



EUROTRADE

BUSINESS SERVICES Ltd.

Newsletter Australia, Argentina and Chile – April 2021

We present the April 2021 report awaiting the crop in Australia, Argentina and Chile.

AUSTRALIA – Vintage 2021 is still not finalized in Australia however I will give you a summary thus far. The crops in most regions are looking larger than expected with very good quality. The ‘premium’ region wine areas such as McLaren Vale, Barossa Valley, Coonawarra, Langhorne Creek etc. are certainly larger than previous years, however this is not good with the current political situation with China as these regions were supplying a lot to China previously. There is a lot of worry as to what will happen with all the wine from the 2021 vintage out of this area.

The main areas that supply Europe SEA – ‘South Eastern Australia’ has good volume crops however the grape prices were set very high with major wineries so now the cost of the wine is high. This is a concern as Europe has paid around \$1.20-\$1.50 AUD FOB per litre but now with China not purchasing Australian wine our stocks are higher than normal, a big crop is happening and the demand for our wine into China is gone. Therefore pricing has plummeted to \$0.95 – \$1.05 for red wine and we believe will continue to drop.

White wine supply is lacking, we have good sized crops however globally there is a demand so our price has held for Chardonnay \$1.05 – \$1.10 and other white varietals around \$1 per litre. Sauvignon Blanc I non-existent! We have no supply as Europe has purchases most on pre-vintage contracts – also New Zealand supply of Sauvignon is down 30% and I have no supply for my existing clients! New Zealand are actually looking to purchase white wine from Australia to extend some of their domestic blends of Sauvignon Blanc.

The domestic consumption is growing slowly however our supply for red is greater than what is currently needed – we are expecting the UK to increase their purchasing out of Australia if there is an agreement for free trade in the near future.

ARGENTINA – Vintage is almost finishing in Mendoza. Qualities are good in general, despite this summer we faced some rains, but that no affected too much the grapes. Summer was not too hot, so in general we will not have high alcohols this year. There is very small availability on 2021 whites wines due a big frost we had in spring, this mainly affected that varieties. So prices of white wines are high. In regards to red generic there was a very good demand last year, as we had very competitive prices. So we finished 2020 with very low stocks. 2021 vintage red generic volumes are average, so prices are higher than last year too. We expect a good demand of wines from domestic market for this year, same as last year; specially in the more basics range of quality.

CHILE – A lot of similarities with Argentinean vintage. A more cold summer slowed down the ripening of grapes and winemakers says that this will help to improve quality. In terms of volumes, Chile it is short on whites wines too, and in regards to red wines looks like will have 2021 wines in an average total volume. Vintage it is not finished yet; now about 70% of the grapes were picked, so probably in about two more weeks, all grapes will be at the cellars.

As Chilean wines goes mainly to exports, will be very interesting to know how global market will evolve with all issues that are facing in Europe mainly, but also in NZ with their SB shortage. China is still active, mainly in Chile right now, and we are waiting from some new reactions due to the issues that are facing producers in Europe right now.

PRICES

ARGENTINA	Price x Lt US\$ FOB chilean port
Dry White	\$ 0,59
Muscat	\$ 0,65
Chardonnay Entry Level	\$ 0,80
Torrontes	\$ 0,65
Dry Red	\$ 0,59
Cabernet Sauvignon Entry Level	\$ 0,65

Syrah Entry Level	\$ 0,65
Bonarda Entry Level	\$ 0,65
Malbec Entry Level	\$ 0,70
Cabernet Sauvignon Standard	\$ 0,85
Syrah Standard	\$ 0,80
Bonarda Standard	\$ 0,80
Malbec Standard	\$ 0,90
CHILE	Price US\$ FOB
Dry White	\$ 0,65
Chardonnay	\$ 1,15
Sauvignon Blanc	\$ 1,05
Dry Red	\$ 0,60
Cabernet Sauvignon Entry Level	\$ 0,78
Carmenere Entry Level	\$ 0,85
Merlot Entry Level	\$ 0,85

Syrah Entry Level	\$ 0,80
Cabernet Sauvignon Standard	\$ 0,90
Carmenere Standard	\$ 0,95
Merlot Standard	\$ 0,95
Syrah Standard	\$ 0,95

April 2021