsai Olivér, Pinot Grigio - the high quality white wines general, maybe oak matured). The vintage of this wines is 2017 (matured) and 2018, the alcohol level is btw. 11,5-14,5% vol.

The rose prices are 0,50-0,55 EUR/lit. (Blaufränkisch, Merlot, Cabernet Sauvignon) with cca. 12% alc. vol.

The red prices are also lower than normally, 0,50-0,80 EUR/lit. (Blaufränkisch, Blauer Portugieser, Merlot, Pinot Noir, Cabernet Sauvignon and Cabernet Franc) with 12,5-14,5% alc. vol.

After the winter and maybe in the middle of the earlier arrived "the Ice Saints" days - nothing wrong happened in the vineyards. On the contrary, the number of the flower-bunch (closter number) is more powerfull (much) as last year in the same time in Hungary. Today we see in the plants minimum the same (or more) crop as last year. It is true that the plants sleep more next 3,5-4,5 months outside - in the open air!

The Hungarian wineries asked from the goverment a regional destillation with subvention, but the authorities refused this solution for the reduction of the "unsold" (cca. 1,5 mil. hl) stocks. Most likely, the Agriculture Ministry together with the National Council of the Wine Communities will assist for the "100 % green harvest" in the different regions. We will see.

Our opinion is - that this wine prices are lower (much lower) than the production costs of wine in Hungary. These low prices cause loss for the wineries of the 2017 and 2018 crop because the grape and must prices were higher that the actual wine prices. The 2019 harvest should cause loss for the grape-producers if the wineries will reduce the grape prices more or will not buy all grapes from the producers.