



EUROTRADE

BUSINESS SERVICES Ltd.

Newsletter Italy - April 2017

After collecting impressions and forecasts among our Italian contacts, please find our report about the current situation of the Italian vineyards.

WEATHER SITUATION:

Recently - between April, 19 and 21 - Italy, along with many other European countries, was hit by late Spring frosts. It will take no less than 10/15 days before the size and extent of the damages is clear and in any case it will all be much more precise in June, after the blossoming. After the first testings carried out in the vineyards, the agronomists reckon that the loss of the crop is from about 10% to about 15%. Important to say is that the extremely and exceptionally mild climate that we had here in Italy between the second half of March and the beginning of April contributed to cause an advanced vegetative state, in comparison to the same period last year; all this also promoted a bigger damage possibility right in case of late frosts, as in the end it turned out to be. It looks like the regions which have particularly been affected are Veneto, Emilia Romagna, Toscana, Umbria and a small area in Piedmont. Let's hope that the unhurt first buds will germinate again during the next weeks and reduce the negative consequences resulting after the frost. At the same time it is necessary also to consider that the Northern regions have been suffering from severe water stress caused by scarce rains over the last few months. Luckily it looks like the weather conditions will change during the next days.

MARKET SITUATION:

Currently the situation of the prices of the Italian wines is very calm. The prices are generally stable or in certain cases they are even in slight decrease. On the contrary, Prosecco is once again the exception, which keeps its own market and its price (in bulk) is stable around € 1,90 per liter EXW, consequently to the continuous requests moving on the market. Nevertheless we do not believe that the recent negative and hostile weather conditions will neither affect the price towards possible increases nor towards any kind of speculations. Nowadays our way of doing business is global and

worldwide and any indiscriminating increase of the prices jeopardize everyone's market shares. And nobody can afford this. It is important to always keep in mind that the producers of the southern hemisphere, particularly Chile and Argentina, are almost about to end their 2017 crop, with moderate quantities, that are even in decrease than the past crop in 2016. Then, considering all this together, the factors described so far could lead to strained prices for certain wines on the international markets.

We will keep on monitoring the situation and will keep you updated with our next report around mid of May.

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