



EUROTRADE

BUSINESS SERVICES Ltd.

Newsletter Spain – September 2018

Report after visiting the producers in La Mancha in week 35 (from August 28-th to 31-st, 2018.)

Following the opinions of the cooperatives and after the evaluation of different statistics, e.g. "DG AGRI" and "INFOVI", we can state the following:

- According to the interpretation of the information, the 2018 harvest in Spain will begin with a stock of 28 million hectolitres in September, but this quantity includes the totality of all the wine still stored in the cellars, including the bottled wines and the wines which still lies in oak casks to mature.
- The stocks of wine, which are taken over from one crop to the next in Spain, are more or less stable with a slight downward trend.
- In contrast, France and Italy store larger quantities of wine from one harvest to the next.
- On July 31st 2018, La Mancha still had 5 million hectoliters of bulk wine for sale.
- In 2017, only 2.4 million hectoliters of sulphurated must were stored, the lowest level in recent years.

This year, the crop in Spain will be around 44 million hectoliters (more than +25% more than in 2017 with 32.10 million hectoliters)

- In La Mancha, we expect 23 to 24 million hectoliters, after 19 million hectoliters in the 2017 harvest, of which 2.75 million hectoliters were must.

To this day, the phytosanitary conditions in the wine-growing areas are perfect, with a good ripening of the grapes thanks to the temperatures of about 32 / 35°C during the day and a drop to 21°C during the night.

But you have to keep an eye on the development of the harvest, especially in the second half beginning in October. We are two weeks behind a normal development, so it is very likely that the harvest can be negatively affected by heavy rains and storms historically present in Spain during this period.

Some more information :

- Germany counts with a harvest of around 10 million of hectoliters. (2017 crop was only 7.7 Million hectoliters)

- France and Italy expect good harvests of 46 and 49 million hectoliters, respectively, after 36.7 and 42.5 million hectoliters in 2017.

Today the prices for wines of the 2017 crop are the followings:

- White Wines beginning at € 3,80 /h^o
- Base wine for Sparkling Wine Production 10% with 6 g/l total acidity beginning at € 4,20/h^o
- Rosé Wines beginning at € 4,00 /h^o
- Red Wines beginning at € 4,40 /h^o
- Deionized (rectified) grape must concentrate from € 1,80/KG = € 238,46 /hl

We can say the following about the wines of the 2018 crop:

- The harvest of the varieties Muscat and Chardonnay has begun in La Mancha last week
- This week begins the harvest of further white wine grapes.
- From September 10th 2018 on begins the harvest of the Airén grape.
- From September 15th starts the harvest of the red varieties.

For a first estimation of the prices:

- The prices for grapes will be fixed, as soon as the first Airén grapes will be harvested. (beginning at 8th to 10th September)
- Following the cooperatives, the prices for grapes of the new crop shall be at least as high as last year, because the producers have high expectations.
- However, following Spain's big wine bottlers and also the private wineries, the prices of grapes should be well below last year's prices, so that prices should approach to those of the 2016 harvest, which means:
 - White Wine between € 3,00 h^o and € 3,50 h^o
 - Red Wine between € 3,50 h^o and € 4,00 h^o

To the 2018 crop :

- White Wines will be ready to load from end of November 2018.
- Red Wines with the malolactic fermentation finished will be ready to load from end of December 2018

We recommend, that you plan the purchases of wines with indication of grape varieties and the year of the crop as soon as possible, as this will enable us to offer you the best quality wines on the best conditions, since, as you already know, the best moment to buy these wines will be until the end of October 2018 with deliveries End of 2019 is.

For generic wines, we consider the best is to preserve patience and wait until the harvest is over, and observe the prices suggested by the growers. Only when the harvest is over, we will see what price basis we have to negotiate with the cellars the quantities and qualities you need.

Like every year, do not hesitate to contact us to discuss with us the quantities and qualities you need, as well as the maximum bid you are willing to pay so that we can start matching the wines for you to look for the best terms of delivery.

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