



EUROTRADE

BUSINESS SERVICES Ltd.

Newsletter Spain – September 2019

Since Friday, August 16, 2019 some cooperatives have already started the crop with the harvest of the first white varieties like Chardonnay, Sauvignon Blanc, Viognier, Verdejo ...

In approximately 7 to 10 days they will begin with the red varieties as Merlot, Tempranillo and then Cabernet Sauvignon, Syrah ... etc. ... and afterwards, the harvest of the white grapes Airén is estimated to begin around September 15, 2019.

The 2019 crop is expected to be very deficient in Spain with around 20% to 30% less than a harvest of a normal year, because of the severe drought we have in Spain, and if it does not rain by 15 September, we risk 50% less quantity in certain regions that still haven't vineyards with irrigation systems.

This could lead to a crop in the region La Mancha less than 19 million HLS for the 2019 crop, compared to 29 million HLS of the 2018 harvest and 20 million HLS of the 2017 harvest.

| Rainfall between September and August | Rains in LTs during Autumn Sept. - October and November | Rains in LTs of Winter December - January and February | Rains in LTs Spring March - May | Rains in summer LTs June - July - August (20/08/19) | Total LTs rains | Total Production Mio / HLS La Mancha Region |
|---------------------------------------|---|--|---------------------------------|---|-----------------|---|
| 2018/2019 | 128,60 | 26,20 | 78,40 | 6,4 | 239,60 | crop 2019 = 18,50 |
| 2017/2018 | 61,60 | 113,80 | 264,80 | 16,60 | 456,80 | crop 2018 = 29,08 |
| 2016/2017 | 165,00 | 102,80 | 108,40 | 31,00 | 407,20 | crop 2017 = 19,45 |

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|----------------|--------|--------|--------|-------|--------|---|
| 2015/2016 | 87,80 | 56,80 | 174,20 | 2,20 | 321,00 | crop 2016 = 24,42 |
| 2014/2015 | 159,40 | 64,80 | 77,60 | 35,20 | 337,00 | crop 2015 = 22,94 |
| 2013/2014 | 139,60 | 237,40 | 54,80 | 14,40 | 446,20 | crop 2014 = 25,12 |
| 2012/2013 | 299,40 | 129,60 | 256,20 | 11,80 | 697,00 | crop 2013 = 33,03 |
| 2011/2012 | 89,00 | 26,60 | 121,40 | 10,80 | 247,80 | crop 2012 = 19,00 |
| 2010/2011 | 147,60 | 243,20 | 130,60 | 2,40 | 523,80 | crop 2011 = 18,90 |
| 2009/2010 | 42,80 | 391,80 | 98,20 | 49,10 | 581,90 | crop 2010 = 21,60 |
| 2008/2009 | 129,40 | 67,30 | 71,80 | 32,00 | 300,50 | crop 2009 = 20,00 |
| 2007/2008 | X | X | X | X | 602,00 | crop 2008 = 23,10 |
| Medium 2008-19 | 131,83 | 132,75 | 130,58 | 19,26 | 430,06 | Medium crop between 2008 and 2018 = 23,33 |

For the grape prices used to make table wines, it is still too early to have specific items. But knowing that cooperatives have almost no stock of available red wine from the 2018 harvest, there would certainly remain a lot of white wine available, and because of that it will be necessary to be vigilant to the qualities / prices proposed pending confirmation of the price of buying grapes that could be published around mid-September.

Currently, the cheapest price for de-ionized grape must concentrate 65 Brix (100% Vitis Vinifera) is:

- EUROS 1.10 / Kg = EUROS 145,75 / HL EXW Spain for withdrawals now and before the end of October 2019
- Price for tanks full of +/- 200 HLS = 25.000 Kgs

Indicative prices for Table Wine harvest 2018 - withdrawn from here to late Oct'2019 (date foreseen for availability of wines harvests 2019)

In the short term, we expect a tendency of rising prices:

- Red Wine Table between 11% and 13% CI min 5 - between Euros 2,80 h° / 3,30 h°
- Rosé wine controlled fermentation (FC) between 11% and 12% - between Euros 2,40 h° / 2,60 h°
- White wine controlled fermentation (FC) - between Euros 2,20 h° / 2,40 h°

Today, distillers have great difficulty in finding white wine for the alcohol production, below € 2.10 EXW Spain.

Since Friday, August 16, 2019 some cooperatives have already started the harvest. During about 10/15 days we have the possibility to offer fresh grape must at EXW prices / Region of the Mancha, indicative as follows:

- Chardonnay € 7.00 / Be H°
- Sauvignon Blanc € 6,50 / Be H°
- Moscatel € 4.90 / Be H°
- Viognier € 6.00 / Be H°
- Organic Chardonnay € 8.00 / Be H°
- Save. Organic White € 7.50 / Be H°
- Moscatel BIO 5,50 € / Be H°

The harvest of Tempranillo 2019 will begin previously in the week of September 2, 2019, and it seems very difficult to have, an official price estimation before that date, but it is quite possible that the price will be similar to those from last year, which means that the price of red wine table will be between EUROS 2.90 h° and 3.30 h°.

The harvest of the 2019 Airén will begin around September 15, 2019, and it also seems very difficult to have an official price estimation before that date, but it is quite possible that it could have a price similar to those of the past, translate to a price of white wine table between EUR 2.40 h and 2.80 h.

In view of this, we are of the opinion that the starting prices of the 2019 harvest will be very similar to those we had last year during September / October.

Do not hesitate to contact us and tell us your needs, informing qualities / quantities / withdrawals and indicative prices to target, in order to develop on your file the bookings of your needs, at the best possible market conditions.

September 2019