



## **Newsletter Spain II – April 2022**

In the following only the elements corresponding to the probable development of the vineyards and the probable harvest numbers are argued.

As we have seen, the various events directly or indirectly influenced prices, courses and markets very strongly. Price developments can very quickly tip in one direction or the other, and this is also the case this year, since we still have a considerable risk of suffering frost in France, Spain and Italy, vineyards can be attacked with possible diseases before the harvest, or also heat waves and extreme droughts could come in July and August.

All this, coupled with the fact that prices have become very unstable since 2019, makes price evolution even more difficult to predict in the long-term (see COVID, Russia and Ukraine conflict, climatological and meteorological constraints, etc.).

It should also be remembered that this year Spain has benefited economically from a significant crop failure in France and Italy, which has translated into a sharp increase in sales on the national and foreign markets, combined with a sharp reduction in stocks of previous harvests. A situation that always provides a sufficient argument for producers to defend a price increase.

In fact, we started this 2021/2022 campaign with very small available stocks of 2020 wines and the main wineries have had good sales so far, followed by a very active shipment planning that slowed down slightly between late March and early April (certainly related with the traffic strike and the Russia-Ukraine conflict), but they should start up again after the Easter holidays.

Given the elements that we can see, it is very likely that if everything develops normally in Spain (i.e. no frost before May, no extreme drought in summer, no significant rains before harvest), this new 2022 harvest in Spain will be very similar or even slightly higher in quantity and quality to the 2021 harvest, since the rainfall and temperature parameters in La Mancha this year are similar to those of the previous year. But everything can change quickly overnight, so we just have to be aware of the upcoming weather conditions.

## For this new CROP 2022 in SPAIN

We create the precipitation analyses based on the information from the website METEO Ciudad Real.

In Spain we expect possibly a crop of +/- 42 MIO HLS of which approximately 22 MIO HLS in LA MANCHA.

| Rainfall         | Rain in liters in <b>autum</b><br>September,<br>October and<br>November | Rain in liters in <b>winter</b><br>December,<br>January and<br>February | Rain in liters in <b>spring</b><br>March,<br>April and<br>May | Rain in liters in <b>summer</b><br>June, July<br>and August | Total rainfalls in liters  | Total production Mio/HLS La Mancha |
|------------------|---|---|---|---|----------------------------|------------------------------------|
| <b>2021/2022</b> | 142,20  | 107,4   | 20,2  | ?   | 269,80*<br>zum<br>20/04/22 | crop 2022 = +/-<br>22,00 ¿... ?    |
| <b>2020/2021</b> | 124,20  | 124,8   | 94,2  | 40,8  | 384,00                     | crop 2021 =<br>19,00               |
| <b>2019/2020</b> | 137,40  | 72,60   | 161,80  | 6,8   | 378,60                     | crop 2020 =<br>22,00               |
| <b>2018/2019</b> | 128,60  | 26,20   | 78,40   | 6,4   | 239,60                     | crop 2019 =<br>19,00               |
| <b>2017/2018</b> | 61,60   | 113,80  | 264,80  | 16,60   | 456,80                     | crop 2018 =<br>29,08               |
| <b>2016/2017</b> | 165,00  | 102,80  | 108,40  | 31,00   | 407,20                     | crop 2017 =<br>19,45               |
| <b>2015/2016</b> | 87,80   | 56,80   | 174,20  | 2,20  | 321,00                     | crop 2016 =<br>24,42               |
| <b>2014/2015</b> | 159,40  | 64,80   | 77,60   | 35,20   | 337,00                     | crop 2015 =<br>22,94               |
| <b>2013/2014</b> | 139,60  | 237,40  | 54,80   | 14,40   | 446,20                     | crop 2014 =<br>25,12               |
| <b>2012/2013</b> | 299,40  | 129,60  | 256,20  | 11,80   | 697,00                     | crop 2013 =<br>33,03               |
| <b>2011/2012</b> | 89,00   | 26,60   | 121,40  | 10,80   | 247,80                     | crop 2012 =<br>19,00               |
| <b>2010/2011</b> | 147,60  | 243,20  | 130,60  | 2,40  | 523,80                     | crop 2011 =<br>18,90               |
| <b>2009/2010</b> | 42,80   | 391,80  | 98,20   | 49,10   | 581,90                     | crop 2010 =<br>21,60               |
| <b>2008/2009</b> | 129,40  | 67,30   | 71,80   | 32,00   | 300,50                     | crop 2009 =<br>20,00               |
| <b>2007/2008</b> | ¿... ?  | ¿... ?  | ¿... ?  | ¿... ?  | 602,00                     | crop 2008 =<br>23,10               |

Based on the crop forecasts for 2022 in Spain, we can estimate the crop prices as follows. As mentioned earlier in this report, price trends can swing in one direction or another very quickly. All this combined with the fact that prices in general have become very unstable since 2019 and are now even more difficult to predict in the long term.

| CROP | QUANTITY SPAIN  | QUANTITY LA MANCHA | PRICE EXW FOR REDWINE | PRICE EXW FOR WHITEWINE |
|------|-----------------|--------------------|-----------------------|-------------------------|
| 2013 | 55 / 56 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 | 39 MIO HLS      | 19 MIO HLS         | € 3,60 hº             | € 3,30 hº               |
| 2022 | ¿ 42 MIO HLS ?  | ¿ 22 MIO HLS ?     | ¿ € 3,10 hº ?         | ¿ € 3,30 hº ?           |

Currently, the price of white wine is holding up and there is no reason to believe that the price of white wine will fall in the coming weeks.

This year it is clearly the most requested product in all international markets. The harvest in Spain was good, but in most other producing countries there was a significant failure in the white wine harvest.

There is no way that white wine from the 2022 harvest will be available before the end of October and with each week that goes by, white wine supplies are becoming more and more limited. We therefore highly recommend that you stock up on supplies as soon as possible until at least the end of October. For information, a white wine for distillation or vinegar making (wine with deficiencies such as volatile acidity and very high iron content) currently costs between €2.60 hº and €2.80 hº and most distilleries have so far, in anticipation a possible drop in price, which ultimately will not take place this year, not yet bought anything.

There is currently a completely different trend in red wine than in white wine

- On the one hand we have low grade red wines (less than 12%) and with a colour intensity (IC) of less than 6 at very attractive prices. These are batches of small producers (some do not even have the capacity to filter and therefore only sell "centrifuged" wine without filtration) who, for lack of space in their cellars, would have to sell their stocks quickly, and they would then come up with concrete proposals for a quick take-back of their listen to the volume. If you were interested let us know, because as the usual market price for red wine is EURO 3.20hº (i.e. 11.5% x €3.20hº = €36.80/hl) we could offer you lots offer at lower prices.
- On the other hand, we have high-grade red wines with over 13% and a colour over 7 points, stored by the producers, and which are protected with SO2 at this time of year because of the coming spring and summer heat and lose colour intensity in the process. The wineries that can keep the wines cool can keep the sulphur content lower, thus saving colour yield, and this detail will make these wines more expensive compared to others.
- So far, the trend for reds has generally been clearly declining, but the price difference between the cheapest and the most expensive is very large, so producers will try to sell the best quality wines as expensively as possible, also knowing that good wines have a have better storage capacity for the next

season. We do not expect a large market for this wine profile but if you are interested in such wines, please let us know as we may be able to offer you lots.

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GUIDELINE PRICES FOR SPANISH WINES HARVEST 2021 – PRICES EXW WINERY ARE SUBJECT TO SALES

→ «ENTRY PRICES» PRICES IN EUROS/HL \* INDICATED WITH 12%VOL. ALC\* FROM LA MANCHA WINERY \*\* CLARIFIED AND FILTERED - PRICES SUBJECT OF SALES –

WINE OF SPAIN – WITHOUT INDICATION OF THE HARVEST OR VARIETIES IN THE DOCUMENTS

| WINE OF SPAIN | BASE WINE SPARKLING<br>10% F/T *<br>GS MIN 6 | BASE WINE SPARKLING<br>10% F/C *<br>GS MIN 6 | 11% F/T<br>Traditional ferment. | 12% F/T<br>Traditional ferment. | 11% F/C<br>Controlled ferment. | 12% F/C<br>Controlled ferment. |
|---------------|--|--|---------------------------------|---------------------------------|--------------------------------|--------------------------------|
| WHITE WINE    | 35,00 €/HL                                   | 37,00 €/HL                                   | 36,30 €/HL                      | 40,80 €/HL                      | 39,60 €/HL                     | 43,20 €/HL                     |
| ROSE WINE     | 37,00 €/HL                                   | 38,00 €/HL                                   | 37,40 €/HL                      | 40,80 €/HL                      | 39,60 €/HL                     | 43,20 €/HL                     |
| RED WINE      |  |  |                                 |                                 | 35,20 €/HL                     | 38,40 €/HL                     |

WINE PRICES BIO / ECO - HARVEST 2021 –

→ «ENTRY PRICES» PRICES IN EUROS/HL \* INDICATED WITH 12%VOL. ALC\* FROM LA MANCHA WINERY \*\* CLARIFIED AND FILTERED - PRICES SUBJECT OF SALES –

WINES ORIGIN SPAIN WITH INDICATION OF THE HARVEST AND WITHOUT INDICATION OF THE VARIETAL IN THE DOCUMENTS

ECO CERTIFICATE– « ECOSCHERT / SOHISCERT » - ACCORDINT TO EU-REGULATION

| ECO WINE     | BASE WINE FOR SPARKLING<br>10% F/C * TA<br>MIN 6 | 11% F/C *<br>** IC MIN 5 | 12% F/C *<br>** IC MIN 5 |
|--------------|--|--------------------------|--------------------------|
| WHITE WINE * | 42,00 €/HL                                       | 42,90 €/HL               | 46,80 €/HL               |
| ROSE WINE *  | 44,00 €/HL                                       | 47,30 €/HL               | 51,60 €/HL               |
| RED WINE **  |  | 48,40 €/HL               | 52,80 €/HL               |

WINES WITH INDICATION OF VARIETAL – HARVEST 2021

– «ENTRY PRICES» PRICES IN EUROS/HL \* INDICATED WITH 12%VOL. ALC\* FROM LA MANCHA WINERY \*\* CLARIFIED AND FILTERED - PRICES SUBJECT OF SALES – WINE ORIGIN SPAIN WITH INDICATION OF THE HARVEST AND INDICATION OF THE VARIETAL IN THE DOCUMENTS

|                                |                            |
|--------------------------------|----------------------------|
| <b>100% VARIETAL WINE</b>      | 12% F/C *<br>** IC MIN 7/8 |
| WHITE WINE AIREN *             | 43,20 €/HL                 |
| WHITE WINE MACABEO *           | 43,20 €/HL                 |
| WHITE WINE VERDEJO *           | 48,00 €/HL                 |
| WHITE WINE SAUV. BLANC *       | 66,00 €/HL                 |
| WHITE WINE CHARDONNAY *        | 72,00 €/HL                 |
| <b>ROSE WINE</b> TEMPRANILLO * | 43,20 €/HL                 |
| <b>ROSE WINE</b> GARNACHA *    | 44,40 €/HL                 |
| <b>ROSE WINE</b> BOBAL *       | 44,40 €/HL                 |
| RED WINE TEMPRANILLO **        | 40,80 €/HL                 |
| RED WINE SYRAH **              | 45,60 €/HL                 |
| RED WINE CABERNET SAUV. **     | 48,00 €/HL                 |
| RED WINE MERLOT **             | 52,80 €/HL                 |

## WINE WITH INDICATION OF VARIETAL AND ECO CERTIFICATE HARVEST 2021

– « ECOSCHERT / SOHISCERT » - ACCORDING TO EU LEGISLATION  
 – «ENTRY PRICES» PRICES IN EUROS/HL \* INDICATED WITH 12%VOL. ALC\* FROM LA MANCHA WINERY \*\* CLARIFIED AND FILTERED - PRICES SUBJECT OF SALES – WINE WITH ORIGIN SPAIN AND INDICATION OF HARVEST AND VARIETAL IN THE DOCUMENTS

For your need of ORGANIC wines with EU certification - ECOSHERT / SOHISCERT or NOP equivalence - we pay close attention to your needs because it is important to know that the vineyards in Spain do not have any problems thanks to the weather conditions that we have Adjusting their production to the standards required for certification. More and more cooperatives are offering large organic quantities, following the cheap price curve to which Spain is accustomed.

|  |                            |
|--|----------------------------|
| <b>ECO WINE 100% VARIETAL WINE</b>     | 12% F/C *<br>** IC MIN 7/8 |
| WHITE WINE <b>BIO</b> AIREN *          | 46,80 €/HL                 |
| WHITE WINE <b>BIO</b> MACABEO *        | 48,00 €/HL                 |
| WHITE WINE <b>BIO</b> VERDEJO *        |                            |
| WHITE WINE <b>BIO</b> SAUV. BLANC *    |                            |
| WHITE WINE <b>BIO</b> CHARDONNAY *     |                            |
| <b>ROSE WINE</b> <b>BIO</b> GARNACHA * | 51,60 €/HL                 |
| RED WINE <b>BIO</b> TEMPRANILLO **     | 54,00 €/HL                 |
| RED WINE <b>BIO</b> SYRAH **           | 56,40 €/HL                 |
| RED WINE <b>BIO</b> CABERNET SAUV. **  | 60,00 €/HL                 |
| RED WINE <b>BIO</b> MERLOT **          |                            |

Grape must concentrate / rectified grape must concentrate (de-ionised) 65 Brix – produced with must from 2021 crop  
 « ENTRY LEVEL PRICES– PRICES SUBJECT OF SALES \* PER TC OR FLEXITANK FROM SPAIN

- Rectified grape must concentrate 65 Brix – from € 1,70/Kg = EUROS 225,20/HL
- White grape must concentrate 65 Brix – from € 1,60/Kg = EUROS 212,00/HL

Do not hesitate to contact us with your requirements so that we can find you wines at the best market conditions.

April 2022