



EUROTRADE

BUSINESS SERVICES Ltd.

Newsletter Spain September 2016

As we wrote in our last reports, the grape harvest has begun with a delay of two or three weeks. In relation to our newsletter from middle of July, we can confirm, that our forecasts have been confirmed. This year there will be no record harvest, but we have to assume that Spain will only just get a normal crop. In the central region La Mancha, after the precipitations in April and May there was no more rain, and the summer was relatively hot. This leads to the situation that the about 250,000 hectares of vineyards, which have no irrigation system, will produce up to 25% less grapes. Therefore, we think that the harvest will be slightly lower than last year.

At the moment the first white varieties, like Chardonnay, Sauvignon Blanc and Moscatel are harvested. The grape farmers are informing, that they are harvesting 30% less grapes. Currently we can offer you fresh muscat grape must for 43 to 46 EUR/hl. The varieties, which determine the prices in Spain, which are Airén and Tempranillo will be harvested from the September 20-th. The harvest of these varieties will last four weeks, so that the new wines will not be ready to be served before beginning of November. At the moment we can't give concrete prices for the new wines, and we think, that it will still need two or three weeks, until we will have clear market prices. We can still offer you rectified grape must concentrate for 1.150 EUR/ton, but the price certainly will rise in the next weeks.

The harvest begins without big stocks and with relatively high prices. We estimate, that the prices will not fall down to the low level of last year's crop.

After the harvest we will send you a market report with current prices. If you have any question, don't doubt to contact us.

September 12-th, 2016