



**EUROTRADE**

BUSINESS SERVICES Ltd.

## **Newsletter Spain – October 2021**

In the main growing areas in Spain the harvest 2021 will soon be completed and we can already draw the first conclusions.

We see that due to the intense heat waves in August in Spain, the grape yields of most grape varieties have fallen sharply by an average of -15% compared to the 2020 harvest, with a price increase of + 50%.

As we said in our last market report, the “harvest scenario 2021” shows a very clear harvest loss across Europe, whereby it must also be taken into account that the sales stocks in Spain since April 2021 have been very low. While in 2020 there was still talk of a crisis distillation in spring 2021, this idea was completely discarded from the end of April 2021, when sales and inventories began to decline. From May / June 2021 and until today, the demand for Spanish wine is and will continue to be very strong. The most important consequence of this is that producers will not lower their prices in the short term.

- Spain assumes a maximum harvest of 38 million hl (47 million in 2020 or -15%), of which +/- 19 million in the La Mancha region (25 million in 2020)
- France forecasts a harvest of +/- 33 million hectoliters (45/47 million in 2020, i.e. -27%)
- Italy forecasts a harvest of +/- 44 million hl (49 million in 2020, i.e. -9%)

In summary, we can expect a harvest in Europe that is 30 million hectoliters smaller than last year.

YEAR OF CROP	QUANTITY SPAIN	QUANTITY LA MANCHA	EXW. PRICE REDWINE	EXW PRICE WHITEWINE
2013	55 / 56 MIO HLS	33 MIO HLS	€ 3,40 h°	€ 3,30 h°
2014	46 MIO HLS	25 MIO HLS	€ 2,60 h°	€ 2,30 h°
2015	42,5 MIO HLS	23 MIO HLS	€ 2,90 h°	€ 2,40 h°
2016	52 MIO HLS	25 MIO HLS	€ 3,30 h°	€ 3,00 h°
2017	36 MIO HLS	20 MIO HLS	€ 4,50 h°	€ 3,90 h°
2018	50 MIO HLS	29 MIO HLS	€ 4,40 h°	€ 3,90 h°
2019	38 MIO HLS	19 MIO HLS	€ 3,50 h°	€ 3,00 h°
2020	47 MIO HLS	25 MIO HLS	€ 2,70 h°	€ 2,30 h°
<b>2021</b>	<b>38 MIO HLS</b>	<b>19 MIO HLS</b>	<b>€ 3,60 h°</b>	<b>€ 3,35 h°</b>

This 2021 harvest starts in Spain with very little stock. We have noticed this since April / May, when it became difficult to find large volumes for new contracts.

Only contracts with shipments before the end of August and the beginning of the 2021 harvest have been confirmed. Then, due to the strong frost periods in France and Italy, the very low wine prices rose steadily.

At the moment the situation is very stable, but there is no telling whether this trend will last long.

Currently, most of the table wines and base wine for sparkling wine without grape variety that we are loading are still from harvest 2020, from contracts that were concluded this year and which, according to the agreed delivery conditions, must be withdrawn by the end of 2021. So far, almost no contracts have been signed for table wines from the 2021 harvest, which would then be delivered from January 2022. One thing is clear, if all of the buyers who at this moment want to buy as late as possible, in the hope that prices will fall, go to the market at the same time, it will only cause that prices will rise. Right now, the market is experiencing an arm wrestling between customers, who expect prices to fall, and producers, who know that everyone has to buy by December and therefore have no intention of lowering their prices

A very large volume of wines with indication of the grape variety on the documents was already contracted between August and October, and aware of the crop failures of this campaign, prices have risen due to the lack of stocks for all grape varieties. At the moment it is still possible to buy grape-named quantities, but we are seeing that fewer and fewer are available and it would not be surprising that certain grape varieties such as Merlot, Sauvignon Blanc, Chardonnay and especially Moscatel will soon be discontinued can be found on the market. We will be following the development of the market very closely in the coming weeks and will keep you up to date as usual.

The contracts are currently being signed "with acceptance of samples", i.e. the quantity is reserved, the quality is subject to profile / tank validation after vinification, since the wines of the new harvest will not be available in mid-November 2021 suggested below to be guaranteed.

Currently, the LOWEST prices that can be found in the Spanish market for wines from the new harvest are as follows:

## WINE PRICES SPAIN CROP 2021

The prices have to be multiplied with the requested alcohol degree, then we get the price €/HL

i.e. \*-> € 3,50 h° x 12% = EUR 42,50/HL EXW

Wine with Origin Spain or wine from the EU, WITHOUT indication of the year of the crop or varietal in the loading documents

- White wine traditionally fermented FT, entry level from EUR 3,35 /h°
- White wine, controlled fermentation, FC, from EUR 3,50 /h°
- Base wine for sparkling wine production, white FC from EUR 3,80 / 4,00 €/h°
- Rosé wine traditionally fermented FT entry level from EUR 3,45 /h°
- Rosé wine, controlled fermentation FC, from EUR 3,65 / 3,80 /h°
- Red wine 11%vol. with 4-5 points entry level from EUR 3,60 /h°
- Red wine 12%vol. with 5/6 points entry level from EUR 3,70 /h°
- Red wine between 13,0% and 14,9%vol. with 8/9 points from EUR 3,80/h°

Wine with origin Spain and indication of harvest, WITHOUT indication of varietals in the loading documents.

Certified BIO – « ECOSCHERT / SOHISCERT » - according to EU regulations

- White Wine Spain BIO FC, from EUR 3,70 / h°.
- Rosé Wine Spain BIO FC, from EUR 3,90 /h°.
- Red Wine Spain BIO from 11% to 12% IC 4/5 (entry level), from EUR 4,10 /h°
- Red Wine Spain BIO from 12,5% to 14,9% IC 8/9 min from EUR 4,30 /h°

VARIETAL WINE WHITE – HARVEST 2021 – Price exw. cellar Spain until end of stock, wine with origin Spain, with indication of the year of crop and varietal in the loading documents.

- White wine Chardonnay, from EUR 7,50 /h°
- White wine Sauvignon Blanc, from EUR 6,50/h°
- White wine Verdejo, from EUR 4,70 /h°
- White wine Moscatel, from EUR 6,00 /h°
- White wine Macabeo, from EUR 3,70 /h°
- White wine Airén from EUR 3,60 /h°

Certified BIO – « ECOSCHERT / SOHISCERT » - according to EU-regulations

- White wine Chardonnay BIO, from EUR 9,00 /h°
- White Wine Sauvignon Blanc BIO, from EUR 7,80 /h°
- White wine Verdejo BIO, from EUR 6,00 /h°
- White wine Moscatel BIO, from EUR 5,50 /h°
- White wine Macabeo BIO, from EUR 4,20 /h°
- White wine Airén BIO, from EUR 4,10 /h°

VARIETAL WINE ROSÉ – HARVEST 2021 – Price exw. cellar Spain, wine with origin Spain, with indication of the year of crop and varietal in the loading documents.

- Rosé Tempranillo, from EUR € 3,40 /h°
- Rosé Garnacha, from EUR 3,50 /h°
- Rosé Bobal, from EUR 3,50 /h°

Certified BIO – « ECOSCHERT / SOHISCERT » - according to EU-regulations

- Rosé Tempranillo BIO, from EUR 3,80 /h°
- Rosé Garnacha BIO, from EUR 4,20 /h°
- Rosé Bobal BIO, from EUR 4,20 /h°

If there is a request for other rosé varieties (Syrah, Merlot and others .../ also as BIO) concrete demands have to be sent.

VARIETAL WINES, RED - HARVEST 2021 – Price exw. cellar Spain until end of stock, wine with origin Spain with indication of the year of the crop and varietal in the loading documents

- Red Wine Merlot, from EUR 5,00 /h°
- Red Wine Cabernet Sauvignon, from EUR 4,50 /h°
- Red Wine Syrah, from EUR 4,00 /h°
- Red Wine Tempranillo from EUR 3,60 /h°

Certified BIO – « ECOSCHERT / SOHISCERT » - according to EU-regulations

- Red Wine Merlot BIO, from EUR 6,00 /h°
- Red Wine Cabernet Sauvignon from EUR 5,00 /h°
- Red Wine Syrah BIO, from EUR 4,80 /h°
- Red Wine Tempranillo BIO, from EUR 4,50 /h°

Grape Must Concentrate /rectified (de-ionised) grape must concentrate

- Rectified (de-ionised) grape must concentrate 65 Brix – EUR 1,45/Kg
- White grape must concentrate - 65 Brix – from EUR 1,40/Kg

Don't hesitate to contact us for your demand, so that we can search for wines at the best market conditions for you.

October 2021