



EUROTRADE

BUSINESS SERVICES Ltd.

Newsletter Spain – November 2018

The harvest in Spain is almost finished in week 44, only occasionally you can see the last tractors with grapes at some cooperatives in La Mancha. The harvest is only going on in some limited areas, such as La Rioja, but this has no effect on the bulk wine business.

Today we can confirm that the 2018 harvest in Spain counts with more than 48 million hectoliters, of which 25 million hectoliters come from the La Mancha region. This represents an approximate increase of the crop of + 25% / + 30% compared to the 2017 harvest.

Given the situation we currently have throughout Europe, we can see a price situation for the wines from the new crop similar to that after the harvest 2016, what means that today's prices are around the level of 2016, but we expect them to ease a bit further between December 2018 and February 2019.

Today, the purchase price for basic distillation wine is 2.40 Euros /h^o / 2.50 Euros/ h^o, but these are wines that are not suitable for consumption, i.e. pressed wines or wines with very high iron or gluconic content. However, this price is the reference for us, which gives us the lowest price to which the producers offer.

It is also important to note that most cooperatives will find this year difficulties to supply white table wines with more than 10,80% / 11% vol alcohol, because the Airén variety, which serves as the basis for cheap white wine, due to its huge yield this year, could not develop enough maturity to produce higher grades. If you are interested in higher fermented white wines, you have to switch to other grape varieties like MACABEO, VERDEJO or even SAUVIGNON BLANC or CHARDONNAY.

The current price range for the 2018 harvest is as follows:

- White wine, traditional fermentation (F / T) - between EUR 2,60/h^o and EUR 2,80/h^o
- White wine, controlled fermentation (F / C) - between EUR 2,80/h^o and EUR 3,10/h^o
- Rosé wine F / T - between EUR 3,00/h^o and EUR 3,30/h^o
- Rosé wine F / C - between EUR 3,10/h^o and EUR 3,40/h^o
- Red wine 10,5% - 12% IC MIN 5 - between EUR 3,30/h^o and EUR 3,50/h^o
- Red wine 12,5% - 14,5% IC MIN 7 - between EUR 3,60/h^o and EUR 3,80/h^o

For wines with grape variety or BIO certification, it is important to know that purchases should be completed as soon as possible, as demand is high and the volume offered is limited so that prices will rise steadily over the coming months. This means that you should buy now the grape varieties and BIO wines that you need by the end of September 2019.

- Red grape varietal wines (100% Cabernet Sauvignon, Merlot, Syrah, etc.) - between EUR 4,00/h° and EUR 4,70/h°
- White grape varietal wines (100% Macabeo, Chardonnay, Sauvignon Blanc, Verdejo, etc.) - EUR 3,00/h° and EUR 6,50/h°

Do not hesitate to contact us for the wines you need and tell us the qualities / quantities / conditions of payment, so that we can send you our best possible offer.

We take the opportunity to announce that we will be present at the upcoming Bulk Wine Exhibition WBW AMSTERDAM on the 26th and 27th of November 2018.

We would be pleased to welcome you to our stand C43, where we will discuss with you the possibilities of the Spanish (but not only) wine market. We would be grateful if you could make an appointment with us if you are attending the fair.

General information about the harvest 2018:

- The harvest in Italy can be described as historic with a harvest of more than 55 million hectoliters, + 20% more than in 2017
- In France we speak of a very good harvest of more than 46 million hectoliters, + 27% more than in 2017.
- In Germany, the harvest volume is just under 10 million hectoliters, + 30% more than last year
- Other producer countries in Europe, such as Austria, Romania, Bulgaria, Hungary, Macedonia, etc., between + 10% and + 25% more than in 2017.

Producers in the southern hemisphere, especially Chile, still have a very large stock from their last crop 2018, and they also expect a good harvest in 2019, starting in March 2019. It will be similar in size to the last, or maybe even bigger. Producers from Chile are starting with very aggressive offerings, especially in Asia and Russia, with the intention of quickly selling stocks to make room for the new harvest.

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