



# CIATTI

GLOBAL WINE & GRAPE BROKERS

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## GLOBAL MARKET UPDATE – MAY 2013

### VOLUME 4 ISSUE NO. 5

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The month of May brings spring in the Northern Hemisphere and high hopes for the 2013 vintage. May also brings the results of the Southern Hemisphere harvest. The April 2013 World Report predicted strong numbers, and was correct indeed. All major supply countries had harvests that were nearly equal to, or greater than that of last year. Quality is looking good, even excellent, all around the world.

Spring in California has come early this year, with some flowering already taking place. One grower commented that things are as early as 2004, which was well ahead of the average. There still remains a long time until the 2013 harvest, but thus far things are looking good. Europe is finally emerging from the coldest winter in **fifty** years, and hopes remain high for a good harvest.

Vinality was held in early April with strong attendance by suppliers, buyers and consumers alike. The London International Wine Fair is next to come later this month from May 20-22, followed by VinExpo June 16-20 in Bordeaux, France. The “Trade Show Treadmill” continues, but buyers and suppliers continue to build the global demand for wine!!

While all signs look positive and reasonably balanced around the world at this point, it is still worth noting that the economies of countries that have had trouble are able to continue with tepid recoveries. Therefore, the ultimate arbiter remains the consumer.

We look forward to seeing you in London and Bordeaux!



## CONCENTRATE – MARCH 2013

### California

#### White Grape Juice Concentrate

Domestic White Grape Juice Concentrate still remains incredibly tight this season, with current stocks almost completely depleted. Prices continue to remain firm, if you can find appreciable gallons. Pricing is in the \$14.00- \$15.00 per US gallon price range at this moment.

#### Red Grape Juice Concentrate

We are facing the same scenario of shortages on dark color domestic Red Grape Juice Concentrate. While we are seeing a few small lots available of red 700 color and below, not much color above that spectrum is available. Pricing remains firm at \$14.00 – \$15.00 per US gallon.

We are seeing some optimism regarding the latest bunch counts and canopy cover on both the generic white grapes and the Rubired Grapes in the Central Valley of California. If the weather holds out for us this summer and we do not get the extreme length of 100 degree plus weather like we did last year, and if the farmers can get a hold of enough ground water to keep things well irrigated, we should see a much improved harvest in terms of both volume and color.

### Argentina

With the Southern Hemisphere harvest winding down, we did see vast improvement in this year's harvest, which has brought the Argentina White Grape Juice Concentrate back into a more balanced supply with around 160k-170k metric tons harvested for grape juice. Figuring that the Argentina Government will hold back 10-15% of this crop, we can expect to see around 30 million gallons of White Grape Juice Concentrate for sale in the global marketplace this year.

Sales in Argentina have been steady throughout the harvest, with major stocks being sold to EU Countries, Russia, Asia, Canada and the United States. Pricing for most of these sales has been in the \$10.50- \$10.75 per US gallon (CIF Port East and West coast). While there is some product that may be available at a lower price, most buyers, especially in the United States, are only interested in purchasing from the few facilities that have the proper food grade processing facilities and have passed a third party quality audit for food safety.

One of the biggest challenges facing Argentina today is the intense continual inflation rate and lack of monetary supply. If the current Argentina administration does not rectify this situation soon, we may soon see another wave of must, processing plants and field operations going out of business, due to lack of funds and available financing.

### Chile

We have also seen an improvement in the Chilean harvest, where Red Grape Juice Concentrate stocks have increased to standard levels this harvest, and pricing has come down quite a bit from that of last year. Currently, Red 600 color is selling from \$13.00 to \$14.00 per US gallon in totes and drums (FCA Plant Chile) and Red 1000 color is selling in drums and totes from \$14.00 to \$15.00 per US gallon (FCA Plant Chile). With the Chilean dock strike resolved and the backlog of product waiting at the port for export now diminished, we should have no problems with shipments arriving in the US within the 21-25 day window.

### Apple Juice Concentrate

Domestic apple Juice pricing has dropped down into the \$9.50 to \$10.00 per US gallon range, but few processors are willing to continue to manufacture large quantities because the Chinese are still selling in the low to mid \$8.00 per US gallon range. We do expect the Chinese to increase pricing soon, due to the drop in their currency.

## ARGENTINA – MAY 2013

TIME ON TARGET

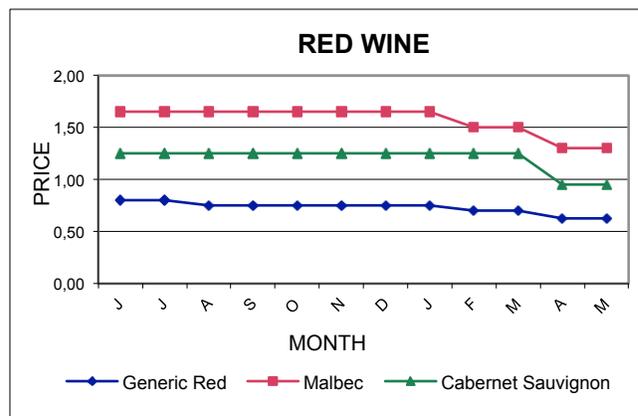
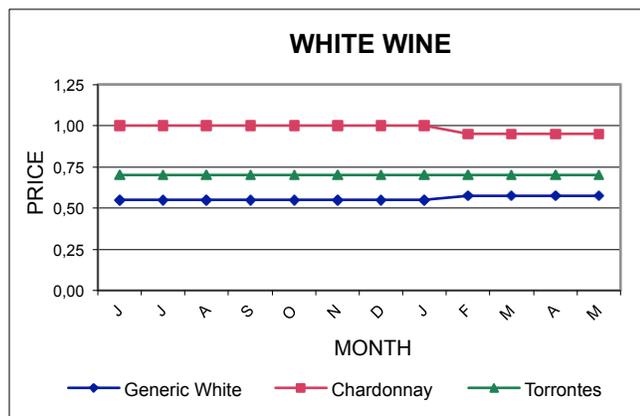
INV has just released the crush report as of April 28<sup>th</sup>, showing a total of 2.8 million tons that were harvested for the 2013 vintage. This number is higher than the predicted volume of 2.6 million tons given by authorities in February of this year. The quality of the 2013 fruit is looking to be very good.

### CURRENT MARKET PRICING

ALL PRICING IN USD PER LITER; FCA WINERY:

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2012	Generic White	0.55 – 0.60	↔	2012	Generic Red	0.60 – 0.65	↓
2012	Generic White (Criolla)	0.50 – 0.55	↔	2012	Cabernet Sauvignon	0.90 – 1.00	↓
2012	Chardonnay	0.90 – 1.00	↔	2012	Malbec	1.20 – 1.40	↓
2012	Torrontes	0.65 – 0.75	↔	2012	Malbec Reserva	1.60 – 1.80	↓
2012	Chenin Blanc	0.65 – 0.75	↔	2012	Syrah / Merlot	0.90 – 1.00	↓
2012	Muscat	0.65 – 0.75	↓	2012	Bonarda / Tempranillo	0.85 – 0.95	↓

### BULK PRICING OVER TIME



### BITS AND PIECES

Sales are slow and bottled export sales dropped 27% in volume and 6% in value during the first three months of 2013, compared with the same period in 2012. Bulk wine exports fell 52% in volume and 44% in value. Domestic bulk sales are also quiet, as there are many offers, but few buyers.

612 million liters of sulfited must have been produced, which is the equivalent to 180,000 metric tons of White Grape Juice Concentrate. One should expect this to lower prices, if not for the fact that the price paid for the grapes is 40% higher than prices in 2012.

The economic situation remains unstable, as the government refuses to change its ways. There is no hope for the government to change at this time.

## AUSTRALIA & NEW ZEALAND – MAY 2013



The 2013 harvest has now been completed. The quality has been outstanding, with great fruit flavors and the color of reds has been impressive. The tonnes from across Australia are on the upward trend and the crush is expected to be up around 5% from last year. The Riverina crushed 300,000 tonnes, which was just 8,000 tonnes short of the record set in 2009.

### CURRENT MARKET PRICING

ALL PRICING IN AUD PER LITER:

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
NV	Dry White	0.60 – 0.80	↔	NV	Dry Red	0.70 – 0.80	↔
2012	Chardonnay	0.75 – 0.90	↓	2012	Cabernet Sauvignon	1.05 – 1.30	↔
2012	Sauvignon Blanc	0.85 – 1.00	↔	2012	Merlot	1.05 – 1.30	↔
2012	NZ Marlborough SB	NZ 5.50 – 6.00	↔	2012	Shiraz	1.05 – 1.20	↔
2012	Pinot Gris	0.95 – 1.20	↔	2012	Muscat	0.85 – 1.00	↓

### BITS AND PIECES – AUSTRALIA

In the year that ended March 2012, the volume of Australian wine exports increased by 2% to 719 million liters, valued at \$1.85 billion. The average value per liter for the major container types increased with bottled wine up 2% to AUD \$4.43 per liter and bulk wine up 1% to AUD \$1.02 per liter.

The top five destinations by volume have remained unchanged. They were the United Kingdom (250 million), the USA (202 million), Canada (49 million), China (41 million) and Germany (35 million). Together, the five markets account for 80% of the volume exported, and the share has been at this level for the past three years.

The latest vintage of Grange was released this month; the 2008 vintage is rated as one of the best.

*Source: WEAR Report March 2013*

### BITS AND PIECES – NEW ZEALAND

New Zealand was the most prominent destination from other countries. Exports to New Zealand increased by 37% to 30 million liters Source WEAR Report March 2013.

New Zealand company Delegats have purchased the Barossa Valley Estates Winery in the Barossa Valley.

The harvest in Marlborough has been a successful one, with some late rain in the season that caused a few issues. The quality prior to the rain was exceptional with good primary fruit characters. Tonnes will be up from last year, but overall the season will be an average year in tonnes produced.

*Source: WEAR Report March 2013*

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## CALIFORNIA – MAY 2013

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TIME ON  
TARGET

With the onset of May, California vineyards should now be beyond the danger of frost. We are now seeing the beginning of flowering and the weather patterns look good. Reports from all regions of California seem to be positive, with abundant cluster count for many varieties.

The potential for another large crop in California could be a reality if all the fruit sets. The southern Central Valley, which was relatively small last season, has bounced back this year. The Lodi/Delta vineyards are on par with that of 2012. Given this good potential, there remains a relatively small amount of uncommitted vineyards searching for buyers.

Varieties such as Pinot Grigio, Pinot Noir and Petite Sirah are in tight supply and have buyers searching. Coastal vineyards are seeing similar patterns of both good demand and tighter availability. Statewide, it is believed that there are more grapes and vineyards that have contract commitments for this coming season and beyond, than ever before in the previous two decades!

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## CURRENT MARKET PRICING

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ALL PRICING IN USD PER LITER:

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2012	Generic White	0.80 – 1.05	↔	2012	Generic Red	0.99 – 1.32	↔
2012	Chardonnay	1.05 – 1.45	↓	2012	Cabernet Sauvignon	1.72 – 2.38	↓
2012	Pinot Grigio	1.32 – 1.58	↔	2012	Merlot	1.58 – 1.98	↓
2012	Muscat	1.18 – 1.45	↓	2012	Pinot Noir	2.11 – 2.64	↔
2012	White Zinfandel	1.18 – 1.32	↔	2012	Syrah	1.58 – 1.98	↔
2012	Colombard	0.86 – 1.06	↔	2012	Zinfandel	1.72 – 2.38	↓

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## BITS AND PIECES

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### Inventories

As of May, California bulk wine inventories remain abundant for most varieties and regions around the state.

Volumes for varieties such as Sauvignon Blanc, Pinot Grigio and Pinot Noir are moving and closer to balance. This reflects both the lack of grapes available in 2013 and strong movements in case good sales.

Cabernet Sauvignon, Zinfandel and Merlot, which had large tonnages in 2012, are slower to see movement this year. Buyers seem to have security with supply on hand and have a desire to see price decreases from the highs of last year. Available inventories of these three varieties have swelled to beyond 2 to 3 million US gallons of each.

Chardonnay, which posted the largest overall tonnage increase in 2012, has produced a mixed picture. We see solid movement and inventory reduction of all central Coast Chardonnay, along with both Napa and Sonoma counties. The Central Valley, with limited movement so far, has significant volumes available, but has yet to find a home. Overall, Chardonnay inventories statewide well surpass the 2 to 3 million range.

Bulk pricing to date remains relatively high, given the large vintage last season and potential 2103 crop. The coming months could see a downward change in order to promote further volume movement.

## FRANCE – MAY 2013

TIME ON TARGET

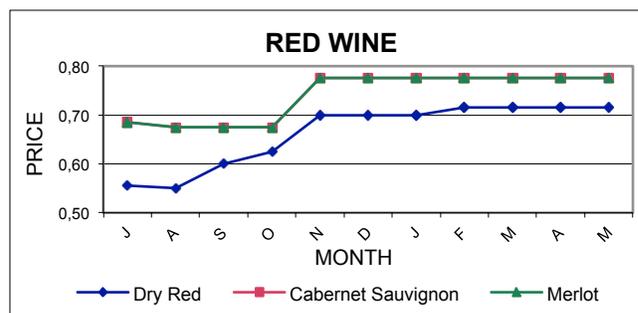
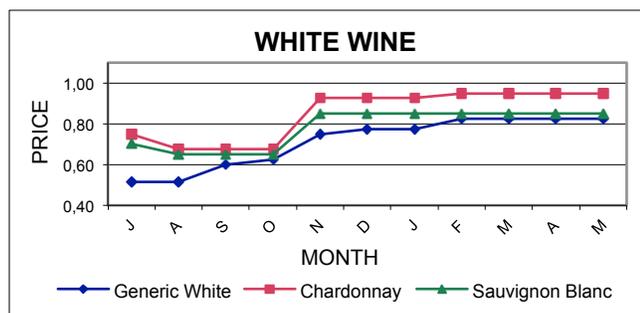
The month of April was unusually wet and cold in most regions of France. In the northern producing regions, vines are coming out of dormancy a few weeks late, leading growers to think that the 2013 vintage may be a late vintage. This could be particularly true for the Loire Valley, where growers almost lost an important crop due to persisting negative temperatures just after bud break. The weather is now getting warmer, especially in the South of France. This, along with high groundwater levels from regular rainfall, make perfect conditions for good flowering. Growers are only now able to apply the first anti-fungus treatments, as the damp soils have made it difficult to access vineyards.

### CURRENT MARKET PRICING

BULK WINE PRICES: ALL PRICES IN € PER LITER; EXW:

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2012	Generic White	0.80 – 0.85	↔	2012	Generic Red (VDF)	0.68 – 0.75	↔
2012	Chardonnay (VDF)	0.90 – 1.00	↔	2012	Cabernet Sauvignon (VDF)	0.75 – 0.80	↔
2012	Chardonnay (IGP OC)	0.95 – 1.10	↔	2012	Cabernet-Sauvignon (IGP OC)	0.76 – 0.90	↔
2012	Sauvignon-Blanc (VDF)	0.80 – 0.90	↔	2012	Merlot (VDF)	0.75 – 0.80	↔
2012	Sauvignon-Blanc (IGP OC)	0.85 – 0.95	↔	2012	Merlot (IGP OC)	0.76 – 0.90	↔
2012	Generic Rosé (VDF)	0.70 – 0.75	↔	2012	Syrah (IGP OC)	0.75 – 0.80	↔
2012	Varietal Rosé (IGP OC)	0.76 – 0.88	↔	2012	Dry Muscat (IGP Oc)	0.95 – 1.05	↔

### BULK PRICING OVER TIME



### BITS AND PIECES

In terms of sales, there were various highs and lows throughout the month of April. Although the 2012 vintage was historically low, the market remains stable. The biggest sales are still for varietal white wine (Chardonnay) and rose, the most sought after wines. This is due to low inventories currently available, as merchants look to cover their needs for the summer season. Shiraz rosé is becoming extremely difficult to find on the market, and high quality Chardonnay and Sauvignon becomes harder and harder to find. A good supply of red wine remains, in both volume and quality, for every single category (IGP Oc, Vin de France and South of France AOP), especially for independent growers.

The Bordeaux “en primeur” buying campaign is now about halfway through. From a general standpoint, it has been very disappointing, as the 2012 vintage is good, but not great. Buyers are not rushing to buy wines from the 200 Chateaux. Prices are on a downward trend this year (except for the few icon Chateaux)

## GERMANY – MAY 2013

TIME ON  
TARGET

Germany has seen an almost overnight change in the weather. After a long winter, summer has now started and the vegetation is only one week behind that of an average year. This hasn't affected the bulk wine market significantly, where the availability of most white wines is still tied. The price decrease for Riesling helps to fill this gap somewhat, but not all growers are willing to sell Riesling at a generic white wine price. The oversupply for red and rose wines is still causing price pressures on these varieties.

### CURRENT MARKET PRICING

BULK WINE PRICES: ALL PRICES IN EURO PER LITER EX WINERY:

Vintage	Variety	Price	Trend
2012	White Wine	1.05 – 1.15	↑
2012	Pinot Grigio	1.40 – 1.50	↔
2012	Riesling	1.10 – 1.30	↓
2012	Red Wine	0.65 – 0.80	↓
2012	Dornfelder	0.85 – 0.95	↔

### BITS AND PIECES

The value of wine imports to Germany saw a significant increase in 2012. According to preliminary figures, the import value rose by 3.2% over 2011. Italy is now the main source for imports to Germany (up 5% in value), followed by France and Spain. Meanwhile, German wine exports have decreased 7.8% in value and 15.2% in quantity.

Top 15 Wine Suppliers to Germany in 2012

Country	Quantity in Million Liters	Value in Million EUR	Euro/Liter	+ / - vs. 2011 Quantity	+ / - vs. 2011 Value
1. Italy	577.70	838	1.45	- 9.4 %	5.0 %
2. France	251.30	632	2.51	0.4 %	- 3.3 %
3. Spain	304.10	342	1.12	12.5 %	10.7 %
4. USA	54.20	92	1.70	- 2.9 %	8.9 %
5. South Africa	79.70	91	1.14	- 8.0 %	- 3.3 %
6. Australia	46.20	67	1.45	- 7.8 %	4.2 %
7. Chile	42.70	66	1.55	- 12.6 %	- 0.4 %
8. Austria	25.00	54	2.16	14.9 %	18.2 %
9. Portugal	16.90	34	2.01	- 0.6 %	3.1 %
10. Greece	12.40	20	1.61	- 12.5 %	- 14.5 %
11. Macedonia	42.90	18	0.42	25.0 %	38.4 %
12. Argentina	5.40	12	2.22	1.9 %	6.2 %
13. New Zealand	3.50	12	3.43	9.5 %	17.8 %
14. Hungary	14.00	12	0.86	- 11.4 %	- 7.3 %
15. Denmark	3.40	4	1.18	9.2 %	6.3 %

## ITALY – MAY 2013

TIME ON TARGET

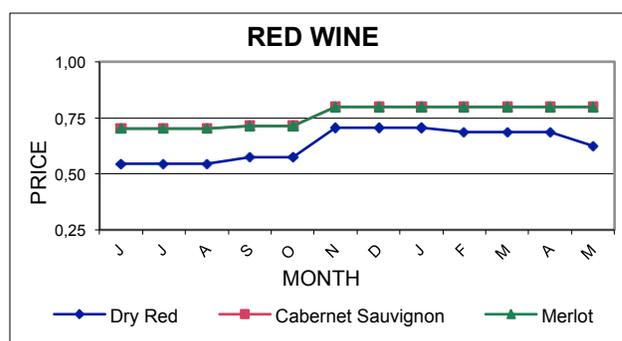
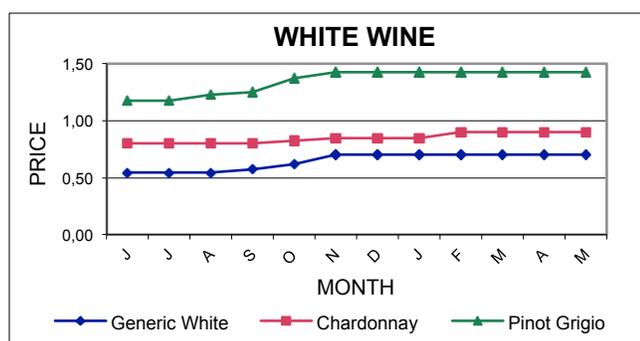
Vinitaly, an international wine and spirits exhibition in Verona, took place April 7-10 last month. Figures from the exhibition have been released and show results of a good turnout. There were 150,000 visitors this year, up 6% from Vinitaly last year. It was a successful exhibition for many key wine companies who attended. However, consumption in Italy and throughout Europe has been decreasing, leaving suppliers and all those involved in the wine business to take each day at a time, in order to better assess what they have sold and what they need.

### CURRENT MARKET PRICING

BULK WINE PRICES: ALL PRICES IN € PER LITER; EXW:

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2012	Generic White	0.66 – 0.75	↔	2012	Generic Red	0.59 – 0.66	↓
2012	Chardonnay	0.85 – 0.95	↔	2012	Cabernet Sauvignon	0.75 – 0.85	↔
2012	Pinot Grigio	1.35 – 1.50	↔	2012	Merlot	0.75 – 0.85	↔

### BULK PRICING OVER TIME



### BITS AND PIECES

The Italian bulk wine market hasn't changed much in the last several weeks. Prices have stabilized and there is only a slight reduction in prices, now on a downward trend. This is especially true for generic and varietal red wines, varietals which have the largest stocks available. Loadings have been a little bit slower, particularly for white and rosé wines, which is mainly due to the poor weather conditions throughout most of Europe.

The Mediobanca report has been released, publishing the ranking positions of bottlers and Italian wineries. Sales generated in Italy were up by a predicted 35% in 2012 versus 2007, while exports were only predicted to be up by 7.5%. Overall net sales for the wine industry were up an estimated 20% during the same period. Regarding profitability, ROE for wine has increased from 2.7% to 4.4% from 2007 to 2011. Meanwhile, ROE decreased from 6.3% to 5.9%.

## SOUTH AFRICA – MAY 2013



With harvest finished, some welcomed rain has fallen in almost all wine growing regions. Most areas had a very good 2013 harvest in terms of both quality and volume. In total, the 2013 crop is estimated to be about 1,424,137 tons (1,414,474 tons in 2012, 1,302,530 tons in 2011 and 1,261,309 tons in 2010). April and May are showing big volumes of bulk exports out of South Africa.

### CURRENT MARKET PRICING

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2012 / 2013	Generic White	4.35 – 4.50	↔	2012 / 2013	Generic Red	5.80 – 6.30	↔
2012 / 2013	Chardonnay	5.55 – 7.25	↔	2012 / 2013	Cabernet Sauvignon	6.70 – 8.00	↔
2012 / 2013	Sauvignon Blanc	5.75 – 7.80	↔	2012 / 2013	Ruby Cabernet	5.85 – 6.30	↔
2012 / 2013	Generic Rosé	4.65 – 6.00	↔	2012 / 2013	Merlot	6.70 – 8.00	↔
2012 / 2013	Cultivar Rosé	5.40 – 6.00	↔	2012 / 2013	Pinotage	6.60 – 7.50	↔
2012 / 2013	Chenin Blanc	4.60 – 5.10	↔	2012 / 2013	Shiraz	6.80 – 8.25	↔
2012 / 2013	Muscat	4.85 – 5.00	↔	2012 / 2103	Cinsaut	5.85 – 6.30	↔

### BITS AND PIECES

2013 Harvest/Production Trends per Wine Growing Area & Production of Area as % of Total 2013 Crop		
Wine Growing Area	Trend on 2012	% of Total 2013 Production
Orange River	118 %	9.8 %
Olifants River	106 %	16.6 %
Malmesbury	109 %	8 %
Little Karoo	103 %	3 %
Paarl	104 %	10.5 %
Robertson	95 %	16 %
Stellenbosch	98.7 %	8.1 %
Worcester	95.5 %	11.6 %
Breedekloof	93 %	16.4 %

Exports of Packaged and Bulk Wine from April 2012 to March 2013			
		Liters	Trend on Previous Year
White Wine	Packaged	70,988,042	93.4 %
	Bulk	163,771,836	168.3 %
	Packaged & Bulk	234,759,878	135.4 %
Red Wine	Packaged	84,374,687	91.9 %
	Bulk	85,129,759	110 %
	Packaged & Bulk	169,504,446	100.2 %
Rosé Wine	Packaged	6,011,703	74.2 %
	Bulk	32,381,833	221.5 %
	Packaged & Bulk	38,393,536	169 %

There was a 48.6% increase in sales of bulk wine from April 2012 to March 2013. Packaged wine exports decreased by 8.3%. Overall, however, there was an increase of 21.2% for both packaged and bulk wine.

Bulk wine sales for both white wine and rosé wine have shown significant increases. It is interesting to note that 22,972,516 liters of the rosé sold in bulk was exported in the last six months of this period.

## SPAIN – MAY 2013

TIME ON TARGET

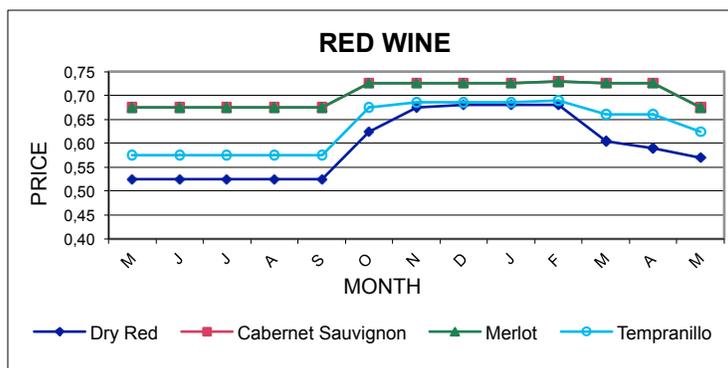
As in most of Europe, Spanish vineyards came out of dormancy in April. The unusual weather conditions over the last two months have caused some slight concerns amongst growers. In fact, the months of March and the first half of April in Castilla La Mancha and the Valencia region were the rainiest in Spain since 1947. Although the abundant and persistent rains haven't caused strong damages in vineyards, this has caused many delays for vineyard restructuring projects and plantings. Due to the extremely damp soils, tractors were unable to access vineyards for uprooting and soil disinfections before plantings and further anti-fungus sprays for the older vines. The second half of April saw a temperature drop, as in most of southern Europe, causing other concerns in the Valencia region, where vines were almost frozen during bud break. This threat was avoided and the hotter temperatures, combined with ample water stock, make perfect conditions for an abundant flowering in May and probably a bigger crop than that of 2012.

### CURRENT MARKET PRICING

BULK WINE PRICES: ALL PRICES IN € PER LITER; EXW:

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2012	Generic White	0.56 – 0.62	↓	2012	Generic Red	0.54 – 0.60	↓
2012	Generic Rosé	0.56 – 0.60	↓	2012	Cabernet Sauvignon	0.65 – 0.70	↓
2012	Moscatel	0.75 – 0.80	↓	2012	Merlot	0.65 – 0.70	↓
2012	Syrah	0.65 – 0.70	↓	2012	Tempranillo	0.60 – 0.65	↓

### BULK PRICING OVER TIME



### BITS AND PIECES

In terms of sales, it seems that the price reduction strategy has had positive effects on the market and we are seeing new interest from buyers (mainly European buyers) in Spanish supply. Increasing sales have been registered on a spot deal basis, quickly loading mid-sized volumes. On the other hand, nobody wants to make significant commitments, expecting market prices to decrease before harvest. However, buyers who bought at high prices during the first half of the buying campaign might be upset and tempted to re-negotiate prices for the already contracted volumes. There is still an ample supply of generic and varietal red wines, but white and rose inventories are decreasing little by little.

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## BUYER'S CORNER - MAY 2013

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TIME ON  
TARGET

Wine production in the United States grew nearly 10% to 316 million cases in 2012. Of this, California wineries produced 88% of the national total. According to the OIV, global wine production dropped 6%. With tighter supply and increasing wine consumption globally, everyone now awaits the final numbers and quality of the Southern Hemisphere 2013 harvest. Meanwhile, California is looking at a decent crop for the upcoming 2013 vintage at this point in time.

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### OVERALL WINE SALES

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Tight domestic supply in the US led to a 15% growth in total wine imports in 2012. Even though wine production in the US grew 10%, this was not enough to alleviate the tight supply situation. Bulk wine imports to the US increased by 71%. Chile, Argentina and Australia continue to lead the way here. With the weakening of the US dollar, prices have increased in the US over the last year. As a result, producers are looking to increase vineyard holdings and plantings. Producers are looking at all options, including California, Washington, Oregon, and even overseas, for competitive advantage.

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### DOMESTIC WINE SALES

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After a smaller than average 2011 California crop, 2012 turned out to be a record vintage of 4.4 million tons. This helped to bring winery inventories up 9.3% to 387 million cases. From January to February 2013, total California bottled wine exports were up 18% from last year, while total California bottled shipments saw no change. Bottled wine imports to California increased 7%, whereas imported bulk wine decreased 20%. With more supply domestically and the continued weak US dollar, it will be interesting to see how wine imports are affected in the coming year.

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### INTERNATIONAL WINE SALES

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US bottled wine exports saw an 8% increase during the first two months of 2013, compared to 2012. The majority of these shipments went to the European Union and Canada. It is interesting to note a 173% increase in US wines exported to South Korea and a 189% increase in shipments to the Dominican Republic. It is also interesting to note the buzz surrounding "Emerging Markets" in the business world, which shows a potential effect on wine exports as well.

Total US wine exports increased 7%, or nearly \$13.7 million in value. Of this total, US bulk wine exports saw a small increase overall, with a 70% increase in shipments to China. Despite the large 2012 crop in California, domestic US wineries continue to look overseas for supply to feed their growing brands.



# CIATTI

GLOBAL WINE & GRAPE BROKERS

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