



Newsletter Spain – September 2021

The harvest has just started with the harvest of the white grape varieties Chardonnay and Sauvignon Blanc.

Due to the intense heat waves in Spain in August, the yields of these varietal wines have fallen sharply, between -20% and -30% compared to the volume of the 2020 harvest and, as a result, there is a price increase of + 50%. The Airén harvest begins around September 15th, it is the most widely grown grape variety in La Mancha and has the greatest impact on the rest of the market prices.

The “**harvest scenario 2021**” shows a very significant loss of volume in Europe, taking into account that the stocks in Spain which are for sale have been very low since April 2021. While there was still talk of a crisis distillation in spring 2021, this idea was completely discarded from the end of April 2021, when stocks began to decline. Since May / June 2021 and until today, the demand for Spanish wine has been and will continue to be very strong. The most important consequence is that producers will not lower their prices in the short term.

According to estimates by the Spanish Wine Market Observatory (OEMV) and the Semana Vitivinícola (SEVI)

- **Spain expects a maximum of 38 million hl (47 million in 2020), of which +/- 19 million in the La Mancha region (25 million in 2020)**
- **France forecasts a harvest of +/- 33 million hl (45/47 million in 2020)**
- **Italy forecasts a harvest of +/- 44 million hl (55 million in 2020)**

In summary, we expect a harvest in Europe that is 30 million hectoliters smaller than that of the previous year.

HARVEST	QUANTITY SPAIN	QUANTITY LA MANCHA	EXW PRICE REDWINE	EXW PRICE WHITEWINE
2013	55 / 56 MIO HLS	33 MIO HLS	€ 3,40 h°	€ 3,30 h°
2014	46 MIO HLS	25 MIO HLS	€ 2,60 h°	€ 2,30 h°
2015	42,5 MIO HLS	23 MIO HLS	€ 2,90 h°	€ 2,40 h°
2016	52 MIO HLS	25 MIO HLS	€ 3,30 h°	€ 3,00 h°
2017	36 MIO HLS	20 MIO HLS	€ 4,50 h°	€ 3,90 h°
2018	50 MIO HLS	29 MIO HLS	€ 4,40 h°	€ 3,90 h°
2019	38 MIO HLS	19 MIO HLS	€ 3,50 h°	€ 3,00 h°
2020	47 MIO HLS	25 MIO HLS	€ 2,70 h°	€ 2,30 h°
2021	??? 38 MIO HLS	??? 19 MIO HLS	??? € 3,90 h°	??? € 3,80 h°

What is certain is that Spanish growers start the harvest with very little stocks available for sale. We have been feeling this since April / May, when it became difficult to find large volumes for new contracts. Only contracts with shipments before the end of August and the 2021 harvest were concluded. With the severe frost damage in France and Italy, the very low wine prices rose steadily.

Will this situation last for a long time? On a commercial level, the offered prices in the past few weeks seemed high and we believed they would not hold up. However, the development of the market and the enormous activity that we have had since the beginning of the harvest suggest that the prices will be accepted by the various markets. In fact, since the publication of the first prices of the Chardonnay and Sauvignon Blanc fresh grape must campaign since August 16, 2021, and the conclusion of the first contracts, we have noticed that prices will continue to rise for at least a few weeks.

- By the end of August the big French and German sparkling wine producers already have contracted considerable quantities of **base wine for sparkling**, white 10% vol.. FC for € 33.00 / HL. Today nobody sells basic sparkling wine for less than 35,00/36,00 / hl. This wine category is always the first to open the campaign and serves as a barometer to see if prices are accepted by the market.
- Fresh **Moscatel must**, which in recent years has generally cost between € 3.00 / h° and € 4.00 / h°, currently costs from € 5.00 / h and is mainly sold to Italy. Apparently, Italy has suffered from the frost and less moscatel harvest is expected this year.
- Almost similar situation for **Chardonnay, Sauvignon Blanc**, for the French market, where must is sold between 7.50 °Be and 9.00 °Be. At this starting price level, the wine prices would also rise after vinification.
- As we know, **generic wines** are not as "limited" in stock as varietal wines. For this reason, we are still of the opinion that the prices for "generic wines" should not rise as much as for varietal wines. But the current circumstances lead us to assume that the prices already offered are consistent and, above all, will not decrease in the short term.

To date it is a very uncertain situation with enormous nervousness among buyers as well as producers, and it is not foreseeable whether the buying trend will follow the

price trend. We will closely follow the market development in the coming weeks and keep you up to date as usual.

The contracts are currently being signed "with reservation of samples", ie the quantity is reserved, the quality is subject to profile / tank validation after vinification, since the wines of the new harvest will not be available in mid-November 2021 suggested below to be guaranteed.

Currently, the LOWEST prices that can be found in the Spanish market for wines from the new harvest are as follows:

WINE PRICES SPAIN CROP 2021

THE PRICES ABOVE have to be multiplied with the requested alcohol degree, then we get the price €/HL

i.e. *-> € 3,50 h° x 12% = EUROS 42,50/HL EXW

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.

WINEPRICES FOR THE HARVEST 2021

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

- White wine traditionally fermented FT, entry level from € 3,50/h°
- White wine, controlled fermentation, FC, from € 3,60/h°
- Base wine for sparkling wine production, white FC from € 3,80/h°
- Rosé wine traditionally fermented FT entry level from € 3,60/h°
- Rosé wine, controlled fermentation FC, from € 3,80/h°
- Red wine 11%vol. with 4-5 points entry level from € 3,80/h°
- Red wine 12%vol. with 5/6 points entry level from € 3,90/h°
- Red wine between 13,0% and 14,9%vol. with 8/9 points from € 4,00/h°

VARIETAL WINE WHITE – HARVEST 2021 – 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 € 7,30/h° - almost sold out!!!
- White wine Sauvignon Blanc, from € 6,50/h°
- White wine Verdejo, from € 4,70/h°
- White wine Moscatel, from € 5,00/h°
- White wine Macabeo, from € 3,90/h°
- White wine Airén from € 3,80/h°

VARIETAL WINE ROSÉ – HARVEST 2021 – Price EXW cellar Spain, wine with origin Spain, with indication of the year of crop and varietal in the loading documents.

- Rosé Tempranillo, from € 3,80/h°
- Rosé Garnacha, from € 3,90/h°
- Rosé Bobal, from € 3,90/h°

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 € 5,00/h°
- Red Wine Cabernet Sauvignon, from € 4,50/h°
- Red Wine Syrah, from € 4,00/h°
- Red Wine Tempranillo from € 3,90/h°

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

- Rectified (de-ionised) grape must concentrate 65 Brix – € 1,40/Kg
- White grape must concentrate - 65 Brix – from € 1,35/Kg

Don't hesitate to contact us for your demand, so that we can search for wines at the best market conditions for you. We are anytime at your disposal.

September 2021