



GLOBAL MARKET UPDATE – MARCH 2015 VOLUME 6 ISSUE NO. 3

The bulk wine market remains active and the supplies of most varietals and generics from around the world are plentiful. This should make for some very dynamic conversations at the impending ProWein fair in Dusseldorf, which starts Sunday, March 15th. This fair continues to grow and has proven to be one of the most substantial events for suppliers and buyers alike. We look forward to seeing all of you at the show. Please come visit us at the Ciatti stand: Hall 9 A17. We will have bulk samples to taste from all regions.

ARGENTINA

TIME ON TARGET

The Argentine government has revised the initial crush forecast numbers, confirming a harvest of 2.6 million metric tons. They have also communicated that they plan to subsidize the price of Criolla grapes with \$0.75 per kilogram (US \$0.087) and also give \$1 (US \$0.11) to the wineries that export generic white wines. They have also announced that 35% of grapes are required to go to be made into grape juice concentrate. All of these measures are intended to remove up to 200 million liters of generic white wines in Argentina, in order to keep the price stable and growers quiet. The price for other grape varieties is similar to that of last year, even though inflation continues to increase. Meanwhile, sales remain quiet.

MARKET PRICING

ALL PRICING IN USD PER LITER; FCA WINERY:

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2014	Generic White	0.32 – 0.35	↓	2014	Generic Red	0.40 – 0.45	↓
2014	Generic White (Criolla)	0.30 – 0.32	↓	2014	Cabernet Sauvignon	0.70 – 0.80	↓
2014	Chardonnay	0.65 – 0.75	↓	2014	Malbec Entry-Level	0.80 – 0.90	↓
2014	Torrontes	0.40 – 0.50	↓	2014	Malbec Mid-Level	0.90 – 1.20	↓
2014	Sauvignon Blanc	0.55 – 0.65	↓	2014	Malbec Premium	1.20 +	↓
2014	Muscat	0.35 – 0.45	↓	2014	Syrah / Merlot	0.60 – 0.70	↓
2014	Bonarda	0.50 – 0.70	↓	2014	Tempranillo	0.60 – 0.70	↓

AUSTRALIA & NEW ZEALAND

TIME ON TARGET

Harvest in Australia is well under way, with many producers feeling the pressure of a compressed vintage as warm weather causes grapes to ripen quickly. A dry spring, followed by hot weather during February, has caused a number of varieties to ripen at the same time, thus compacting the amount of total grapes coming into the winery. Wineries are challenged with large amounts of fruit ready to pick, but with limited space in the winery to process it. Many producers are expecting to finish their usual vintage timeframe earlier than normal. High baumes of 16-18 have been seen in many regions with some concern on low fruit characteristics and fruit shrivel. Overall quality is expected to be very good.

A smaller crop is expected from New Zealand in 2015, with early reports anticipating the vintage to be down 40% from 2014. Prices for last year's stock are tightening up as volumes are decreasing. Wineries are expected to begin picking their fruit early again this year

CURRENT MARKET PRICING

ALL PRICING IN AUD PER LITER:

Variety	Current/2014 Price	Vintage 2015 Expected Price	Variety	Current/2014 Price	Vintage 2015 Expected Price
NV Dry White	0.45 – 0.65	0.45 – 0.65	NV Dry Red	0.60 – 0.75	0.60 – 0.75
Chardonnay	0.65 – 0.75	0.70 – 0.75	Cabernet Sauvignon	0.75 – 1.05	0.80 – 0.90
Sauvignon Blanc	0.70 – 0.90	0.80 – 0.90	Merlot	0.70 – 0.90	0.75 – 0.90
NZ Marlborough SB	NZ 2.70 – 3.50	NZ 4.20 – 5.00	Shiraz	0.75 – 1.00	0.80 – 0.90
Pinot Gris	1.05 – 1.30	1.10 – 1.30	Muscat	0.65 – 0.80	0.65 – 0.80

BITS & PIECES - AUSTRALIA

There is speculation that US investment player Kohlberg Kravis Roberts is still interested in a takeover of Australia's Treasury Wine Estates. The falling Australian dollar makes a substantial increase in their bidding power. The offer is expected to be upwards of AUD \$3.5 billion, though share prices of the Australian winemaker increased steadily up to \$5.38 from \$4.78 at the beginning of the year.

Australia celebrates the 50th anniversary of the Bag-In-Box. The wine cask affectionately has many nicknames including Goon Bag or Chateau Cardboard, which was first marketed by Tom Angove of Angove Family Wines in 1965. The invention was hugely popular in the 1970's, 80's and 90's after Angove produced a new alternative to the half-gallon flagon, replacing the cumbersome and heavy glass bottle. With many trials and adjustments put forward by a number of wineries over the years to improve the concept, 1 in 3 glasses of wines is consumed from a bag-in-box today.

BITS & PIECES – NEW ZEALAND

The United States is likely to become New Zealand's leading wine destination this year. Although more liters were shipped to Britain last year, the US might soon overtake that amount. In terms of value, Australia is just ahead of the US, but that should also change this year. For the year ended November 2014, wine exports to the US were worth \$348 million, to Australia \$360m and to Britain \$332m. During the same period, 53.9m liters were shipped to Britain, 51m liters to Australia and 50.7m liters to the US.

A 600 hectare fire has burnt through forestry and farmland area has caused smoke taint concerns for vineyards in the surrounding area. The fire located in Onamalutu, west of Blenheim has caused several wineries to undergo trials for their fruit, but little impact is expected.

CALIFORNIA

TIME ON TARGET

Today's market is active, but nothing overly impressive. There is interest and movement occurring in both the bulk and grape markets to date. Bulk wine sales have been strong on all coastal appellation Cabernet Sauvignon from vintages 2013 and 2014, along with future year wine contracts. Other red wines (Pinot Noir, Petite Sirah, Merlot) have been moving, but in limited volumes. Any available Pinot Grigio is selling quickly. Chardonnay and Sauvignon Blanc sales are harder to come by. Older vintages of wine still in tank are a struggle, and risk having little market value as the months move along.

Grape sales have been surprisingly active, again in the coastal regions, given that bud break has just begun. Fears of frost and drought will be with us for the coming months.

CURRENT MARKET PRICING

ALL PRICING IN USD PER LITER:

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2014	Generic White	0.60 – 0.80	↔	2014	Generic Red	0.80 – 1.05	↓
2013/2014	Chardonnay	0.92 – 1.18	↓	2013/2014	Cabernet Sauvignon	1.25 – 1.98	↔
2014	Pinot Grigio	1.45 – 1.98	↔	2014	Merlot	1.05 – 1.45	↓
2014	Muscat	0.92 – 1.32	↓	2014	Pinot Noir	1.72 – 2.25	↔
2014	White Zinfandel	0.82 – 0.99	↔	2014	Syrah	1.18 – 1.45	↔
2014	Colombard	0.73 – 0.99	↔	2013/2014	Zinfandel	1.18 – 1.72	↓

BITS & PIECES

The final year-end *Gomberg–Fredrickson Report* was just published.

- Overall shipments in the US Market grew less than 1%.
- California sales were up 4%. Declines of value wines continue, bolstered only by strong growth in the premium segment.
- Sparkling wines continue to advance both domestically (+7%) and internationally (+8%). Prosecco sales from Italy have been especially strong (+13%).
- The “Big Three” producers were flat or down in volume for the first time in recent memory.
- Craft Beer, Craft Spirits, and Cider categories continue to see superior growth and acceptance, especially in the younger demographics. All have shown double-digit increases. This is affecting wine sales.
- New label entries and innovative packages have proliferated within all price categories. These have helped draw consumer attention, but probably at the expense of traditional old line brands.
- Bulk wine imports declined again this past year (-16%). Bottled wine import volume was also down (-1%), but increased in value. This supports the overall premium sales increase seen in the US market.

CHILE

TIME ON TARGET

Harvest has begun in Chile and mostly all the white grapes have already been allocated, while some red grapes remain for sale. Chardonnay is the most expensive grape, followed by Sauvignon Blanc and Pinot Noir (not including premium red grapes). Many red grapes were contracted at higher prices than the current spot market pricing, but those were contracted for three to five years. With current grape spot market pricing, many growers are not able to cover their production costs. Some leading grape growers will pull out some of their vines, but small growers are struggling with pricing and cannot afford to do so. Chile should see a decrease in planted vines in the coming years, but this won't mean lower production, at least not for next year. This is due to the fact that many vineyards have been planted or adapted to produce bigger yields in the last few years. Even though the harvest has started, it is too early to predict the 2015 crop size, but it should certainly be a bigger crop than last year.

CURRENT MARKET PRICING

ALL PRICING IN USD PER LITER; FOB PORT:

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
NV	Generic White	0.57 – 0.73	↔	NV	Generic Red	0.41 – 0.48	↔
2014/2015	Chardonnay	0.90 – 1.15	↔	2014	Cabernet Sauvignon (Basic)	0.50 – 0.53	↔
2014/2015	Chardonnay (Varietal Plus)	1.15 – 1.40	↔	2015	Cabernet Sauvignon (Basic)	0.48 – 0.53	↔
2014/2015	Sauvignon Blanc	0.69 – 1.15	↔	2014/2015	Cabernet Sauvignon (Standard)	0.55 – 0.63	↔
2014/2015	Pinot Noir	0.90 – 1.15	↔	2014/2015	Cabernet Sauvignon (High Quality)	1.50 – 4.00	↔
2014	Syrah	0.50 – 0.58	↔	2014/2015	Merlot	0.55 – 0.63	↔
2015	Syrah	0.48 – 0.58	↔	2014/2015	Malbec	0.60 – 0.75	↔
2014/2015	Carmenere	0.50 – 0.60	↔	2014/2015	Malbec (Varietal Plus)	0.75 – 0.95	↔

EXPORT FIGURES

Wine export Figures (Bulk, Bottled & Sparkling)	January 2014			January 2015			Volume
	Million Liters	Million US\$ FOB	Average Price	Million Liters	Million US\$ FOB	Average Price	Variance%
Bottled	31.10	107.83	3.47	37.85	129.65	3.43	21.71
Bulk	21.87	18.55	0.85	21.91	17.70	0.81	0.14
Sparkling Wines	0.31	1.26	4.05	0.39	1.61	4.13	24.47
Packed Wines	1.68	3.41	2.03	2.46	4.31	1.76	46.45
Total	54.97	131.05	2.60	62.60	153.27	2.53	13.90

- Contrary to previous expectations, 2014 exports were larger than expected and stocks are lower than expected.
- Copper, Chile's major export product, reached what could be its lowest price. Meanwhile, the Chilean Peso continues to be weak against the US Dollar, which is good for exporters. Recently, the Chilean Peso strengthened 2%, but remains 9% weaker than March of last year.

FRANCE

TIME ON TARGET

In terms of weather, the winter has been quite warm overall, with moderate rainfall. It remains much too early to forecast the 2015 crop potential.

The market in France is similar to that of last month with tight supply on varieties (Chardonnay, Merlot, Syrah, Grenache) and generic wines. There are limited bulk purchase opportunities for big batches. The situation is less tight for both generic and varietal rosé wine, as increasing volumes are produced each year. Wine producers in southern France are either producing more rosé than previous years

from non-traditionally rosé varieties (Merlot, Cabernet) or from Grenache and Syrah (impacting the red Grenache and Syrah inventories).

Market pricing remains stable for varietal and generic IGP and VDF wines, but has reached higher pricing than ever seen before.

CURRENT MARKET PRICING

ALL PRICING IN EUR PER LITER; EX-WINERY:

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2014	Generic White (VDF)	0.95 – 1.00	↔	2014	Generic Red (VDF)	0.80 – 0.85	↔
2014	Chardonnay (VDF)	1.25 – 1.30	↔	2014	Cabernet Sauvignon (VDF)	0.95 – 1.00	↔
2014	Chardonnay (IGP OC)	1.35 – 1.40	↔	2014	Cabernet Sauvignon (IGP OC)	1.00 – 1.05	↔
2014	Sauvignon Blanc (VDF)	1.00 – 1.05	↔	2014	Merlot (VDF)	0.95 – 1.00	↔
2014	Sauvignon Blanc (IGP OC)	1.05 – 1.15	↔	2014	Merlot (IGP OC)	1.00 – 1.05	↔
2014	Generic Rosé (VDF)	0.85 – 0.90	↔	2014	Syrah (IGP OC)	0.95 – 1.00	↔
2014	Varietal Rosé (IGP OC)	0.92 – 0.95	↔	2014	Dry Muscat (IGP OC)	0.95 – 1.00	↔

BITS & PIECES

While pricing for varietal wines is giving growers from southern France a breath of fresh air and giving them hope for the future, the situation in Bordeaux is quite the opposite. The 2013 vintage was disappointing in terms of both size and quality, and with high pricing, which was moderated by a producer-negotiant agreement. This was followed by an abundant 2014 vintage, which slowed AOP Bordeaux sales.

Consequently, the bulk market is seeing prices on a downward trend. Recent sales have been registered at pricing lower than the cost of production, which is normally around 1,200 EUR per 900 liter barrel, or 1.30 EUR/L. This positions AOP Bordeaux at the same level as most IGP wines, which – according to Bordeaux producers/sellers – is impacting the image improvement work that has taken place over the last several years after the fight for a fair bulk price.

GERMANY

TIME ON TARGET

Due to a lack of demand, the German bulk market has slowed even more since last month. Growers are beginning to get nervous at the possibility that it may cause pricing to decrease. For wine buyers, not only of German wines, the market is stable. There are currently no signs pointing to a shortage. The weakness of the Euro has made it difficult to calculate non-European wines purchased in foreign currencies. On the 2nd of March, the exchange rate fell below 1.12 US Dollars per Euro for the second time this year. The last time this happened was almost twelve years ago.

CURRENT MARKET PRICING

ALL PRICING IN EUR PER LITER; EX-WINERY:

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2014	White Wine	0.90 – 1.10	↔	2014	Red Wine	0.65 – 0.80	↔
2014	Pinot Grigio	1.40 – 1.50	↔	2014	Dornfelder	1.10	↔
2014	Riesling	1.00 – 1.30	↔	2014	Pinot Noir	1.00	↔

BITS & PIECES

According to national preliminary figures, wine imports increased 1.5% in 2014 to 15.055 million hectoliters, while the value of imported wines increased by only 0.3%.

- Italy remains the number one country of origin for German wine imports. Imports from Italy, however, decreased by 2.7% in volume and 3.5% in value. This has strongly affected semi-sparkling wines (Prosecco), down 10.3% in volume and 10.9% in value, and sparkling wines, down 19.6% in volume and 7.5% in value. During this same period, the average price for sparkling wine products increased from 323 to 372 Euros per hectoliter. Imports of Italian still wines of higher quality remain stable, despite significant price increases of 10.8% in value, from 277 to 309 EUR/hl.
- Wine imports from Spain, which saw a huge increase in volume of 44.8% for entry-level quality wines, saw prices decrease from 76 to 52 EUR/hl. For higher quality wines from Spain, however, the average price increased from 204 to 222 EUR/hl.
- France, with its traditionally higher average price, holds 30.3% of the value of total imports. Italy holds 35.4% of the market in value, but ranks in 3rd place behind Spain with at 17.1% in market share volume.
- Champagne increased significantly in value by 27.9% and in volume by 19.7%, and the average price increased from 18.33 to 19.57 Euros per liter.

ITALY

TIME ON TARGET

Vintage 2014 Prosecco no longer remains available on the market. Some of the more well-known appellations and varietals remain available at a high price, including Pinot Grigio, Montepulciano d'Abruzzo, Chianti, most wines from Veneto and also Sicilian wines. Wines in high demand that are hard to find on the market include "Rossissimo" (high intensity color red wine) and generic red wines with alcohol above 12.5%, both which continue to see price increases. On the other hand, generic white and red wines with low alcohol (10.5-11%) are decreasing in price, mainly due to the competition from Spain. Although it remains too early for a clear picture of the potential 2015 crop, it can be said that most wine regions haven't yet met any issues with rain. The winter has been cool, compared to last year, which may bring an early crop. Most Italians are getting ready for the upcoming trade shows in March. Vinitaly will follow less than a week after ProWein in Germany.

MARKET PRICING

ALL PRICING IN EUR PER LITER; EX-WINERY:

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2014	Generic White	0.40 – 0.45	↓	2014	Generic Red	0.45 – 0.50	↔
2014	Chardonnay	0.75 – 0.85	↔	2014	Cabernet Sauvignon	0.60 – 0.70	↔
2014	Pinot Grigio	1.05 – 1.15	↑	2014	Merlot	0.60 – 0.70	↔

BITS & PIECES

Wine Exports January to November 2014

Wine Exports by Product	Liters			Euros			Euro/Liter		
	2013	2014	Var %	2013	2014	Var %	2013	2014	Var %
Sparkling Case Goods	184,768,362	217,890,561	17.9	668,830,876	760,437,877	13.7	3.62	3.49	-3.6
Still Case Goods	1,129,545,280	1,117,436,574	-1.1	3,483,270,086	3,515,196,849	0.9	3.08	3.15	2.0
Bulk Wine	537,372,013	521,600,522	-2.9	451,483,364	368,918,196	-18.3	0.84	0.71	-15.8
Total	1,851,685,655	1,856,927,657	0.3	4,603,584,326	4,644,552,922	0.9	2.49	2.50	0.6

Bulk Wine Exports by Country	Liters			Euros			Euro/Liter		
	2013	2014	Var %	2013	2014	Var %	2013	2014	Var %
Germany	277,966,645	270,805,411	-2.6	197,287,723	137,033,371	-30.5	0.71	0.51	-28.7
UK	27,750,969	33,266,394	19.9	31,114,102	38,196,515	22.8	1.12	1.15	2.4
Norway	6,783,511	8,682,931	28.0	15,055,625	19,351,920	28.5	2.22	2.23	0.4
USA	4,766,458	6,149,997	29.0	10,231,781	15,423,436	50.7	2.15	2.51	16.8
Denmark	7,946,532	9,073,660	14.2	11,004,404	13,321,219	21.1	1.38	1.47	6.0
Japan	1,935,382	2,852,472	47.4	4,482,285	4,872,480	8.7	2.23	1.71	-26.2
Canada	3,349,541	3,943,629	17.7	3,170,751	3,467,269	9.4	0.95	0.88	-7.1

SOUTH AFRICA

TIME ON TARGET

Harvest is going very well in all wine growing areas, with no major problems. Most wineries and wine regions are very happy with the quality and volume of grapes that have been brought into the wineries. Harvest is still two to three weeks ahead of schedule and expectations are that most grapes will be in by the end of March.

CURRENT MARKET PRICING

ALL PRICING IN SA RAND PER LITER; FOB CAPE TOWN:

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2014/2015	Generic White	4.65 – 5.00	↔	2014/2015	Generic Red	5.70 – 6.30	↔
2014/2015	Chenin Blanc	4.70 – 5.20	↔	2014/2015	Cabernet Sauvignon	6.80 – 8.00	↔
2014/2015	Sauvignon Blanc	6.20 – 7.80	↔	2014/2015	Ruby Cabernet	6.00 – 6.30	↔
2014/2015	Chardonnay	6.00 – 7.25	↔	2014/2015	Merlot	6.80 – 8.00	↔
2014/2015	Muscat	5.00 – 5.70	↔	2014/2015	Pinotage	6.35 – 7.50	↔
2014/2015	Generic Rosé	4.75 – 6.00	↔	2014/2015	Shiraz	6.80 – 8.25	↔
2014/2015	Cultivar Rosé	5.80 – 6.60	↔	2014/2015	Cinsaut	5.90 – 6.30	↔

BITS & PIECES

Harvest, Stock Levels and Domestic Markets:

- By the 1st week of March, most white wine varietals had been harvested, with very good preceding growing conditions and harvest conditions, which helped wine quality. Many wineries are commenting on the very good tasting profiles of the early wines, with very positive analysis.
- Stock levels remain the same as last month, and some wineries have more stock from the previous year in their winery. Red wines currently available includes Dry Red and Pinotage, while Chenin Blanc and Dry White are the white wines available.
- The 2015 harvest is currently looking to be about average compared to the last 4 years, with no evident or significant ups or downs for any specific varietals.

International Market & Trends:

- Some European markets are showing renewed interest in South African wines. Many are waiting to see the outcome and quality of the new crop.
- Wine exports 2014 vs. 2013 (packaged and bulk):
 - White wine = down 15%
 - Red wine = down 14%
 - Rose wine = down 40%+ but more in-line with 2012 rose wine exports
- The total export of natural wine in 2014 was about 420 million liters.
- The UK (#1) and Germany (#2) are still, by far, the largest importers of South African wine. Together, they imported about 45% of the volume exported in 2014. This includes both packaged and bulk exports.

SPAIN

TIME ON TARGET

The Spanish market remains as it was last month, with comfortable supply and plenty of bulk purchasing opportunities. The export market has remained active, with European buyers busy purchasing generic wines and grape juice. As usual at this time of year, prices are now starting on a downward trend with really good purchasing opportunities for big parcels and fast loading terms. Market pricing overall is back to where it was four to five years ago.

CURRENT MARKET PRICING

ALL PRICING IN EUR PER LITER; EX-WINERY:

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2014	Generic White	0.30 – 0.35	↔	2014	Generic Red	0.32 – 0.36	↔
2014	Generic Rosé	0.30 – 0.35	↔	2014	Cabernet Sauvignon	0.45 – 0.50	↔
2014	Moscatel	0.60 – 0.65	↔	2014	Merlot	0.45 – 0.50	↔
2014	Syrah	0.42 – 0.50	↔	2014	Tempranillo	0.35 – 0.40	↔

BITS & PIECES

In 2014, Spain registered record sales figures with 2,655.92 million liters (wine and juice) sold on export markets, a + 22.5% increase compared to the previous year. Nevertheless, this record sales in volume is not as good in terms of value at 2,865.9 million Euros, which is down 3.2% and almost 95 million Euros less than the previous year's record figure of 2,969.55 million Euros, at an average price of 1.08 €/L, down 22.9%.

Due to the record 213 crop figures, Spain imported only +/- 55 million liters of wine in 2014, down 67% from 2013 when Spain imported huge volumes due to a very small 2012 crop (with a significant amount coming from Chile).

- For bulk wine specifically, the fall represents a loss of 86.2%.
- In terms of value, 2014 imports reached 162.97 million € (down 16%), with an average price of 2.97 €/liter.
- The main suppliers of Spanish imports in 2014 (case goods and bulk) were:
 - Italy: 23.76 million liters, same as 2013
 - Chile: 13.24 million liters, down 85.9%
 - France: 6.72 million liters, up 16.6%
- In terms of value:
 - France: 74.11 million €, up 13.7% (due to Champagne and Designated Origin wines)
 - Italy: 45.52 million €, up 7.6%
 - Portugal: 11.82 million €, down 15%

BUYER'S PAGE - SCANDINAVIA

The Scandinavian countries of Finland, Norway and Sweden have Monopoly retail systems in which the government has the exclusive right to retail wine, spirits, and beer (over a certain abv), with no competition allowed. The exception is Denmark, with the only open market in Scandinavia. The Scandinavian market offers opportunities for exporters of wine from around the globe. We hope to enlighten you on some of the differences between each of these markets, including consumer trends, consumption and wine sales.

SWEDEN

- Sweden is a leading wine market, as it is by far the largest and most mature of the Scandinavian markets (200 million liters).
- Per capita consumption is about 25 liters, which is similar to per capita consumption in Germany.
- Together, traditional and New World wines account for half of the Swedish market.
- Swedish bulk wine imports have increased over the last few years. Two reasons for this are price competitiveness and the increase in importers' brands.
- The volume of organic wines at Systembolaget shows 100% growth in one year, increasing from 10.6 million liters in 2013 to 21.3 million liters in 2014. Organic wines now account for 11% of the total volume of wines sold at Systembolaget, compared to 5.4% at the end of 2013. The Swedish Monopoly hopes that 10% of drinks sold at Systembolaget will be Organic by 2020.



DENMARK

- Of all the Scandinavian countries, Denmark is the only open market without a monopoly.
- Denmark has the largest wine consumption in Scandinavia with 33l drinks per person consumed annually.
- France is the second largest supplier of wine in Denmark and the demand for European wines is increasing.
- Interest in Organic wines continues to increase in Denmark. Danish consumers are also looking for more diversity in profiles, from the fruit driven, jammy styles to wines with nice minerality.
- Danish consumers are, like other Scandinavian consumers, increasingly interested in ethical products, such as organic and Fair Trade products. Consumers also tend to prefer sweet wines over dry wines.
- Danish wine consumers are very price sensitive, while at the same time, they are also concerned about the social and environmental impact of the product they buy. The Danish government is concerned with the alcohol intake of its population, resulting in high excise duties for wine. This adds yet another challenge for importers and distributors to provide Danish consumers with desired wines at a competitive price.
- Bag-In-Box sales now account for 30% of the total Danish wine market.
- Sales of premium wine and especially wines priced above EUR 15 in supermarkets decreased, as impulse buying of such wines declined and consumers traded down to less expensive wines.
- On-trade sales decreased, as many consumers reduced dining at restaurants and drank more wine at home instead.
- The economic crisis has strengthened the entry-level segment, as it made Danish consumers even more price sensitive than they already were.
- New World wines are gaining ground in the Danish wine market. Chile has been in the picture for quite some time, followed by South Africa, which accounts for 9% of the Danish wine market. This growth is at the expense of the traditional wine countries like France, which saw a quick drop in market share between 2006 and 2012 by 40%.

BUYER'S PAGE - SCANDINAVIA

FINLAND

- Chile is the best-selling country of origin, followed by Spain, South Africa, France, Australia, Argentina and Germany respectively.
- Red wine sales at Alko (the Finnish monopoly) are mainly driven by Chilean, Spanish and Italian wines.
- Chile continues to lead in the white wine category, followed by South Africa and Germany.
- Sales of white wines, rosé wines and sparkling wines are growing. Between January and October 2014:
 - 18.3 million liters of white wine were sold (+ 1.2% compared to 2013)
 - 0.8 million liters of rose wine were sold (+ 5.7%)
 - 3.9 million liters of sparkling wines were sold (+5.0%).
 - Red wines are slightly decreasing, but remain the best-selling category with 19.9 million liters sold (- 1.5% compared to 2013).
- According to *Finnish Customs Services*, Finnish consumers order more and more alcohol via European websites. For this reason, Alko is planning on launching its own web site soon. Delivery will not be part of the service and the customer will have to pick up his order in an Alko shop.



NORWAY

- Norwegian consumption patterns are much more traditional than the other Nordic countries.
- Total sales in 2013 at Vinmonopolet, the Norwegian Monopoly, totaled 80.6 million liters, an increase of 1% from 2012. This increase can be attributed to the opening of ten new outlets, while existing shops had a small decrease.
 - As a group, non-fortified wines increased by 1.1% to 66.4 million liters.
 - The sale of spirits continued its downward trend, showing a decrease of 3.1% to 11.5 million liters.
 - Fortified wine sold 636,000 liters, a 5% decrease from 2012 to 2013.
 - The sale of both non-alcoholic beverages and strong beers continues to increase, with both categories increasing by 25.5 % to 0.2 million liters and 1.4 million liters, respectively.
- Red wine accounts for 75% of the market in Norway. Even though Norwegian wine consumption of wine is still dominated by red wines, there is a shift towards white and lighter wines, reflecting a move towards a more "European" consumer behavior. This is a trend that is especially noticeable in the Oslo area. The overall continued preference for red wines may be contributed partly to climatic factors. There is a perception that it is "too cold" to drink white wines for much of the year. Red wine from Italy continues to be the leader, followed by France and Spain.
- The decrease in the sale of spirits is believed to be a result of increased tax-free sales, rather than reflecting a shift in drinking habits.
- All Nordic monopolies, including Norway, strongly push for ethical and sustainable wines.
- Norway is not an exception regarding the increase of online sales. Vinmonopolet registered an increase of 10% compared to 2013. Online sales account for 28% of total sales and the average value of orders is around 1470 NOK (180 EUR).
- For the first half of 2014, the exportation of French wines to Norway increased by 34.17% compared to the same period in 2013. However, France did not win back the leading position it held many years ago, as Italy is still number one selling country for red wines, followed by Spain, France, Australia and Chile respectively.



VINMONOPOLET



CIATTI

GLOBAL WINE & GRAPE BROKERS

CONTACT US

ARGENTINA

Eduardo Conill
T. +54 261 420 3434
Email: eduardo@ciatti.com.ar

AUSTRALIA/NEW ZEALAND

Matt Tydeman
Simone George
T. +61 8 8361 9600
Email: Matt@ciatti.com.au
Email: simone@ciatti.com.au

CALIFORNIA – IMPORT / EXPORT

CEO - Greg Livengood
Steve Dorfman
T. +415 458-5150
Email: greg@ciatti.com
Email: steve@ciatti.com

CALIFORNIA – DOMESTIC

T. +415 458-5150
John Ciatti – john@ciatti.com
Glenn Proctor – glenn@ciatti.com
John White – johnw@ciatti.com
Chris Welch – chris@ciatti.com

CONCENTRATE

Greg MaGill
T. 559 977 4040
gregm@ciatti.com

CANADA & US CLIENTS OUTSIDE OF CALIFORNIA

Dennis Schrapp
T. 905/354-7878
Email: dennis@ciatticanada.com

CHILE

Marco Adam
T. +56 2 2363 9206 or
T. +56 2 2363 9207
Email: madam@ciattichile.cl

CHINA/ASIA PACIFIC

Simone George
T. +61 8 8361 9600
Email: simone@ciatti.com.au

FRANCE/ITALY

Florian Ceschi
T. +33 4 67 913532
Email: Florian@ciatti.fr

GERMANY

Christian Jungbluth
T. +49 6531 9734 555
Email: christian@ciatti.biz

SPAIN

Nicolas Pacouil
T. +33 4 67 913531
Email: nicolas@ciatti.fr

UK / SCANDINAVIA / HOLLAND

Catherine Mendoza
T. +33 4 67 913533
Email: catherine@ciatti.fr

SOUTH AFRICA

Vic Gentis
T. +27 21 880 2515
Email: vic@ciatti.fr
-or-
Petre Morkel
T. +27 82 33 88 123
Email: petre@ciatti.co.za

AFRICA & MIDDLE EAST

Emile Gentis
T. +27 72 23 81 703
Email: emile@ciatti.co.za

Export Pricing: USD per liter
Currency Conversion Rates as of March 11, 2015

ARGENTINA

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2014	Generic White	0.32	-	0.35	↓	2014	Generic Red	0.40	-	0.45	↓
2014	Generic White (Criolla)	0.30	-	0.32	↓	2014	Cabernet Sauvignon	0.70	-	0.80	↓
2014	Chardonnay	0.65	-	0.75	↓	2014	Malbec Entry-Level	0.80	-	0.90	↓
2014	Torrontes	0.40	-	0.50	↓	2014	Malbec Mid-Level	0.90	-	1.20	↓
2014	Sauvignon Blanc	0.55	-	0.65	↓	2014	Malbec Premium	1.20	-	+	↓
2014	Muscat	0.35	-	0.45	↓	2014	Syrah / Merlot	0.60	-	0.70	↓
2014	Bonarda	0.50	-	0.60	↓	2014	Tempranillo	0.60	-	0.70	↓

AUSTRALIA & NEW ZEALAND

AUD Rate: 0.757813

NZD Rate: 0.720333

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Dry White	0.34	-	0.49	-	NV	Dry Red	0.45	-	0.57	-
2014	Chardonnay	0.49	-	0.57	-	2014	Cabernet Sauvignon	0.57	-	0.80	-
2015 *	Chardonnay	0.53	-	0.57	-	2015 *	Cabernet Sauvignon	0.61	-	0.68	-
2014	Sauvignon Blanc	0.53	-	0.68	-	2014	Merlot	0.53	-	0.68	-
2015 *	Sauvignon Blanc	0.61	-	0.68	-	2015 *	Merlot	0.57	-	0.68	-
2014	NZ Marlborough SB	1.94	-	2.52	-	2014	Shiraz	0.57	-	0.76	-
2015 *	NZ Marlborough SB	3.18	-	3.79	-	2015 *	Shiraz	0.61	-	0.68	-
2014	Pinot Gris	0.80	-	0.99	-	2014	Muscat	0.49	-	0.61	-
2015 *	Pinot Gris	0.83	-	0.99	-	2015 *	Muscat	0.49	-	0.61	-

* Estimated Pricing for Vintage 2015

CALIFORNIA

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2014	Generic White	0.60	-	0.80	↔	2014	Generic Red	0.80	-	1.05	↓
2013/2014	Chardonnay	0.92	-	1.18	↓	2013/2014	Cabernet Sauvignon	1.25	-	1.98	↔
2014	Pinot Grigio	1.45	-	1.98	↔	2014	Merlot	1.05	-	1.45	↓
2014	Muscat	0.92	-	1.32	↓	2014	Pinot Noir	1.72	-	2.25	↔
2014	White Zinfandel	0.82	-	0.99	↔	2014	Syrah	1.18	-	1.45	↔
2014	Colombard	0.73	-	0.99	↔	2013/2014	Zinfandel	1.18	-	1.72	↓

CHILE

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
NV	Generic White	0.57	-	0.73	↔	NV	Generic Red	0.41	-	0.48	↔
2014/2015	Chardonnay	0.90	-	1.15	↔	2014	Cabernet Sauvignon (Basic)	0.50	-	0.53	↔
2014/2015	Chardonnay (Varietal Plus)	1.15	-	1.40	↔	2015	Cabernet Sauvignon (Basic)	0.48	-	0.53	↔
2014/2015	Sauvignon Blanc	0.69	-	1.15	↔	2014/2015	Cabernet Sauvignon	0.55	-	0.63	↔
2014/2015	Pinot Noir	0.90	-	1.15	↔	2014/2015	Cabernet Sauvignon (High Quality)	1.50	-	4.00	↔
2014	Syrah	0.50	-	0.58	↔	2014/2015	Merlot	0.55	-	0.63	↔
2015	Syrah	0.48	-	0.58	↔	2014/2015	Malbec	0.60	-	0.75	↔
2014/2015	Carmenere	0.50	-	0.60	↔	2014/2015	Malbec (Varietal Plus)	0.00	-	0.00	↔

FRANCE

Rate: 1.055230

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2014	Generic White	1.00	-	1.06	↔	2014	Generic Red	0.84	-	0.90	↔
2014	Chardonnay VDF	1.32	-	1.37	↔	2014	Cabernet Sauvignon VDF	1.00	-	1.06	↔
2014	Chardonnay IGP OC	1.42	-	1.48	↔	2014	Cabernet Sauvignon IGP OC	1.06	-	1.11	↔
2014	Sauvignon Blanc VDF	1.06	-	1.11	↔	2014	Merlot VDF	1.00	-	1.06	↔
2014	Sauvignon Blanc IGP OC	1.11	-	1.21	↔	2014	Merlot IGP OC	1.06	-	1.11	↔
2014	Generic Rosé VDF	0.90	-	0.95	↔	2014	Syrah IGP OC	1.00	-	1.06	↔
2014	Varietal Rosé IGP OC	0.97	-	1.00	↔	2014	Dry Muscat IGP OC	1.00	-	1.06	↔

GERMANY

Rate: 1.055230

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2013/2014	White Wine	0.95	-	1.16	↔	2013/2014	Red Wine	0.69	-	0.84	↔
2013/2014	Pinot Grigio	1.48	-	1.58	↔	2013/2014	Dornfelder	1.16			↔
2013/2014	Riesling	1.06	-	1.37	↔	2013/2014	Pinot Noir	1.06			↔

ITALY

Rate: 1.055230

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2014	Generic White	0.42	-	0.53	↓	2014	Generic Red	0.47	-	0.53	↔
2014	Chardonnay	0.79	-	0.90	↔	2014	Cabernet Sauvignon	0.63	-	0.74	↔
2014	Pinot Grigio	1.11	-	1.21	↑	2014	Merlot	0.63	-	0.74	↔

SOUTH AFRICA

Rate: 0.081428

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2014	Generic White	0.38	-	0.41	↔	2014	Generic Red	0.46	-	0.51	↔
2014	Chardonnay	0.49	-	0.59	↔	2014	Cabernet Sauvignon	0.55	-	0.65	↔
2014	Sauvignon Blanc	0.50	-	0.64	↔	2014	Ruby Cabernet	0.49	-	0.51	↔
2014	Generic Rosé	0.39	-	0.49	↔	2014	Merlot	0.55	-	0.65	↔
2014	Cultivar Rosé	0.47	-	0.54	↔	2014	Pinotage	0.52	-	0.61	↔
2014	Chenin Blanc	0.38	-	0.42	↔	2014	Shiraz	0.55	-	0.67	↔
2014	Muscat	0.41	-	0.46	↔	2014	Cinsaut	0.48	-	0.51	↔

SPAIN

Rate: 1.055230

Vintage	Variety	Price			Trend	Vintage	Variety	Price			Trend
2014	Generic White	0.32	-	0.37	↑	2014	Generic Red	0.34	-	0.38	↑
2014	Generic Rosé	0.32	-	0.37	↑	2014	Cabernet Sauvignon	0.47	-	0.53	↑
2014	Moscatoel	0.63	-	0.69	↑	2014	Merlot	0.47	-	0.53	↑
2014	Syrah	0.44	-	0.53	↑	2014	Tempranillo	0.37	-	0.42	↑