



## Newsletter Spain – September 2020

Ultimately, 2 million hl of the 3.2 million hl requested by the wine sector were distilled in Spain. Of this, 1.5 million hl were table wine at a price of € 25.00 / hl and 0.5 million hl were IGP / DO wine at a price of € 35.00 / hl. This quantity was enough for the producers to be able to sell wines of inferior quality, and even if the remaining amount of 1.2 million hl seems large at first glance, it is distributed among many different producers.

CROP	CROP SPAIN	CROP LA MANCHA	PRICE EXW. RED WINE	PRICE EXW. WHITE WINE
2013	55,5 MIO HL	33 MIO HL	€ 3,40 hº	€ 3,30 hº
2014	46 MIO HL	25 MIO HL	€ 2,60 hº	€ 2,30 hº
2015	42,5 MIO HL	23 MIO HL	€ 2,90 hº	€ 2,40 hº
2016	52 MIO HL	25 MIO HL	€ 3,30 hº	€ 3,00 hº
2017	36 MIO HL	20 MIO HL	€ 4,50 hº	€ 3,90 hº
2018	50 MIO HL	29 MIO HL	€ 4,40 hº	€ 3,90 hº
2019	38 MIO HL	19 MIO HL	€ 3,50 hº	€ 3,00 hº
<b>2020</b>	<b>? 45 MIO HL</b>	<b>? 23 MIO HL</b>	<b>? € 2,70 hº</b>	<b>? € 2,30 hº</b>

In general, this new crop is expected to be very good in 2020:

- In France the total harvest will be around 45 million HL (+ 6% from 2019) - there would be stocks from previous harvests but most of them would be AOP wines.
- In Italy around 55 million HL (after a normal harvest of 48 million HL in 2019). A large harvest is generally expected in all production areas, with min. + 15% than a normal harvest. There has been heavy rainfall in the north in the past few days which could potentially affect the condition of the grapes, but you have to wait for the harvest to see any damage.

- In Spain we expect a harvest of 45 to 47 million HL (38 million HL in 2019), including 23 million HL in LA MANCHA.

RAINFALL	Rain in Autumn September - October and November	Rain in Winter December January and February	Rain in Spring March, April and May	Rain in Summer June, July and August	Total Rainfall in liter /m2	Quantity of crop in mio. hl in La Mancha region
2019/2020	137,40	72,60	161,80	6,8	378,60	<b>CROP 2020 = 23,00 ?</b>
2018/2019	128,60	26,20	78,40	6,4	239,60	Crop 2019 = 19,00
2017/2018	61,60	113,80	264,80	16,60	456,80	Crop 2018 = 29,08
2016/2017	165,00	102,80	108,40	31,00	407,20	Crop 2017 = 19,45
2015/2016	87,80	56,80	174,20	2,20	321,00	Crop 2016 = 24,42
2014/2015	159,40	64,80	77,60	35,20	337,00	Crop 2015 = 22,94
2013/2014	139,60	237,40	54,80	14,40	446,20	Crop 2014 = 25,12
2012/2013	299,40	129,60	256,20	11,80	697,00	Crop 2013 = 33,03
2011/2012	89,00	26,60	121,40	10,80	247,80	Crop 2012 = 19,00
2010/2011	147,60	243,20	130,60	2,40	523,80	Crop 2011 = 18,90
2009/2010	42,80	391,80	98,20	49,10	581,90	Crop 2010 = 21,60
2008/2009	129,40	67,30	71,80	32,00	300,50	Crop 2009 = 20,00
2007/2008	¿... ?	¿... ?	¿... ?	¿... ?	602,00	Crop 2008 = 23,10
Average from 2009-2020	132,30	127,74	133,18	18,22	average 2007 - 2020 426,10 Lt	Average from 2008 - 2019= 22,97

- Chile - Total wine production for 2020 is 10 million HL or -13% from last year. The current price of red wine 12% (FOB Valparaiso) - 45.00 - 65.00 USD / HL

- In Argentina, the total wine production for 2020 is also around 10 million hectoliter or -20% compared to the previous year. In addition, 4,430.000 hl of must were produced, which corresponds to a stock of around 160,000 tons of must concentrate, which makes Argentina the world's leading exporter of this product.

The current price for red wine 12% (FCA Mendoza) - 28.00 - 30.00 USD / hl., which corresponds to a price FOB Valparaiso of 36.00 - 38.00 USD / hl (without Flexitank).

Of course, it is still too early to give the starting prices for the new 2020 harvest in Spain. In view of the development of the vines, the Airén harvest should start around September 15, 2020. As every year, the price of the Airén sets prices in Spain for all other grape varieties because of its large production volume. If the vines develop their normal course, we should expect the starting prices listed below, which are very similar to the market situation of the 2014/2015 harvest.

As mentioned in our last market report, the starting prices of the harvest could be what we suggested:

- White wine FT (traditionally fermented), starting price around € 2.30 / h°.
- White wine FC (controlled fermentation), around € 2.40 / h°.
- Rosé wine FT (traditionally fermented), starting price around € 2.40 / h°.
- Rosé wine FC (controlled fermentation), around € 2.50 / h°.
- Red wine between 11% and 12%, color 4-5 points, starting price between € 2.60 and € 2.70 / h°
- Red wine between 12.5% and 14.9% vol., color 8-9 points between € 2.70 and € 3.10 / h°

Depending on the confirmation of the wineries, the prices for the first wines (already harvested grapes) with grape variety crop 2020 are as follows:

#### WHITE WINE / VARIETIES

- Chardonnay, around € 4.00 h°
- Sauvignon Blanc, around € 4.00 h°
- Verdejo, around € 3.50 h°
- Muscat / Moscatel, around € 3.00 h°
- Macabeo, around € 2.60 h°
- Airén -> from 10/15 September 2020

#### RED WINE / VARIETIES

- Merlot, around € 4.20 h°
- Cabernet Sauvignon, around € 3.90 h°
- Syrah, around € 3.50 h°
- Tempranillo -> from 7 September 2020

GRAPE JUICE CONCENTRATE /RECTIFIED GRAPE JUICE CONCENTRATE – on the base of price of must from crop 2020

We are assuming that there will be around 2 million HL of sulphurized must (not concentrated) on the market. This means that the price for de-ionized, rectified grape juice concentrate should be very competitive in the next campaign. Currently we can offer:

- Rectified grape must concentrate (de-ionised) 65 Brix - approx. € 1.15 / kg
- White grape must concentrate 65 Brix - approx. € 1.00 / kg
- Red grape must concentrate 65 Brix, T500 - approx. € 1.25 / kg

For your projects for organic wines with EU certification - ECOSHERT / SOHISCERT - we would like to know your request. It is important to know that due to the ideal weather conditions in Spain, there is no problem for vineyards to fulfil the standards for certification. More and more cooperatives are offering large quantities of organic wines at very interesting prices.

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