



Newsletter New World Wines – February 2020

Pre-harvest information

We are presenting you a short pre-harvest information from the most important wine producing countries in the Southern hemisphere:

CHILE:

2020 crop is 2-3 weeks before the start of the harvest looking shorter due a huge water issue and hot summer in some areas, it could be around 20% below. Nevertheless stock are healthy so prices should remain reasonable. Probably Chardonnay will be the most expensive one. But in general the harvest looks normal. It is early yet to forecast numbers.

ARGENTINA:

The new harvest it's going well in general, but for the basic grapes the quantities will be less around 25% respect with the last year, in the varietals grapes everything it's ok, will be very good quantity and quality, in other hand we will have grape juice concentrate white and red with very good prices, this is more less the most important about the harvest. The quality and alcohol are excellent in all kind of grapes.

AUSTRALIA:

It has been a second year of very dry weather in Australia. The crop is likely to be short to very short because of the very dry conditions. Both in the premium regions (maybe 20% down on last year's shorter crop) and the commercial regions (maybe 10% down on last year's shorter crops). Grape prices are up 10-15%. Harvest is now beginning and in some parts of the country this last week has seen record rains, but not in the grape growing regions (so far anyway). Against that possible reduced demand from China due to the Coronavirus. A complicated situation.

SOUTH AFRICA:

It looks like an average to good harvest certain varieties such as Sauvignon Blanc and Chardonnay are down but the rest look good.

There was a renewed energy in the South African wine industry in 2019 following a long downward cycle. Two consecutive smaller crops due to the drought led to upward wine price adjustments. The drought had a significant impact on wine production, which decreased by 90 million litres annually in 2018 and 2019. Lower availability resulted in higher wine prices,

Overall the 2020 harvest is expected to be somewhat bigger than the 2019 harvest but still smaller than the average over the past five years. The 2020 harvest kicked off at least one week earlier than usual following relatively moderate temperatures during the ripening period.

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