



Newsletter South Africa, Argentina and Chile – April 2023

SOUTH AFRICA

The South African wine industry is spread over a wide geographical area with differences in climate and terrain that have a significant effect on the size of the harvest. With all three previous 2023 crop estimates, all regions except the Klein-Karoo were estimated lower than 2022. However, with this new estimate, all regions are now estimated downward compared to 2022's total yield. The decrease in the estimate is attributed to various challenges South African wine grape producers had to face, including Eskom loadshedding, where the lack of electricity in intensive irrigation areas left irrigation pumps failing to irrigate. Together with the dry winter/spring conditions, this led to smaller berry sizes with a lower harvest weight. Later cultivars such as Cabernet Sauvignon and Colombar are currently being harvested and as the bunches are weighed, the effect of poor setting is seen with lighter bunch weights. The uprooting of vineyards in the Northern Cape, Olifants River and Swartland in particular also caused the total area of the industry to shrink and rain showers during the ripening period, especially the heavy rains of the first and second week of March, brought further challenges.

ARGENTINA

This vintage looks like will be the worse vintage in the last 30 years. So the situation here is not so good. There is non availability of Chardonnay and Sauvignon Blanc, neither of Red generic wine too. Prices rised in all varieties over the dollar. Stock are very low, and many wineries are seriously looking about the possibility to import generic red wine from Chile to cover their needs. Vintage is finishing this week, as there is no more grapes in the vines. This is 1½ month before the normal date for finishing vintage. At the same time country economy is not helping the industry with an Inflation range that passed over 100%.

CHILE

There was a shortage in white varieties this vintage, not as hard as in Argentina, but there is less grape volume than expected. Whites grapes and wines are more expensive than red wines right now, passing over USD 0,80 per lt FOB. In regards to red varieties, vintage is much better than white varieties, in volumes and quality. But, at the same time, there is very good stocks of red wines on cellars due the decrease on exports and low demand on domestic market. So, red grapes producers do not find too much interest from wineries in buying their grapes. Red grapes prices are very low due this lack on demand.

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