



Newsletter Spain – May 2021 – Expectations harvest 2021

Due to the global COVID-19 crisis since 2020/2021 and its consequences for the international market, the low demand for wine and the still large inventories in most producer regions, the general price development has declined. There should have been a crisis distillation that should have happened in May / June 2021, but today we have great doubts that it will happen.

This scenario changed drastically from week 18/2021, around May 5, 2021, when frost spread across the main production regions of France and Italy. The first reported losses were more or less 60%, but ultimately, we believe that they will not be more than 40%. Immediately the producers in Spain, which was spared from the frost, raised the prices. Indeed, there has been unprecedented demand, mostly from European buyers who have signed a lot of contracts for wine and rectified grape must concentrate. An interest that was unimaginable a few days before the frost episodes, whereby the remaining stocks, which were still available at low prices at the time, were used up and prices were raised to today's level (see below). We are convinced that the prices reached today will serve as starting prices for the new harvest in 2021, as it no longer makes sense to talk about a possible crisis distillation.

This year, given the current situation, we expect a very strong demand for fresh must, **at the beginning of the harvest** (August 2021) of **Chardonnay** and **Sauvignon Blanc** grapes, among others ... If you have a demand for it, you must inform us by 30 June 2021 at the latest of the potential quantity that you might want to reserve so that we can plan with the producers.

WINEPRICES FOR THE HARVEST 2020

Wine with Origin Spain or wine from the EU, WITHOUT indication of the year of the crop or varietal in the loading documents

- White wine traditionally fermented FT, entry level from € 2,30/hl^o (almost no stocks on the market)
- White wine, controlled fermentation, FC, from € 2,50/hl^o
- Base wine for sparkling wine production, white FC from € 2,60 €/hl^o

- Rosé wine traditionally fermented FT entry level from € 2,40/hl^o (almost no stocks on the market)
- Rosé wine, controlled fermentation FC, from € 2,60/hl^o (almost no stocks on the market)
- Red wine 11%vol. with 4-5 points entry level from € 2,60/hl^o
- Red wine 12%vol. with 5/6 points entry level from € 2,70 – 2,80/hl^o
- Red wine between 13,0% and 14,9%vol. with 8/9 points from € 2,80/hl^o (very few stocks from 13,5% on the market)

VARIETAL WINE WHITE – HARVEST 2020 – Price EXW cellar Spain until end of stock, wine with origin Spain, with indication of the year of crop and varietal in the loading documents.

- White wine Chardonnay, from € 4,80 – 5,00/hl^o
- White wine Sauvignon Blanc, from € 4,60 – 5,00/hl^o (almost no stocks on the market)
- White wine Verdejo, from € 3,30 – 3,60/hl^o (almost no stocks on the market)
- White wine Moscatel, from € 3,40/hl^o
- White wine Macabeo, from € 2,60/hl^o
- White wine Airén from € 2,60/hl^o

VARIETAL WINE ROSÉ – HARVEST 2020 – Price EXW cellar Spain until end of stock, wine with origin Spain, with indication of the year of crop and varietal in the loading documents.

- Rosé Tempranillo, from € 2,50/hl^o
- Rosé Garnacha, from € 2,70/hl^o
- Rosé Bobal, from € 2,70/hl^o

If there is a request for other rosé varietals (Syrah, Merlot and others .../ also as BIO) there are no stocks anymore on the market until the next crop.

VARIETAL WINES, RED - HARVEST 2020 – Price EXW cellar Spain until end of stock, wine with origin Spain with indication of the year of the crop and varietal in the loading documents

- Red Wine Merlot, from € 4,00/hl^o (almost no stocks on the market)
- Red Wine Cabernet Sauvignon, from € 3,80/hl^o
- Red Wine Syrah, from € 3,50/hl^o
- Red Wine Tempranillo from € 2,90/hl^o

Grape Must Concentrate /rectified (de-ionised) grape must concentrate

- Rectified (de-ionised) grape must concentrate 65 Brix – from € 1,15 – 1,20/kg
- White grape must concentrate - 65 Brix – from € 1,00/kg

The best prices for wine, which you are looking for, depend from several parameters, like f.e.

- Profile of the quality and taste of the wine
- Necessary treatments to the wine (raw wine, centrifuged, filtered, stabilized, etc.)
- The total quantity that you need
- And, most important, the time of delivery which will be fixed in every contract.

All these parameters are active assets in the negotiation which help us to get the best ratings for you.

Expectations - new CROP 2021 in Spain

Regarding the pluviometric analysis, which we make (Info from METEO Ciudad Real)

In Spain we expect a crop 2021 about \pm 43 MIO HLS (47 MIO HLS 2020), from which approximately 23 MIO HLS are from LA MANCHA.

Pluviometry	Rainfall in liters in autum, September, October and November	Rainfall in liters in winter December, January and Februar	Rainfall in liters in spring March, April and May (until 17/05/2021)	Rainfall in liters in summer June, July and August	Total Rainfall in Liter (until 17/05/21)	Total production in Mio Hls in La Mancha
2020/2021	124,20	124,8	94,2	*	343,20	<i>¿¿ crop 2021 = 23,00 ??</i>
2019/2020	137,40	72,60	161,80	6,8	378,60	crop 2020 = 25,00
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	<i>¿... ?</i>	<i>¿... ?</i>	<i>¿... ?</i>	<i>¿... ?</i>	602,00	crop 2008 = 23,10
average 2009-2021	128,25	126,27	113,69 at 17/05/21	18,22*	average 2007 - 2021 384,65 Lts	average 2008 - 2020 = 23,98

On the base of the forecast, the prices after the new 2021 crop should be from today's perspective as follows:

CROP	QUANTITY SPAIN	QUANTITY LA MANCHA	ENTRY PRICE RED WINE	ENTRY PRICE WHITE WINE
2013	55,5 MIO HLS	33 MIO HLS	€ 3,40 hº	€ 3,30 hº
2014	46 MIO HLS	25 MIO HLS	€ 2,60 hº	€ 2,30 hº
2015	42,5 MIO HLS	23 MIO HLS	€ 2,90 hº	€ 2,40 hº
2016	52 MIO HLS	25 MIO HLS	€ 3,30 hº	€ 3,00 hº
2017	36 MIO HLS	20 MIO HLS	€ 4,50 hº	€ 3,90 hº
2018	50 MIO HLS	29 MIO HLS	€ 4,40 hº	€ 3,90 hº
2019	38 MIO HLS	19 MIO HLS	€ 3,50 hº	€ 3,00 hº
2020	47 MIO HLS	25 MIO HLS	€ 2,70 hº	€ 2,30 hº
2021	43 MIO HLS ??	23 MIO HLS ?	€ 2,60 hº ??	€ 2,40 hº ??

The prices for the grapes are, like every year, fixed during the harvest, which usually happens around September 10th. Only from this date on will we have a real overview of the price situation for wines from the 2021 harvest.

Then it will be the market events that will show the tendencies for the price development. We see strong demand in Spain because of the smaller harvests in France and Italy due to the frost damage, which will have a direct impact on prices.

On the other hand, we don't want to be overly optimistic about demand because we still have doubts about the pandemic and global consumption, factors that may cause the market to decline again, but it's too early to know to speculate. We need to continue to monitor market developments over the next few weeks and months. In order to be able to offer the best market opportunities for wines from the new harvest 2021, do not hesitate to let us know the quantities you need. It is very important for us to know the wine profiles, grape varieties and quantities in order to be able to make you the cheapest offers from the Spanish market as quickly as possible.

As always, the prices depend directly on various factors:

- Qualitative and taste profiles of the wines sought
- Required treatments for wines (raw, centrifuged, filtered, stabilized, etc.)
- Maximum contract volumes and, above all, maximum delivery conditions that must be specified on each contract.

May 2021