



Global Market Report

December 2020

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**Ciatti Global Wine
& Grape Brokers**

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A 2020 that no one could have foreseen is drawing to a close: bulk wine activity around the world has slowed to varying extents while the industry takes a breather, assesses OND retail sales and waits to see what 2021 looks like bringing on several fronts, not least the COVID-19 battle and vaccination rollouts.

COVID-19's second wave across Europe from October onward – and the ensuing reimposition of lockdowns/restrictions – injected further hesitancy into buying activity towards the end of the year, with bulk wine getting purchased in conservative increments if at all. One of our offices summarizes it well: “Most buyers over the last three weeks have said ‘yes, it can work, but my marketing team or the supermarkets don’t want to pull the trigger and say go for it’”.

Another concern for Europe’s suppliers in particular is Brexit uncertainty, grinding on tediously since the autumn of last year: at the time of writing, with days to go until the UK exits the EU’s Single Market and Customs Union on 1st January, it is still unknown if there will be a trade deal in place between the two parties or if tariffs will come into force. It should be noted that this issue concerns the UK and the EU: wines the UK receives from non-EU countries will be unaffected by any changes – unless, of course, they are to be forwarded on to the EU.

A more certain development on import taxes is the imposition by Chinese authorities of tariffs of up to 212.1% on Australian wine imports in containers of two litres or less, provisionally for three months (see this month’s ‘China-Australia Wine Tariff Update’). The authorities claim the tariffs are a response to wine dumping, but are widely perceived to be the result of political tensions. In addition, China has also imposed a temporary countervailing duty of 6.3-6.4% on Australian wine imports. It is currently unclear if/how these tariffs and duties apply to bulk wine.

A tariff regime that realistically precludes Australian wine imports could boost China’s interest in alternative sources such as Chile, which – enjoying an FTA with China – was a leading destination for China’s buyers until the past year or so. Despite the significant reduction in Chinese custom and the pandemic over this period, Chile’s bottled, bulk and packed export volumes have held up or even grown – symptomatic of wine’s robust sales at European and North American supermarkets/online retailers. It has been a heavily fragmented year difficult to summarise – and offering little forward visibility - but strong off-trade wine sales in key markets has helped offset the on-trade slump to varying extents volume-wise. Value, however, will take a greater hit.

Apart from October’s frost episode in South America, the Southern Hemisphere’s growing conditions have so far been good and water reserves look sufficient. What will be the state of the world by the time the Southern Hemisphere’s 2021 reds are getting shipped? Fingers crossed, visibly moving back to normality. In the meantime, **everyone at Ciatti wishes you and yours a very Merry Christmas and a prosperous – and healthy – New Year.**

Robert Selby

Brexit Update

As of 1st January 2021, the UK will no longer be a member of the European Union's Customs Union and Single Market. At the time of writing (14th December) it still remains unknown if the UK and the EU will agree a trade deal that averts the prospect of a 'No Deal' Brexit whereby trade between the two sides potentially includes tariffs.

The UK earlier this year set out its 'UK Global Tariff' rates: on wines imported from countries with which the UK does not have a trade deal – i.e., such as, as it currently stands, the EU – a rate of between GBP8.20 and GBP26/hectolitre will be applied, depending on alcohol content and shipping sizes/formats. (These rates are similar to the EU's own Common Customs Tariff on wines imported into the EU from countries outside the bloc.) The tariffs are listed here: <https://www.check-future-uk-trade-tariffs.service.gov.uk/tariff?q=fresh%20grape&n=25&p=1>. France, Italy and Spain were the first, second and fourth largest exporters of wine to the UK by value in 2018.

While the trade/tariff matter remains unresolved until the very last minute, a UK requirement for import certification paperwork on EU wine – 'VI-1' forms, alongside the requisite suite of laboratory tests – appears to have been postponed until 1st July 2021 at the earliest. This postponement comes after the UK's Wine & Spirits Trade Association (WSTA) warned the UK government that "the new inspections for imported EU wine required as a result of the imposition of VI-1s would generate over 600,000 customs forms and cost the wine industry GBP70 million in the first year alone". The WSTA has welcomed the "grace period" until 1st July for providing some breathing space, but pressed the government to abolish the requirement for VI-1 forms permanently.

There remains confusion as to exactly what information the UK authorities will still require. During the grace period, VI-1 forms and lab checks are apparently not required, but – as we understand it – there are additional specifications that need to be

provided on certificates of analysis for each purchase order/shipment. If a supplier cannot guarantee the accuracy of the data, they will need to have an independent/third party-accredited laboratory carry out analysis. The list of information that will be necessary on all export certificates on imports into the UK will be:

- Total alcoholic strength
- Actual alcoholic strength
- Total dry extract
- Total acidity
- Volatile acidity
- Citric acidity
- Total sulphur dioxide

This information is also required on bulk wines that are entering the UK to be bottled before being re-exported to the EU. As this information is normally included on EU VI-1 forms, some importers/exporters have decided to use EU VI-1 forms during the grace period anyway.

Confused? Get in touch with us and we will do our best to answer your queries. In addition, Chris Porter, business development manager at Kukla Beverage Logistics, has outlined in more detail what will be expected of EU exports to the UK from 1st July 2021 here: <https://www.thedrinksbusiness.com/2020/10/importing-wine-from-the-eu-the-lowdown/> And for further information, read on.

What about wines from non-EU countries?

The UK government has confirmed that, for wine imported into the UK from a non-EU country, there will be no change in requirements until 1st October 2021 at the earliest. EU VI-1 forms can still be used to enter the UK market until then, after which time a near-identical UK VI-1 form will be required instead. It has stated: "You'll still be able to use the simplified

See next page for more.

VI-1 for importing wines from Australia and Chile. Wines from the US can continue to use a simplified VI-1 and US wineries can continue to self-certify their VI-1s.”

And labelling?

On labelling, the UK government has stated: “You can continue to use the name and address of an importer – or bottler in the case of bulk wine imports – based in the EU, Great Britain [England, Scotland, Wales] or Northern Ireland on the label for bottles of wine marketed in Great Britain until 30 September 2022. From 1 October 2022, wine marketed in Great Britain must be labelled with the name and address of an importer or bottler located within the UK.”

What’s all this about Northern Ireland?

The distinction between Great Britain (England, Scotland, Wales) and the UK (England, Scotland, Wales, Northern Ireland) is important. Northern Ireland shares a land border with the EU but – because its border with the Republic of Ireland has historically been a sensitive issue – there can be no customs checks at that border. Consequently, Northern Ireland (unlike Great Britain) will continue to follow the EU’s customs rules and its rules on product standards.

Thus, for wine imported into Northern Ireland from the EU, there will be no change to “marketing standards requirements”. In addition, VI-1 certificates will not be required to move wine from Northern Ireland to the EU or to Great Britain, the latter exemption part of a wider political will to ensure there are no checks on goods entering Great Britain from Northern Ireland.

This raises the prospect of a significant loophole, in which EU wines can access Great Britain free of tariffs and paperwork by arriving via the ‘backdoor’ of Northern Ireland. The UK government has insisted EU goods transiting via Northern Ireland

into Great Britain will face the full UK customs and regulatory controls, but it is unclear how this is to be achieved with no customs checks or documentation between Northern Ireland and Great Britain.

In regard to the reverse loophole, in which goods from Great Britain could enter the EU free of tariffs/paperwork by going via Northern Ireland, goods arriving into Northern Ireland from Great Britain deemed “at risk” of moving into the EU later on will need EU customs checks and/or tariffs. (The tariffs would then be refunded if the goods stay in Northern Ireland.) How this will be carried out in practice is unknown.

Great Britain to EU trade

Consignments of wine exported from Great Britain to the EU will be subject to EU third country requirements for wine – which include having an EU VI-1. There are some exemptions – outlined here: <https://www.gov.uk/guidance/importing-and-exporting-wine-from-1-january-2021#exemptions> – which include wines “in labelled containers up to 10 litres with a single use stopper, where the total quantity of the shipment (which can be in separate consignments) is less than 100 litres”.

What if the wine is to be bottled in Britain and then re-exported?

As it stands, the imposition of VI-1 forms by the UK and EU will mean: bulk wine entering Great Britain to be bottled there for re-exporting as bottled wine into the EU will require 1) a VI-1 form to enter Great Britain and then 2) another VI-1 form to re-enter the EU.

Rebekah Kendrick of the WSTA highlights the problem with this: “If you’re a company shipping 20 different wines to Germany via a bottler in the UK, you would need 20 certified copies of the forms. Then, as you re-enter the EU, you would need another 20 copies. That’s 40 pieces of paper.”

California

Time on target



HARVEST WATCH: *Estimated at approx. 3.4 million tons*

During California's wildfires in late summer and early autumn there was buyer concern for availability across all varieties, inflating activity and prices, but as fears around smoke exposure have diminished in recent weeks, so too has activity to some extent. Pricing has – in the main – plateaued.

California's bulk inventory rapidly declined between May and October – powered by the COVID-19-induced uptick in off-trade sales, then the aforementioned

wildfires – and has since begun to build again as the new 2020 vintage becomes available. We currently estimate the state's available Cabernet inventory at approximately half what it was in December 2019, while the respective inventories of Chardonnay, Merlot, Pinot Noir and Zinfandel are also significantly less than they were to varying extents.

California's remaining inventory of good-quality 2019 wines is greatly diminished and high in price. Some Central Valley suppliers are already claiming to be sold out of their 2020 wines: this mainly applies to whites such as Sauvignon Blanc, Pinot Grigio and Muscat. Some potential buyers have moved overseas to source these three varieties, illustrating that – should they be unable to find the wines in the requisite volumes and/or at the requisite prices in California – buyers have the ability to go elsewhere. Many of the 2020 reds are still moving through the approval process, but Central Valley Cabernet is perhaps already proving harder to find. The Valley's limited Pinot Noir inventory, meanwhile, is receiving interest.

There have been some limited preliminary discussions on 2021 grapes in the Valley. As a result of the lighter than average 2020 crop and the reduction in bulk inventory, some grape suppliers are hesitant to commit to a contract at this stage. There have also been discussions around planting contracts for Merlot in the Valley, as well as for Chenin Blanc and – to a lesser extent – Colombard in the southern Valley.

November in California was dry, wildfire warnings have continued to be issued into December, and the forecast for December through February is for more dryness due to the La Niña climate phenomenon. Consequently, there are early concerns from growers that they could be facing a drier than normal growing season in 2021.

To find out more about California's bulk wine market you can read Ciatti's monthly *California Report*.

See next page for more on California.



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The 2020 crop, meanwhile, is still estimated to have come in at approximately 3.4 million tons, the lightest since 2011's 3.34 million tons.

International demand has been sluggish. Interest from Canada has slowed significantly due to the price rises that were seen in late summer/autumn, while European and Nordic buyers are assessing Europe's 2020 crops. Continued Brexit uncertainty has dampened UK interest. International buyers in general are waiting to see how OND sales fare around the world and what the start of 2021 brings.

Key Takeaways

California's bulk market remains active but less active than it was in late summer/autumn and prices have – in the main – plateaued. Inventory of 2019 wines has now greatly reduced and some Central Valley suppliers are reporting that they already are out of their 2020 wines – particularly Sauvignon Blanc, Pinot Grigio and Muscat, provoking some buyers to source these overseas. Some discussion is occurring around the Valley's 2021 grapes and also planting contracts for Merlot and – in the southern valley – Chenin Blanc and Colombard. International demand is muted: European buyers are assessing the 2020 crops closer to home and all buyers are watching how OND sales, and sales in early 2021, perform.

Ciatti Contacts

Import/Export

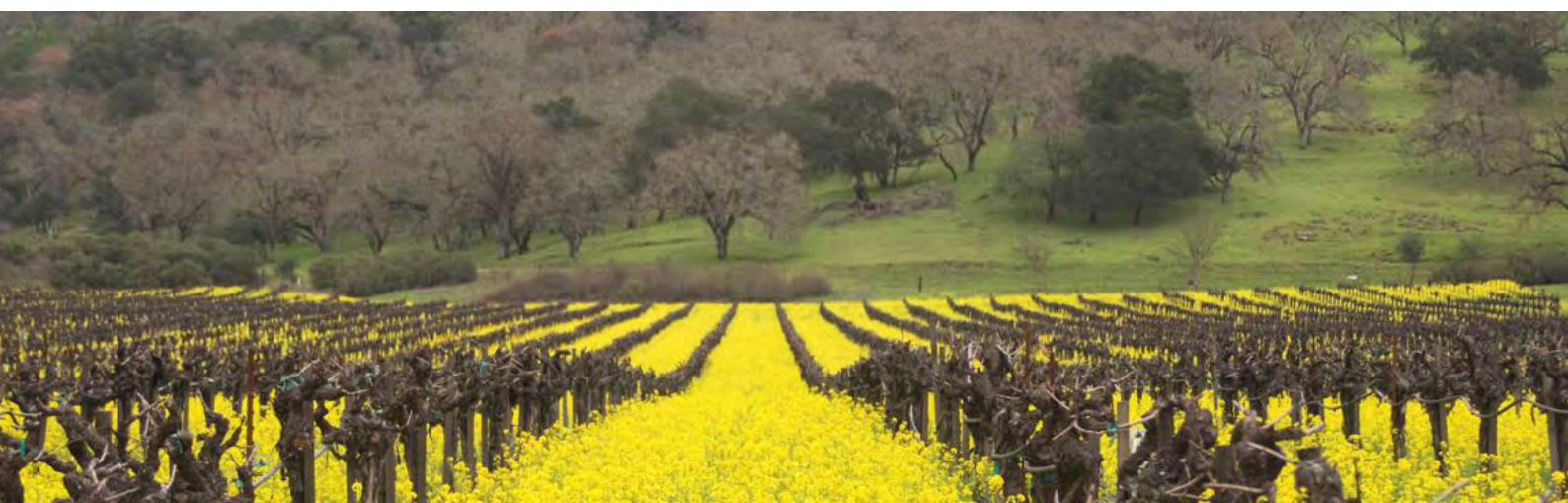
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California: Current Export Market Pricing (USD per liter)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2019	Generic White	0.90 – 0.99	↔	2018/19	Generic Red	0.79 – 1.05	↔
2019	Chardonnay	1.25 – 1.59	↔	2018/19	Cabernet Sauvignon	1.09 – 1.85	↔
2019	Pinot Grigio	1.25 – 1.59	↔	2018/19	Merlot	1.12 – 1.38	↔
2019	Muscat	1.10 – 1.45	↔	2018/19	Pinot Noir	1.40 – 1.85	↔
2019	White Zinfandel	0.94 – 1.00	↔	2018/19	Syrah	1.09 – 1.58	↔
2019	Colombard	0.95 – 1.00	↔	2018/19	Ruby Cabernet	0.97 – 1.10	↔
				2018/19	Zinfandel	1.20 – 1.65	↔



Argentina

Time on target



HARVEST WATCH: *No concerns since October's frost episode*

Argentina's bulk wine market has continued to be active with domestic and export business, though it has perhaps slowed a little in recent weeks after a very busy September and October. The better-quality Malbecs are becoming harder to find in big volumes, but it is all relative: as 2020 was an excellent vintage quality-wise – one of the best in the past 20 years – all price levels have exhibited increased quality.

Prices increased for the domestic business between August and November due to the peso's devaluation against the dollar, which has been ongoing despite the government's attempts to keep the official dollar exchange artificially low. The peso started August at around ARS70/dollar but came into December at around ARS83/dollar: peso pricing thus firmed up to reflect this but dollar prices have remained essentially stable.

Some Argentinian suppliers are now holding onto their wines while they wait for the impact of October's severe frost episode on the 2021 crop to become clear. This is happening across all wine types. For the international buyer, any subsequent rise in the peso price from next February onward (when the frost's impact on bunches

will become clear) is likely to be offset either by the ongoing, gradual weakening of the peso against the dollar or a substantial, overnight one. The government seemingly remains opposed to a major devaluation – or at least committed to delaying it – but there is a feeling one is inevitable at some stage in 2021.

Argentina's **grape juice concentrate** has proved very popular with buyers from around the world and inventory is now running low; many suppliers are sold out. With GJC and wine inventory becoming depleted, Mendoza's new crop is needed and – since October's frost episode – growing conditions in the vineyards have been normal.

Key Takeaways

Argentina continues to offer a highly attractive price-quality on all wines, though inventory of the best Malbec qualities is getting low due to demand. However, the excellent 2020 vintage increased quality at all price levels. As far as international buyers are concerned, any recent increase in peso prices is mostly being offset by the peso's ongoing, gradual weakening against the dollar. Argentina's grape juice concentrate supply is becoming limited.

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Argentina: Current Market Pricing (USD per liter; FCA Winery)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2020	Generic White (Basic)	0.30 – 0.35	↑	2019/20	Generic Red	0.30 – 0.35	↑
2020	Generic White (Standard)	0.33 – 0.38	↑	2019/20	Cabernet Sauvignon	0.50 – 0.60	↔
2020	Muscat	0.33 – 0.38	↑	2019/20	Merlot	0.45 – 0.55	↔
2020	Torrontes	0.40 – 0.45	↑	2019/20	Syrah	0.35 – 0.45	↔
2020	Sauvignon Blanc	0.50 – 0.60	↑	2019/20	Malbec Standard	0.55 – 0.65	↑
2020	Chardonnay	0.50 – 0.60	↑	2019/20	Malbec Premium	0.70 – 1.00	↔
2019/20	Bonarda	0.35 – 0.45	↔	2019/20	Malbec High End	1.00 – 2.50	↔
				2019/20	Tempranillo	0.35 – 0.45	↔
White Grape Juice Concentrate *Per metric ton in bulk		1,100.00	↑	Red Grape Juice Concentrate (Color 1,000) *Per metric ton in bulk		1,300.00	

Chile

Time on target



HARVEST WATCH: *Vineyard conditions excellent; water reserves good*

Domestic and international demand in Chile has been slowing a little in recent weeks for a range of reasons: many buyers have already bought, there is more hesitancy induced by the second wave of COVID-19 in Europe, and buyers are waiting to see how Chile's 2021 growing season fares.

Chile's wine exports continue to defy the headwinds of a global pandemic and a major fall in Chinese custom, totalling +0.79% for the January to October period versus the same nine months of 2019. Bottled wines exports were up +0.6% despite the pandemic's impact on the global HoReCa sector, while bulk exports were in-line (-0.07%) and packed exports significantly up (+25.73%), underlining what we have been seeing – robust international demand particularly from buyers supplying those brands and platforms performing well amid the pandemic, such as supermarkets and online wine retailers.

In recent weeks US and Canadian demand has been good and Scandinavia is actively meeting tenders. Europe beyond the UK is quiet – again, with the reimposition of COVID-19 restrictions across the continent, there is a lack of confidence there. Chinese interest is on the rise and could be boosted by China's ongoing trade tensions with Australia in which it has imposed significant tariffs on some Australian wine imports (see this month's 'China-Australia Wine Tariff Update').

While many of Chile's 2020 whites are now sold out and the remaining inventory is high in price, the 2020 reds (except Pinot Noir) remain in greater availability – and flatter in price – and could prove attractive to Chinese buyers. Consequently, potential buyers eyeing Chilean reds are recommended to weigh up carefully

the risk of holding off, as prices may rise if the market comes under pressure later.

In terms of COVID-19, a positive springtime in Chile in which the economy was opening back up and shops and restaurants were receiving good footfall has turned into a summer of rising infection rates. As a result, a lockdown has been reimposed in Santiago, with the strictest measures applying on weekends: non-essential shops must close, restaurants can only open their outdoor areas and inter-regional travel is banned.

Chile's grape growers are concerned that the spread of COVID-19 could make safely harvesting vintage 2021 problematic, and that any restrictions on movement, labour supply, and working practices could prove a significant hindrance. A further labour issue is that the good prices Chilean wine and grapes are currently fetching is pushing up wage demands.

Conditions in Chile's growing areas continue to be excellent. Spring was dry and – so far – early summer has been as well; daytime temperatures have been high. However, water reserves remain good and – at this early stage – it is envisaged they will be sufficient to last the whole summer. With adequate water supplies and good cluster levels apparent, there is confidence that the 2021 crop will be large. This confidence has helped pause the 2021 grape market, with domestic and bulk wineries expecting grape prices to be lower later on. The exception is Carmenere grapes, which are rising in price due to demand; China's likely renewed interest should place some pressure on this varietal. The grape market's overall quietness, however, combined with the calmer pace of wine buying activity, has served to stabilise wine prices.

The peso has strengthened against the dollar in recent months (averaging CLP788/dollar in October, CLP762/

See next page for more on Chile.

dollar in November and CLP752/dollar in the first ten days of December), tracing the strengthening price of copper – Chile’s leading export – which recently hit a seven-year high.

The official figure for Chile’s 2020 crush has been released: 1.033 billion litres, down 13.4% from 2019’s 1.193 billion litres. (Vintage 2019’s figure was itself down 7.4% from 2018’s large 1.289 billion litres.) Cabernet Sauvignon represented 30.6% of the 2020 crush, ahead of Sauvignon Blanc (14.6%), Merlot (11.6%), Chardonnay (9.1%) and Carmenere (7.6%).

Key Takeaways

Activity on Chile’s bulk wine market has slowed slightly in recent weeks due COVID-19 hesitancy around the world and the fact many buyers are already covered. China’s recently-imposed tariffs on some Australian wine imports could boost Chinese demand for Chilean reds, supply of which (except Pinot Noir) remains good and at more competitive pricing than on the whites. Buyers eyeing Chilean reds are thus recommended to consider moving sooner rather than later. Chile’s 2021 grape market is effectively paused due to expectations of a large-sized crop; conditions in the vineyards are excellent, water reserves are sufficient, and cluster levels look good. That said, COVID-19 restrictions and upward wage pressure could add to growing costs.

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Chile: Current Market Pricing (Pricing in bulk; FOB Chilean Port)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
NV	Generic White	0.50 – 0.60	↔	NV	Generic Red	0.48 – 0.60	↔
2019/20	Chardonnay	0.85 – 0.95	↑	2019/20	Cabernet Sauvignon (Basic)	0.65 – 0.80	↓
2019/20	Sauvignon Blanc	0.75 – 0.85	↑	2019/20	Cabernet Sauvignon (Varietal Plus)	0.85 – 0.95	↔
2019/20	Syrah	0.72 – 0.78	↔	2019/20	Merlot	0.75 – 0.85	↑
2019/20	Carmenere	0.75 – 0.85	↔	2019/20	Malbec (Basic)	0.90 – 1.15	↔
2019/20	Pinot Noir	0.95 – 1.15	↔				

Chilean Export Figures

Wine Export Figures	January 2019 - October 2019			January 2020 - October 2020			Volume
	Million Liters	Million US\$ FOB	Average Price	Million Liters	Million US\$ FOB	Average Price	Variance %
Bottled	400,53	1.277,66	3,19	403,07	1.233,92	3,06	0,63
Bulk	292,87	278,01	0,95	292,67	241,66	0,83	-0,07
Sparkling Wines	3,95	15,85	4,01	2,79	11,88	4,26	-29,34
Packed Wines	17,51	31,36	1,79	22,02	39,01	1,77	25,73
Total	714,86	1.602,88	2,49	720,54	1.526,47	2,48	0,79

France

Time on target



HARVEST WATCH: *Estimated at 44.9 mhl; average-plus in Languedoc*

Buying activity on the French bulk wine market is proceeding cautiously due to the ongoing COVID-19 uncertainty. Sampling of the new 2020 vintage is moving forward with limited results: buyers are only acquiring what they know they will definitely need in the short- to medium-term as the reimposition of lockdowns/restrictions across Europe makes accurately projecting future sales difficult.

Most activity so far has been on Chardonnay, Pinot Noir and rosé. As mentioned last month, Chardonnay appears to be in supply-demand balance so buyers know they cannot hang back. Sampling of the 2020 reds, meanwhile, commenced in mid-November and the southern French Pinot Noir market is highly active due to Burgundy's small Pinot Noir crop. Buyers of Burgundy Pinot Noir have been in southern France securing IGP or Vin de France Pinot Noir. Pricing on the varietal in southern France remains stable but inventory is decreasing on what is normally a balanced market anyway: buyers in need of large volumes of the best qualities are consequently recommended to move onto the market sooner rather than later.

This activity does not extend to organic Pinot Noir which, like all varietals and colours of southern French organic wine, is experiencing a price softening. The slow sales and softening price picture on organic reds is not unusual, but this is the first buying campaign in which there remains good opportunities on organic whites (such as Sauvignon Blanc and Chardonnay) and rosés at this point in the year. This is a symptom of the market's overall quietness brought about by COVID-19, a perception of more attractively-priced options elsewhere, but also a result of more organic production coming on line in southern France this year.

The most recent crush estimate for France (44.9 million hectolitres) and the Languedoc (13 million hectolitres) remains Agreste's from September. Final production declarations must be completed by mid-December, so from January the pricing picture should be clearer. With a new administration in the White House from 20 January, there is a hope that the US tariffs on French wine imports will cease sometime in 2021, but we would caution that it may take some months for any positive change to come about.

The 20th January is also the day France's bars and restaurants are scheduled to reopen, if the health situation permits. France was in strict lockdown from 30th October to 28th November, and will be in a partially-eased lockdown until 15th December. The country's bars and restaurants – missing out on their most profitable period, the Christmas season – are eligible for government subsidies to help them survive.

Key Takeaways

The buying campaign has started quietly in France due to the COVID-19 situation across Europe. There have been strong activity levels on southern French Chardonnay (the varietal is in supply-demand balance and experienced a disappointing crush this year) and Pinot Noir (due to a shortage in Burgundy). Buyers of southern French Pinot Noir are urged to move onto the market sooner rather than later. Rosé has experienced good activity levels. Activity on all other items, including organic wines, has been muted, with business proceeding in small increments. The crop size and pricing picture will likely be clearer from January.

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See next page for pricing.

France: Estimated Market Pricing (EUR per liter; Ex-Winery)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2020	Generic White	0.65 – 0.75	↔	2020	Generic Red	0.65 – 0.70	↔
2020	Chardonnay IGP	1.00 – 1.10	↔	2020	Cabernet Sauvignon IGP	0.82 – 1.10	↓
2020	Chardonnay VDF	0.95 – 1.00	↔	2020	Cabernet Sauvignon VDF	0.72 – 0.80	↓
2020	Sauvignon Blanc IGP	0.90 – 1.05	↔	2020	Merlot IGP	0.80 – 0.90	↓
2020	Sauvignon Blanc VDF	0.85 – 0.95	↔	2020	Merlot VDF	0.70 – 0.80	↓
2020	Generic Rosé IGP	0.85 – 1.00	↔	2020	Syrah / Grenache IGP	0.80 – 0.90	↓
2020	Generic Rosé VDF	0.80 – 0.90	↔	2020	Varietal Rosé IGP	0.90 – 1.10	↔

Spain

Time on target

HARVEST WATCH: 2020 crop estimated to have been average-sized

Spain's bulk wine market remains muted amid the COVID-19 uncertainty and, over the past month, prices have softened. Buyers are only committing in small increments, covering their immediate needs, though there has been some activity from North American buyers unable to source large enough volumes in Chile or Argentina. Chardonnay, Sauvignon Blanc and rosé (varietal and generic) remain the most in demand wines.

Spain can claim to have the cheapest wine offer in the world – at least until the Southern Hemisphere's 2021 vintages become available. Extensive sampling in recent weeks has shown Spain's 2020 vintage to be of very good quality and this, combined with the highly competitive pricing, means it can offer a very attractive price-quality ratio. Big volumes remain available, particularly on the reds.

Spain's **grape juice concentrate** offer is also highly attractive in terms of price and availability from a global point of view, considering that Argentina's inventory is greatly diminished.

A national lockdown has not been reimposed in Spain but regional restrictions continue. Bars and restaurants have remained open in Madrid throughout the so-called 'second wave' of COVID-19; Barcelona's bars and restaurants, meanwhile, re-opened on 23 November after a five-week closure, albeit operating under restrictions. As across Europe, with so much certainty around due to the virus, projections for wine sales in Spain for the coming weeks and months remain very difficult to make with any degree of confidence.

Key Takeaways

Spain has availability on all wines – including international varietal whites and rosés – and, having already softened, its pricing is likely the world's most attractive, at least until the Southern Hemisphere's 2021 vintages become available. Spain can also supply large volumes of competitively-priced grape juice concentrate.

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See next page for more on Spain.

Spain: Current Market Pricing (EUR per liter; Ex-Winery)

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2020	Generic White	0.25	-	0.35	↓	2020	Moscatel	0.40	-	0.50	↔
2020	White Blends (Higher Quality)	0.35	-	0.45	↔	2020	Generic Red	0.28	-	0.45	↓
2020	Sauvignon Blanc	0.50	-	0.60	↔	2020	Generic Red (Higher Quality)	0.45	-	0.55	↔
2020	Chardonnay	0.65	-	0.75	↔	2020	Cabernet Sauvignon	0.45	-	0.55	↔
2020	Generic Rosé	0.28	-	0.40	↔	2020	Merlot	0.50	-	0.60	↔
2020	Varietal Rosé	0.35	-	0.45	↔	2020	Syrah	0.40	-	0.50	↔



Italy

Time on target

HARVEST WATCH: *Estimated at 46.6 million hectolitres*

COVID-19's second wave was evident across Europe in November and Italy was no exception, experiencing daily case numbers similar to the first wave's in April. Restaurants across all of Italy's regions are closed for dinner but some regions permit lunchtime dining, depending on where they are located in the country's red/orange/yellow tier system

Despite the difficulties, the consumption of wine in Italy is continuing at very good levels, all things considered. Sales in supermarkets were up 11% in November and all the main online wine retailers saw their sales increase by double digits. This must be mirrored in other markets, too, as Prosecco DOC sales grew a surprising 12.7% – a fantastic result, aided by the introduction of Prosecco Rosé. By the end of November, meanwhile, Pinot Grigio DOC had matched the total volumes

sold in the full 12 months of 2019. With this year's production expected to be about 10% lower than last year's, the result is a market under pressure.

Recent weeks has seen a huge sampling effort taking place on the other main varieties – by post. All the main foreign and domestic buyers are limiting their movement to reduce contagion risk. Individually, and as an industry, people are getting used to doing business this way and they are also appreciating the economising allowed by the cancellation of exhibitions throughout 2020.

In terms of purchasing, buyer behaviour remains very careful and the market feels like it is in equilibrium – between fear of what may happen between now and March, and the hope of what spring, and the rest of the year, may bring. Price mostly remain stable. Buyers are in some cases waiting for the final results of the tasting before closing contracts, especially on the high-quality reds.

See next page for more on Italy.

Key Takeaways

Despite COVID-19 headwinds, Italy's domestic and international sales have been proceeding relatively strongly: Prosecco DOC and Pinot DOC exports have performed impressively, helped by the introduction of Prosecco Rosé in the former's case and leading to a market under pressure in the latter's. A massive sampling operation – by post – is now underway on Italy's other main varietals. Purchasing is proceeding carefully and prices are mainly stable.

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Italy: Current Market Pricing (EUR per liter; Ex-Winery)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2020	Generic White (Alc. 9 - 10%)	0.35 – 0.45	↑	2020	Generic Red (Alc. 11 - 12%)	0.45 – 0.60	↔
2020	Generic White (Alc. 11 - 13%)	0.40 – 0.58	↔	2020	Generic Red (Alc. 13%)	0.60 – 0.80	↑
2020	Organic Generic White (Alc. 10.5 - 12%)	0.55 – 0.70	↑	2020	Organic Generic Red (Alc. 11 - 13%)	0.80 – 1.20	↑
2020	Varietal Chardonnay (Alc. 11 - 13%)	0.70 – 1.00	↔	2020	Varietal Cabernet Sauvignon (Alc. 12 - 13%)	0.75 – 0.95	↑
2020	Organic Pinot Grigio (Alc. 12%)	1.20 – 1.50	↔	2020	Varietal Merlot (Alc. 12 - 13%)	0.70 – 0.90	↔
2020	DOC Pinot Grigio delle Venezie	0.90 – 1.05	↔	2020	Varietal Syrah (Alc. 12 - 13%)	0.70 – 0.95	↔
2020	Pinot Grigio IGT (Different Regions)	0.80 – 0.90	↑	2020	Rossissimo (Alc. 12.5 - 14%)	1.05 – 1.20	↑
2020	Pinot Grigio IGT (Blends)	0.60 – 0.85	↔	2020	Primitivo IGT Puglia/ Salento (Alc. 12 - 14%)	1.40 – 1.70	↑
2020	DOC Prosecco (Cannot be sold outside of Italy)	1.55 – 1.65	↔	2020	Sangiovese IGT (Alc. 11.50 - 13%)	0.55 – 0.70	↑
2020	Soave or Garganega DOC	0.85 – 1.00	↔	2020	Trebbiano IGT (Alc. 10.5 - 12%)	0.45 – 0.55	↔

***Bottled Price**



South Africa

Time on target



HARVEST WATCH: *Very good spring and early summer growing conditions*

The Western Cape's bulk market is feeling the buyer caution common to many markets around the world at the moment. Any international buyer activity that has occurred in recent weeks has been for small increments fulfilling short- to medium-term needs.

Consequently, availability remains good on all of the Cape's wines and pricing is negotiable, particularly if the buyer can commit to loading before the end of February 2021. (South Africa's Department of Agriculture will close for two weeks from 18th December, so any export documents for wines loading in early January must be approved now.)

Shipping has been continuing steadily and, as mentioned last month, this year's export performance is on track to be in line with 2019's. However, it should be remembered that 2019's export volumes were very disappointing, being well down on the five-year average. Some Tariff Rate Quota with Europe remains, three months after it is normally fully exhausted. South African wine has much work to do to regain the market share it ceded over the past two years: the global uncertainty brought about by COVID-19 has limited opportunities for the excellent quality of the Cape's 2020 vintage wines – and its highly competitive pricing – to translate into increased export sales.

With South Africa having been in Level 1 of its COVID-19 restrictions for the past two months – the lowest level – domestic wine sales have been proceeding well, aided by promotions. There is the possibility, however, that some restrictions may be reimposed and it is a case of waiting to see what happens.

Growing conditions in the Cape have remained very good through spring into early summer, boding well for vintage 2021. The Rand has strengthened slightly against all major currencies over the past month – it is expected to be highly volatile over the next two months – but currency exchange remains conducive for export sales should international buyers be seeking bulk opportunities. To reiterate: availability is good, quality is excellent, and prices negotiable.

Key Takeaways

Bulk market buying activity has been muted in the Western Cape, as around the world, and there remains good availability on the excellent-quality 2020 vintage; pricing is negotiable, especially if a commitment can be made to load before the end of February 2021. Recent domestic sales have been good but the continuation of this is dependent on whether or not COVID-19 restrictions are reimposed in the future. Vineyard conditions in the Cape continue to be conducive to a good 2021 crop.

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South Africa: Current Market Pricing (SA Rand per liter, FOB Cape Town)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2020	Dry White	5.40 – 6.00	↓	2020	Generic Red	8.50 – 9.50	↓
2020	Chardonnay	10.80 – 11.50	↓	2020	Cabernet Sauvignon	11.80 – 13.00	↓
2020	Sauvignon Blanc	10.50 – 13.00	↓	2020	Ruby Cabernet	9.50 – 10.00	↓
2020	Chenin Blanc	7.00 – 8.50	↓	2020	Merlot	11.50 – 12.50	↓
2020	Colombard	6.00 – 6.50	↓	2020	Pinotage	10.50 – 11.50	↓
2020	Muscat	6.00 – 6.50	↓	2020	Shiraz	11.00 – 12.00	↓
2020	Generic Rosé	5.80 – 6.50	↓	2020	Cinsaut Rose	8.25 – 9.00	↓
2020	Cultivar Rosé	8.20 – 9.00	↓				

NB: pricing is directly related to remaining available stock and - due to the current short situation - can change without notice

Australia & New Zealand

Time on target

HARVEST WATCH: *Australian Bureau of Meteorology forecasts wetter-than-average summer*

China has imposed heavy tariffs – ranging between 107.1% and 212.1% – on Australian wine imports after claiming to have found preliminary evidence of dumping. The tariffs became effective as of 28 November. The anti-dumping fee applies to bottled wines in 2-litre containers or less, and varies according to the exporter in question.

Furthermore, starting 11 December, China will impose a temporary countervailing duty of 6.3-6.4% on Australian wine imports. Chinese authorities claim to have found that “there was a subsidy on Australian wine exports to China, that the domestic wine industry was effectively affected consequentially”.

There is some confusion as to whether bulk wine will also be subject to these anti-dumping and countervailing duties: this is yet to be clarified by customs. Political tensions between the two countries continue to increase and tariffs are expected to be placed on other Australian industries such as cotton, lobster, sugar and timber. Please refer to this

month’s ‘China-Australia Tariffs Focus’ page for more information.

Market activity has decreased with the news of China’s tariffs and we are seeing red pricing soften as a result. This has piqued the interest of large international buyers looking to confirm future pricing of lower-priced wines – namely Shiraz, Cabernet, Merlot and Dry Red. Pinot Noir and Grenache are still in tight supply and repeatedly requested at varying price levels. White wines remain strong and in high demand if 2020 stock can be found; many are waiting for 2021 material. Regional/premium material is expected to be hardest hit by the Chinese tariffs as many of these higher-value products made up the core of what was being shipped to China. Grape pricing for 2021 irrigated fruit has started to be released for discussion. Pricing for red grapes is down as a result of China’s tariffs; however, there is still strong demand for 2021 white grapes.

Australia has signed up to the Regional Comprehensive Economic Partnership (RCEP) with 15 other countries. The RCEP free trade agreement is the largest trade deal ever signed, taking eight years to complete, and is intended to make it easier for people to do business. In particular, the agreement

See next page for more on Australia & New Zealand.

is good news for farmers and exporters as it allows for a common set of standardised rules across all 15 countries. There is no guarantee that the new partnership will have any effect on the current standing between China and Australia, two of the signatories. The other 13 signatories are Japan, South Korea, New Zealand and the ten members of ASEAN (Association of Southeast Asian Nations) – Indonesia, Vietnam, Malaysia, Philippines, Singapore, Thailand, Brunei, Laos, Myanmar, and Cambodia. India and the US pulled out of the agreement recently.

Wolf Blass has been named 'International Red Producer of the Year' at the 2020 International Wine & Spirit Competition (IWSC) in London. The company is consistently recognised as one of the most successful – being a recipient of more than 10,000 medals and trophies globally – and the latest win adds to its ever-growing awards cabinet.

Wine exports out of **New Zealand**, meanwhile, have surpassed NZD2 billion for the first time. The landmark figure was reached for the 12 months to October 2020. Despite the challenge of COVID-19 and the ensuing lockdowns/restrictions, New Zealand's iconic Sauvignon Blanc has continued to prove popular both domestically and in overseas markets. The varietal accounted for 261 million litres – or 88% - of New Zealand's total wine exports. However, Pinot Noir, rosé and Pinot Gris are also seeing growth. New Zealand wine is either the highest or second-highest price category in the leading destinations to which it is exported: the US, UK, Canada and China. Purchases of bulk wine by US buyers increased by 20% in value and by 8% in volume in the first six months of 2020.

For the first eight months of 2020, the overall volume of wine exported by New Zealand increased by 10.7% while value jumped up by 9.7% versus the same

period of 2019. Exports for the July to October period were up 19%. Many industry experts were initially expecting to see a slump in sales and a shortage in volume but harvest was successfully completed amid the country's 'Stage 4' lockdown.

Constellation Brands New Zealand has sold its Marlborough-based Riverlands Winery to family-owned Giesen Group. The purchase of the Riverlands Winery allows Giesen to continue growing the domestic and global footprint it has been building for the past 40 years.

Key Takeaways

China has imposed significant tariffs on Australian bottled wine imports in 2-litre containers or less; it is not yet known if they also apply to bulk imports. The tariffs have dampened activity on Australia's bulk market and softened red wine pricing, in turn attracting international buyer interest. The tariffs have also softened 2021 red grape pricing. Remaining 2020 white wines continue to be in strong demand, so too 2021 white grapes. Australia has joined the Regional Comprehensive Economic Partnership, which seeks to standardise rules across its 15 signatory countries, assisting trade. Despite COVID-19, New Zealand's wine exports were up 10.7% in volume and 9.7% in value in the first eight months of 2020, led by flagship Sauvignon Blanc but with Pinot Noir, rosé and Pinot Gris also performing well.

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Australia: Current Market Pricing (AUD/litre unless otherwise stated)

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
NV	Dry White	0.85 – 0.95	↔	NV	Dry Red	1.05 – 1.20	↓
2020	Chardonnay	1.10 – 1.20	↑	2020	Cabernet Sauvignon	1.20 – 1.40	↓
2020	Sauvignon Blanc	1.20 – 1.30	↑	2020	Merlot	1.15 – 1.35	↓
2020	Pinot Gris	1.20 – 1.30	↑	2020	Shiraz	1.20 – 1.40	↓
2020	NZ Marlborough SB	NZD 4.30 – 4.50	↑	2020	Muscat	0.90 – 1.00	↔

Price stated are indicative only; all offers subject to prior sale and subject to volume, drawdown and terms

China-Australia Wine Tariff Update

China has imposed provisional tariffs of up to 212.1% on Australian wine imports, effective from 28 November 2020. These tariffs stem from twin investigations – commenced on the recommendation of the China Alcoholic Drinks Association (CADA) – into alleged wine dumping, whereupon the Chinese Ministry of Commerce (MOFCOM) initiated enquiries in August. A large number of companies willingly participated in the investigation, completing documents required for the Chinese government’s request around anti-dumping and countervailing measures.

The key companies of interest include Treasury Wine Estates (maker of Penfolds), Casella Wines (maker of Yellow Tail) and Chinese-owned Australian Swan Vintage. These three companies received a tariff ranging from 107.1 to 169.3%. All other Australian exports will endure a tariff of either 160.6% or 212.1%.

At this stage, bulk wine is a grey area. It is deemed tariff-free as the investigation targeted containers in <2L. However, many importers have suggested that if any Australian bulk is cleared into China and then bottled as Australian wine, a tariff will be applied. We understand that, should the wine be blended and labelled as Chinese wine, no tariff will be applicable. This will suit some of the larger importers who blend with their own Chinese material. The tariff can be paid by the importer in the form of a deposit which could be refunded if the investigation confirms there is no dumping.

The provisional tariffs are in place until the end of March 2021 but could be extended to the end of August and possibly beyond. The current timeframe means exporters will miss the peak

time for shipments covering the Chinese New Year and Spring Festival in February 2021.

On top of these anti-dumping tariffs, starting 11 December, China will impose a temporary countervailing duty of 6.3-6.4% on Australian wine imports. Chinese authorities claim to have found that “there was a subsidy on Australian wine exports to China, that the domestic wine industry was effectively affected consequentially”.

Off the back of this news, we have seen market activity in Australia drop in comparison with increased requirements for wine out of Chile, Argentina and South Africa. Chile has had a Free Trade Agreement in place with China since 2006 and has been steadily increasing its sales to the country. In the past 18 months, Argentina has come forward as a strong supplier of generics with very competitive pricing, pushing Chile aside.

Even some Australian suppliers are looking to shift their own labelled stock from Australian to Chilean or French wines in order to keep their Chinese customers. Limited freight movements and increased CIF pricing from France have been evident.

Political tensions between Australia and China have soured in recent months over heated topics such as COVID-19, 5G telecommunications, human rights and the purchase of a large dairy operation. It is expected that tariffs will be applied to other Australian exports to China, namely lobster, barley, cotton, timber, sugar and coal.

The US and China experienced their own trade issues in 2019, with a lengthy period of retaliatory tariffs between the two sides. US wines already received a 48% tariff on entering China prior to the

initial discussions over trade; this tariff increased to 93% in June 2019 and then upped further to 106% in December. Since then, shipments of US wine to China have dropped dramatically.

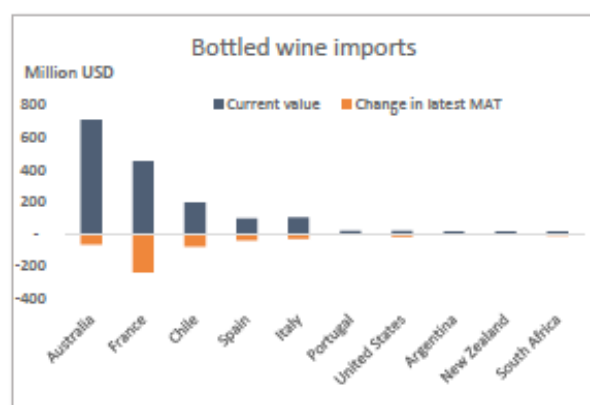
Demand for red varietals from around the world into China remains strong – whether it be Shiraz, Cabernet or Generic Red – whilst there has been small interest in Dry White and Chardonnay.

The below table shows the level of bottled and bulk wine that China imported per country for the year ending September 2020. We can see a substantial drop in value and volume for bottled goods from all exporting countries due to COVID-19. Chile displays a significant drop in both value and volume of bulk wine, whilst most other countries show mainly negative figures aside from France, Argentina and the US.

Wine Import report for China - Year Ended September 2020

Bottled wine imports

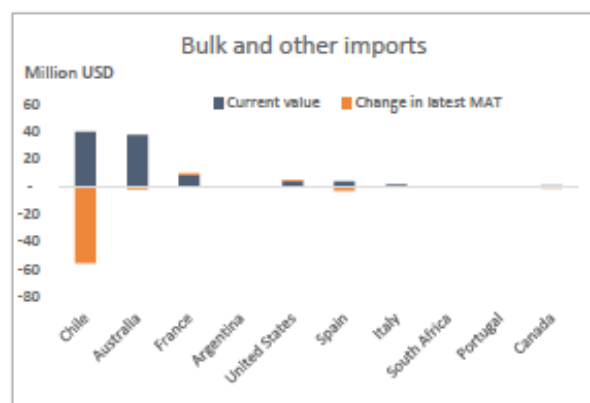
	USD million	Change	Share	Million litres	Change	USD/litre	Change
Australia	711.1	-8%	41%	99.1	-17%	\$7.18	11%
France	454.5	-34%	26%	95.1	-31%	\$4.78	-8%
Chile	195.8	-28%	11%	52.5	-29%	\$3.73	1%
Spain	97.2	-28%	6%	38.1	-27%	\$2.55	-3%
Italy	101.6	-22%	6%	21.8	-24%	\$4.65	4%
Portugal	18.8	-17%	1%	5.2	-24%	\$3.65	9%
United States	20.4	-45%	1%	3.9	-42%	\$5.29	-6%
Argentina	18.0	-27%	1%	3.5	-25%	\$5.10	-3%
New Zealand	17.7	-25%	1%	2.0	-15%	\$8.70	-12%
South Africa	15.6	-38%	1%	4.6	-38%	\$3.41	0%
Other	69.1		4%	16.8		\$4.13	
Total	1,719.8	-23%		342.5	-26%	\$5.02	4%



Bulk and other imports

(containers over 2L)

	USD million	Change	Share	Million litres	Change	USD/litre	Change
Chile	40.0	-58%	36%	43.9	-53%	\$0.91	-10%
Australia	37.7	-4%	34%	19.3	-22%	\$1.95	22%
France	10.0	11%	9%	9.9	50%	\$1.00	-26%
Argentina	11.3	++	10%	32.4	++	\$0.35	-9%
United States	4.9	11%	4%	2.8	15%	\$1.80	-4%
Spain	3.8	-41%	3%	5.5	-46%	\$0.71	8%
Italy	1.5	-30%	1%	0.6	-51%	\$2.45	45%
South Africa	0.3	-88%	0%	0.4	-64%	\$0.83	-10%
Portugal	0.3	-5%	0%	0.2	5%	\$1.57	-10%
Canada	0.8	-48%	1%	0.0	-48%	\$51.92	-1%
Other	1.0		1%	1.1		\$0.88	
Total	111.7	-31%		116.1	-19%	\$0.96	-15%



Source: Wine Australia



Structan

A Smoke Taint Solution



As many winemakers in California are currently only too aware, after wildfires blazed across the state following August's freak lightning storms, the biggest commercial damage caused by fire can be smoke drifting into vineyards prior to – or during – harvest. Wines made from smoke-affected grapes can be characterized by unpleasant smoky, ashy or burnt aromas with an excessively drying back palate and retronasal ash character. Unsurprisingly, consumers have been shown to respond negatively to such wines.

The three main factors that determine if smoke-exposed grapes become smoke-tainted are: the growth stage of the grapevine, the variety of the grapes and the length of their smoke exposure. Grapes close to picking readiness, grapes being of the typically most susceptible varieties (Cabernet and Pinot Noir of the reds, Pinot Grigio, Chardonnay and Sauvignon Blanc of the whites), and prolonged smoke exposure, increase the taint risk. All three factors currently apply in California: the smoke has settled in vineyards mid-harvest, the most sensitive varieties are the state's leading cultivars by acreage, and smoke has been lying in some areas for many days.

The compounds in smoke known as free volatile phenols (such as Guaiacol and 4-methylguaiacol) are absorbed directly by the grapes and can bind to grape sugars as glycosides. These glycosides break apart during fermentation (or over time in the barrel or bottle), releasing the volatile phenols into the must/wine so that a smoky flavor becomes perceptible. They can also be released in the mouth during drinking, contributing to the perception of smoke taint.

What solution can our partners at Stoak Technologies offer winemakers visited by smoke? Well, Structan – their all-natural, organic-certified, liquid oak extract – can not only be used as a finishing tannin and wine stabilizer but also as a smoke-taint masking option. Results from chemical analysis and sensory evaluation against a control,

carried out by PhD research in the Viticulture & Oenology Department at the University of Stellenbosch, have shown that Structan reduces the perceived intensity of smoke-taint flavor and aroma in smoke-affected wines.

While other winemaking interventions – such as reverse osmosis – may reduce the concentration of smoke-derived volatile phenols in wine, it has not yet been shown that it is possible to completely remove them and, anyway, such interventions also strip the wine of its best characteristics (and any positive impact does not last). Structan, however, successfully masks the volatile phenols through increasing the wine's overall complexity, thus preserving the wine's best flavor, aroma and color attributes, for up to five years.

In fact, one of the Western Cape's premier wineries, which sells its wines into the European market, used Structan to make a highly successful red wine. That was after a wildfire similar to those seen in California, when thick smoke lingered in the vineyards for three weeks.

In summary, Structan is your smoke taint solution. And its stable liquid form makes measuring and adding really simple, with no premixing or dissolving necessary. Just dose during the fermentation process and/or in the blending tank, to get stabilized, complex wines free from unpleasant flavors and aromas. Give us a call.

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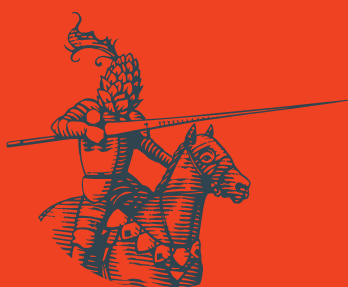
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Export Pricing: USD per liter

Currency Conversion Rates as of December 15, 2020

Argentina (Pricing in bulk; FCA)											
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2020	Generic White (Basic)	0.30	-	0.35	↑	2019/20	Generic Red	0.30	-	0.35	↑
2020	Generic White Standard	0.33	-	0.38	↑	2019/20	Cabernet Sauvignon	0.50	-	0.60	↔
2020	Muscat	0.33	-	0.38	↑	2019/20	Merlot	0.45	-	0.55	↔
2020	Torrontes	0.40	-	0.45	↑	2019/20	Syrah	0.35	-	0.45	↔
2020	Sauvignon Blanc	0.50	-	0.60	↑	2019/20	Malbec Standard	0.55	-	0.65	↑
2020	Chardonnay	0.50	-	0.60	↑	2019/20	Malbec Premium	0.70	-	1.05	↔
2019/20	Bonarda	0.35	-	0.45	↔	2019/20	Malbec High End	1.00	-	2.50	↔
						2019/20	Tempranillo	0.35	-	0.45	↔

Australia & New Zealand (Pricing in bulk; FCA)						AUD Rate: 0.754435 / NZD Rate: 0.708008					
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Dry White	0.64	-	0.72	↔	NV	Dry Red	0.79	-	0.91	↓
2020	Chardonnay	0.83	-	0.91	↑	2020	Cabernet Sauvignon	0.91	-	1.06	↓
2020	Sauvignon Blanc	0.91	-	0.98	↑	2020	Merlot	0.87	-	1.02	↓
2020	Pinot Gris	0.91	-	0.98	↑	2020	Shiraz	0.91	-	1.06	↓
2020	NZ Marlborough SB	3.04	-	3.19	↑	2020	Muscat	0.68	-	0.75	↔

California (Pricing in bulk; FCA)											
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2019	Generic White	0.90	-	0.99	↔	2018/19	Generic Red	0.79	-	1.05	↔
2019	Chardonnay	1.25	-	1.59	↔	2018/19	Cabernet Sauvignon	1.09	-	1.85	↔
2019	Pinot Grigio	1.25	-	1.59	↔	2018/19	Merlot	1.12	-	1.38	↔
2019	Muscat	1.10	-	1.45	↔	2018/19	Pinot Noir	1.40	-	1.85	↔
2019	White Zinfandel	0.94	-	1.00	↔	2018/19	Syrah	1.09	-	1.58	↔
2019	Colombard	0.95	-	1.00	↔	2018/19	Ruby Cabernet	0.97	-	1.10	↔
						2018/19	Zinfandel	1.20	-	1.65	↔

Chile (Pricing in bulk; FOB Chilean Port)											
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Generic White	0.50	-	0.60	↔	NV	Generic Red	0.48	-	0.60	↔
2019/20	Chardonnay	0.85	-	0.95	↑	2019/20	Cabernet Sauvignon (Basic)	0.72	-	0.80	↓
2019/20	Sauvignon Blanc	0.75	-	0.85	↑	2019/20	Cabernet Sauvignon (Varietal Plus)	0.85	-	0.95	↔
2019/20	Syrah	0.72	-	0.78	↔	2019/20	Merlot	0.75	-	0.85	↑
2019/20	Carmenere	0.75	-	0.85	↔	2019/20	Malbec	0.90	-	1.15	↔
2019/20	Pinot Noir	0.95	-	1.15	↔						

France (Estimated Pricing in bulk; Ex-Winery)										Rate: 1.21583	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2020	Generic White	0.79	-	0.91	↔	2020	Generic Red	0.79	-	0.85	↔
2020	Chardonnay IGP	1.22	-	1.34	↔	2020	Cabernet Sauvignon IGP	1.00	-	1.34	↓
2020	Chardonnay VDF	1.16	-	1.22	↔	2020	Cabernet Sauvignon VDF	0.88	-	0.97	↓
2020	Sauvignon Blanc IGP	1.09	-	1.28	↔	2020	Merlot IGP	0.97	-	1.09	↓
2020	Sauvignon Blanc VDF	1.03	-	1.16	↔	2020	Merlot VDF	0.85	-	0.97	↓
2020	Generic Rosé IGP	1.03	-	1.22	↔	2020	Red Syrah / Grenache IGP	0.97	-	1.09	↓
2020	Generic Rosé VDF	0.97	-	1.09	↔	2020	Varietal Rosé IGP	1.09	-	1.34	↔

Italy (Pricing in bulk; Ex-Winery)										Rate: 1.21583	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2020	Generic White (Alc. 9 - 10%)	0.43	-	0.55	↑	2020	Generic Red (Alc. 11 - 12%)	0.55	-	0.73	↔
2020	Generic White (Alc. 11 - 13%)	0.55	-	0.73	↔	2020	Generic Red (Alc. 13%)	0.73	-	0.97	↑
2020	Organic Generic White (Alc. 10 - 12%)	0.67	-	0.85	↑	2020	Organic Generic Red (Alc. 11 - 13%)	0.97	-	1.46	↑
2020	Varietal Chardonnay (Alc. 11 - 13%)	0.85	-	1.22	↔	2020	Varietal Cabernet Sauvignon (Alc. 12 - 13%)	0.91	-	1.16	↑
2020	Organic Pinot Grigio (Alc. 12%)	1.46	-	1.82	↔	2020	Varietal Merlot (Alc. 12 - 13%)	0.85	-	1.09	↔
2020	DOC Pinot Grigio delle Venezie	1.09	-	1.28	↔	2020	Varietal Syrah (Alc. 12 - 13%)	0.85	-	1.16	↔
2020	Pinot Grigio IGT (Different Regions)	0.97	-	1.09	↑	2020	Rossissimo (Alc. 12.5%)	1.28	-	1.46	↑
2020	Pinot Grigio IGT (Blends)	0.73	-	1.03	↔	2020	Primitivo IGT Puglia/ Salento (Alc. 12 - 14%)	1.70	-	2.07	↑
2020	DOC Prosecco (Cannot be sold outside of Italy)	1.88	-	2.01	↔	2020	Sangiovese IGT (Alc. 11.50 - 13%)	0.67	-	0.85	↑
2020	Soave or Garganega DOC	1.03	-	1.22	↔	2020	Trebbiano IGT (Alc. 10.5 - 12%)	0.55	-	0.67	↔
*Bottled Price										0.71	

South Africa (Pricing in bulk; FOB Cape Town)										Rate: 0.0671337	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2020	Generic White	0.36	-	0.40	↓	2020	Generic Red	0.60	-	0.64	↓
2020	Chardonnay	0.73	-	0.77	↓	2020	Cabernet Sauvignon	0.79	-	0.87	↓
2020	Sauvignon Blanc	0.70	-	0.87	↓	2020	Ruby Cabernet	0.64	-	0.67	↓
2020	Chenin Blanc	0.47	-	0.57	↓	2020	Merlot	0.77	-	0.84	↓
2020	Colombard	0.40	-	0.44	↓	2020	Pinotage	0.70	-	0.77	↓
2020	Muscat	0.40	-	0.44	↓	2020	Shiraz	0.74	-	0.81	↓
2020	Generic Rosé	0.48	-	0.52	↓	2020	Cinsaut Rosé	0.55	-	0.60	↓
2020	Cultivar Rosé	0.55	-	0.60	↓						

Spain (Pricing in bulk; Ex-Winery)										Rate: 1.21583	
Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2020	Generic White	0.30	-	0.43	↓	2020	Generic Red	0.34	-	0.55	↓
2020	White Blends (Higher Quality)	0.43	-	0.49	↔	2020	Generic Red (Higher Quality)	0.55	-	0.67	↔
2020	Sauvignon Blanc	0.61	-	0.73	↔	2020	Cabernet Sauvignon	0.55	-	0.67	↔
2020	Chardonnay	0.79	-	0.91	↔	2020	Merlot	0.61	-	0.73	↔
2020	Generic Rosé	0.34	-	0.49	↓	2020	Syrah	0.49	-	0.61	↔
2020	Varietal Rosé	0.43	-	0.55	↔	2020	Moscatel	0.49	-	0.61	↔

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