



Newsletter Spain – September 2023

The peak of the harvest in Spain/La Mancha began on September 11-th, 2023 with the Airén harvest (white) and should last for the next 4 weeks, weather permitting. The white grape variety Airén has the greatest impact on the overall volume and prices of cooperatives throughout the La Mancha region.

The first harvested grape varieties initially show between 20 and 50% lower crop compared to the previous harvest. We are talking about white grape varieties, of which Verdejo and Moscatel are the most affected. When it comes to red wines, things get difficult with Merlot.

As for the grape prices for the 2023 harvest, Spanish producers have started their commercial campaign completely blind, since the main bottlers (Felix Solis, Garcia Carrion, etc.) have not published the purchase prices for the grapes this year, so there exists no basis for the pricing. As a result, no cooperative or retailer has had the necessary transparency to position themselves on the 2023 wine sales market.

For this reason, we as broker and trader are currently having great difficulty obtaining prices from most of our cooperation partners in order to be able to offer the first deals for wine from the new harvest.

There are two important factors at play: The first is the lack of interest on the part of the main bottlers to buy large quantities of grapes this year, proposing a ridiculous purchase price for grapes, which shows that they will only buy finished wine this year. It should not be forgotten that for several years in a row wines were marketed at prices well below those that should have corresponded to the prices paid for the grapes. Second, they have negotiated the purchase prices for certain grapes privately, directly with those farmers with whom they have historical grape supply contracts. As a result, and given the low prices offered to farmers, they decided to hand over their entire harvest to the cooperatives in the hope of better processing and a better profit than with the large historical operators.

From a meteorological point of view, the strong heat waves that we constantly experience in Spain (as everywhere in Europe), combined with the low rainfall that we have experienced in recent years, mean that Spanish vineyards are starting to suffer the consequences. Fortunately, a large part of the vineyards is already equipped with irrigation systems. On the other hand, there are still a number of cooperative wineries,

especially in the northern and eastern regions of La Mancha, which still have predominantly bush vineyards without irrigation. The latter will suffer enormously and will have significant harvest deficits.

Harvest estimates for 2023 in Spain could be between 35 and 37 million hectoliters, or perhaps 18 - 19 million hectoliters in La Mancha (compared to 38 million hectoliters, and 21 million hectoliters in La Mancha in 2022).

As every year, production in Italy will play a very important role in prices in Spain. Italy is announcing a very poor harvest in the north this year, we have so far offers for white table wine at €5.50 per hectograd and a strong upward trend, compared to the starting price of €3.60 per hectograd from Spain.

In addition, it must be said that due to the various weather problems this summer (drought, storms, mildew, etc.), the south of Italy will produce a very small harvest.

In recent weeks there have been several visits from major Italian buyers who have purchased large quantities of sulphured must in Spain and more buyers are expected from there in the next few weeks.

For white wine, we are seeing very strong demand on the market for the third year in a row. We are observing that with the new harvest there are almost no stocks of white wine left. Since there are still around 45 days until the first deliveries of new white wines, it is extremely complicated to find available batches for new contracts to bridge the time until the availability of white wines from the 2023 harvest (late October/beginning of November). The price trend is rising. Currently, most of the available quantities are in the hands of private producers who are pursuing a speculative strategy. Distilleries in Spain can hardly find white wine to produce alcohol at a constant price so they have been distilling more red wine for some time.

As for red wine, red wine stocks for 2022 and the poor harvest expected for 2023 would mean that producers would consider maintaining the price between 3.00 and 3.30 €/h^o for withdrawals between 2023 and 2024. This leads us to assume that in the short term we will see a "natural" normalization in terms of the situation of red wine stocks accumulated over the last two seasons and the low demand for red wine on the international market.

In summary, we think it is best to wait a few weeks until the end of the harvest, in case prices could still fall slightly (taking into account the risk associated with this waiting time), and then make quick decisions to move against it to secure deliveries for 2024, especially for white table wines and those with indication of grape variety.

On the other hand, we assume that the price development for red wine should remain very stable in the coming months. It should also be remembered that for several years we have been faced with the volatility of nature, between hail, torrential rains or long extreme heat waves, and that from April/May 2024 this could again be very decisive for the prices of the 2023 vintage and with a view to the following harvest.

GUIDELINE PRICES CROP 2023 FOR SPANISH WINES

PRICES EXW WINERY SUBJECT OF SALES WINE WITH ORIGIN SPAIN – WITHOUT VARIETAL INDICATION ON THE DOCUMENTS

TABLE WINE	BASE WINE FOR SPARKLING 10% F/C TA MIN 6	11% F/T Traditionally fermented	12% F/T Traditionally fermented	11% F/C Controlled fermentation	12% F/C Controlled fermentation	TREND
WHITE WINE	40,00 €/HL (€ 4,00 hº)	38,50 €/HL (€ 3,50 hº)	43,20 €/HL (€ 3,60 hº)	41,80 €/HL (€ 3,80 hº)	45,60 €/HL (€ 3,80 hº)	↗
ROSÉ WINE	39,00 €/HL (€ 3,90 hº)	40,70 €/HL (€ 3,70 hº)	44,40 €/HL (€ 3,70 hº)	42,90 €/HL (€ 3,90 hº)	46,80 €/HL (€ 3,90 hº)	↗

TABLE WINE	Red Wine 11% IC 5 MIN	Red Wine 12% IC 7 MIN	Red Wine 13% IC 8/9 MIN	TREND
RED WINE	33,00 €/HL (€ 3,00 hº)	37,20 €/HL (€ 3,10 hº)	41,60 €/HL (€ 3,20 hº)	=

VARIETAL WINES 100%

WITH VARIETAL DESCRIPTION AND CROP INDICATION ON THE DAe

White Wine Varietal 100% * crop 2023	€ Indicatif 12%	TREND
WHITE WINE AIREN	3,90 €/hgd	€ 46,80/HL ↗
WHITE WINE MACABEO	3,90 €/hgd	€ 46,80/HL ↗
WHITE WINE VERDEJO	4,20 €/hgd	€ 50,40/HL ↗
WHITE WINE MOSCATEL	4,50 €/hgd	€ 54,00/HL ↗
WHITE WINE SAUV. BLANC	5,20 €/hgd	€ 62,40/HL ↗
WHITE WINE CHARDONNAY	5,00 €/hgd	€ 60,00/HL ↗
Rosé Wine Varietal 100% * Crop 2023	€ Indicatif 12%	TREND
ROSE TEMPRANILLO	3,50 €/hgd	€ 42,00/HL ↗
ROSE GARNACHA	3,70 €/hgd	€ 44,40/HL ↗
ROSE BOBAL	3,70 €/hgd	€ 44,40/HL ↗
Red Wine Varietal 100% * Crop 2023	€ Indicatif 12%	TREND
RED WINE TEMPRANILLO	3,40 €/hgd	€ 40,80/HL ↗
RED WINE SYRAH	3,80 €/hgd	€ 45,60/HL ↗
RED WINE CABERNET SAUV.	4,00 €/hgd	€ 48,00/HL ↗
RED WINE MERLOT	4,50 €/hgd	€ 54,00/HL ↗

Concentrate / rectified grape must concentrate 65 Brix – on the base of must prices crop 2023

INDICATIVE PRICE SUBJECT TO CONFIRMATION * PER TANK TRUCK / FLEXITANK EXW Spain.

100% VITISVINIFERA	PRICE KG	PRICE HL	PRICE % PA	TREND
Rectified grape must concentrate 65 BRUX * MCR	EUROS 1,70	EUROS 225,30	EUROS 4,32	↗
White grape must concentrate 65 BRUX	EUROS 1,45	EUROS 192,15	EUROS 3,68	↗

Preview to the crop 2023 in Spain ...

from the website [METEO Ciudad Real -- Servicio meteorológico y climatológico online de Ciudad Real - Precipitación](#)

until today – * 14/09/23 The total rainfall in this campaign is much to low.

Rainfalls	Rain in Litres in Autumn September October November	Rain in litres in Winter December January February	Rain in Litres in Spring March April May	Rain in Litres in Summer June July August	Total Rain in Lts	Total production in Mio/HLS in La Mancha
2023/2024	58,24*					
2022/2023	54,1	138,2	60,4	58,8	311,5	2023 = ¿19,00?
2021/2022	142,2	107,4	20,2	24	293,8	Vintage 2022 = 20,00
2020/2021	124,2	124,8	94,2	40,8	384	Vintage 2021 = 21,00
2019/2020	137,4	72,6	161,8	6,8	378,6	Vintage 2020 = 22,00
2018/2019	128,6	26,2	78,4	6,4	239,6	Vintage 2019 = 19,00
2017/2018	61,6	113,8	264,8	16,6	456,8	Vintage 2018 = 29,08
2016/2017	165	102,8	108,4	31	407,2	Vintage 2017 = 19,45
2015/2016	87,8	56,8	174,2	2,2	321	Vintage 2016 = 24,42
2014/2015	159,4	64,8	77,6	35,2	337	Vintage 2015 = 22,94
2013/2014	139,6	237,4	54,8	14,4	446,2	Vintage 2014 = 25,12
2012/2013	299,4	129,6	256,2	11,8	697	Vintage 2013 = 33,03
2011/2012	89	26,6	121,4	10,8	247,8	Vintage 2012 = 19,00
2010/2011	147,6	243,2	130,6	2,4	523,8	Vintage 2011 = 18,90
2009/2010	42,8	391,8	98,2	49,1	581,9	Vintage 2010 = 21,60
2008/2009	129,4	67,3	71,8	32	300,5	Vintage 2009 = 20,00

Do not hesitate to contact us and tell us your quantities in order to offer you the best conditions on the market.

September 19-th, 2023