



EUROTRADE

BUSINESS SERVICES Ltd.

Newsletter Spain October 2016

Please find a short information about the wine harvest 2016, which is coming to an end this week.

It seems that the crop will be 10% less compared with last year's harvest, what means about 42 million hl. The quality of this year's wines is excellent, there were neither diseases, nor hail or putrefaction. Only the severe drought, which has prevailed in Spain for some years, has directly apparent in the overall volume. According to the Spanish Ministry of Agriculture, there are no more stocks of wines from the 2015 harvest.

We expect, the new wines from the 2016 harvest will be ready for shipments from week 46-47/2016.

The price situation is as follows:

- Spanish white wine costs currently between € 3,20/hl° - € 3,60/hl°
- Spanish rosé wine costs between € 3,25/hl° - € 3,65/hl°
- Spanish red wine costs today between € 3,30/hl° - € 3,70/hl°
- Wines with indication of the grape varieties are partly sold out today. As we mentioned in our last market reports, many customers have made contracts for quantities and prices depending on the sample approval. In the last years some varieties are sold very quickly, so we support the possibility to make annual contracts to ensure the availability of the wines up to the next harvest.
- Rectified grape juice concentrate costs between € 1,20/kg - € 1,30/kg, with very low stock of raw material, which means that the price will probably not go down.

The current price situation is quite unstable. The wine producers are expecting high prices, knowing that in Europe in 2017 there will not be enough wine. Spanish wines are well known and have a good reputation. That is why producers are convinced that they will be able to sell their wines quickly and without any problems.

Some customers think that it is possible that the current prices will go back from March 2017. However, we have doubts about this forecast, because if by December 2016 the previewed volumes are sold, there will be no reason for price reductions.

October 25-th, 2016