



CIATTI

GLOBAL WINE & GRAPE BROKERS

GLOBAL MARKET UPDATE – JANUARY 2013 VOLUME 4 ISSUE NO. 1

HAPPY NEW YEAR AND WELCOME TO 2013

All of us here at Ciatti would like to welcome you to what we hope will be a prosperous year for all.

For the first month of the new year, we thought we would take a look back on the year that was, and do some prognostication about what might be in store for 2013. Therefore, in the pages that are to follow, we have changed a few things for this month only. Starting in February, however, we will resume the regular monthly sections.

The **Time on Target** section of each page has been replaced with **“The Year that was 2012”** for each region, or product in the case of concentrate. An analysis of the information from the months past makes this section an easy read and brings the year into perspective.

The **Pricing Grid & Graphs** are a look at the entire year and show the price ranges from low to high, not necessarily where the prices are today. The trend arrows, however, have been included to show which way the price trended over the year: up, down or flat.

Finally, the **Bits & Pieces** section has been replaced with **Projections for 2013**. Of course we must add the disclaimer that all projections, prognostications, soothsaying or prophesying, is just that, so if something comes to pass, we will take credit, and if it does not, we never said it. If you have other thoughts on this, we would appreciate engaging in the conversation.

To that end, once you have read this, please feel free to give us a shout and we'll be more than happy to discuss what may happen in the coming months.

Thank you for everything this past year. We look forward to a great 2013.

Happy New Year to all.



CONCENTRATE – JANUARY 2013

As of November 2011, it became clear that the domestic grape juice concentrate market was starting to have some potential shortages. Due to Central Valley wine grape demand, along with ever-increasing demand for both raisins and table fruit, domestic pricing for both white and red grape juice concentrates increased to levels that had not been seen since the mid 1990's.

Even though the 2011 Thompson crop was one of the largest we have seen to date, global demand still out-paced production. Many of the largest players in both the global wine markets and the global fruit beverage industry then started to look at aggressive sourcing out of Argentina and Chile to manage their pricing and volume needs.



The Year That
Was 2012

The situation in California for grape juice concentrate this year has not been as successful as the California wine grape harvest. Both Thompson seedless and Rubireds suffered in the Central Valley from a very long and excessively hot growing season. It was no surprise that the Thompson crop was going to be light, after two successive large harvests. Global raisin and table fruit demand, along with the crippling valley heat, caused shortages of 20-25%. The Rubired crop also saw a major degradation of both crop size and color intensity due to the heat.

Argentina:

In March 2012, Argentina suffered a devastating set of weather-related events in the San Juan Valley. Overall, the Argentine crop was down over 20%, while the San Juan region lost 50% of its crop due to hail storms. What was a promising grape juice concentrate harvest became a mad dash for raw material overnight. This, along with continued hyper-inflation of over 25%, resulted in an inability to pay for processing or obtain the needed must to produce white grape juice concentrate. Pricing shot up over 25% and massive contract shortages left many of the largest fruit juice concentrate suppliers scrambling for supply.

Chile:

Still feeling the effects from the earthquake last year, Chile has been utilizing many of its domestic grapes to re-supply lost stocks for their growing wine industry. Therefore, Chile was never really a player in the grape juice concentrate industry. Premium pricing, along with very hot weather kept the availability and pricing out of range for the concentrate market.

Europe:

With the current EU grape pull out programs in full swing, and a lack of availability in the United States for substantial volumes of white or red grape juice concentrate, the situation in Europe has been anything but positive. Spain and Italy suffered from tremendous droughts, causing a major decrease in their harvest. White and red grape juice concentrate was almost non-existent in Spain this year. Italy was scrambling, along with the rest of Europe, to fulfill orders.

PROJECTIONS FOR 2013

We are entering 2013 with a global shortage of grape juice concentrate. Argentina is expected to have a better crop than last year, although demand globally will still be strong. Domestically, we should see a better Thompson and Rubired harvest in 2013. However, pricing and demand will be the main predictors as to whether or not growers will keep those grapes in the ground or opt for a more profitable crop.

ARGENTINA – JANUARY 2013

The Year That Was 2012

As we mentioned throughout the year, the 2012 domestic bulk market was slow. Even though the 2012 crop was 20% short, prices remained stable throughout the year, due to a decrease in bottle sales in both the domestic and export markets. Bulk and concentrate exports grew significantly during 2012, sales driven mainly by US buyers, followed by Russia, Spain and South Africa. Economic conditions were very unstable and created conflicts that have had a significant impact on the wine industry in Argentina.

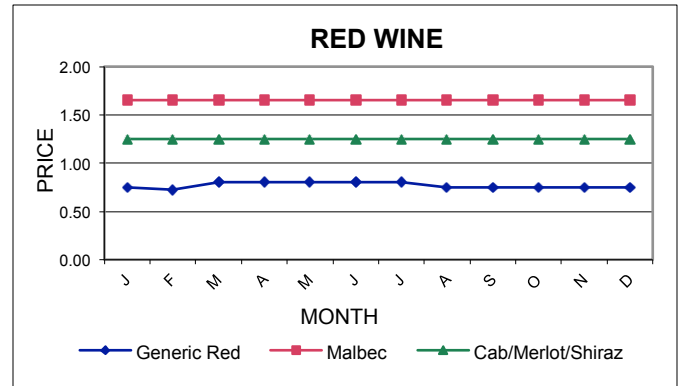
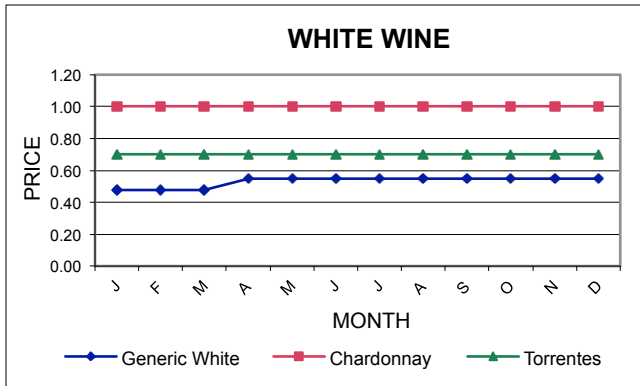
OVERALL 2012 MARKET PRICING

ALL PRICING IN USD PER LITER; FCA WINERY:

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2012	Generic White	0.45 – 0.60	↔	2012	Generic Red	0.70 – 0.85	↔
2012	Generic White (Criolla)	0.33 – 0.50	↑	2012	Cabernet Sauvignon	1.20 – 1.30	↔
2012	Chardonnay	0.95 – 1.05	↔	2012	Malbec	1.50 – 1.80	↔
2012	Torrontes	0.65 – 0.75	↔	2012	Syrah / Merlot	1.20 – 1.30	↔
2012	Chenin Blanc	0.65 – 0.75	↔	2012	Bonarda	0.95 – 1.05	↔

*This shows the overall annual price range, low to high, and the trend throughout the year 2012: up, down or flat

BULK PRICING JANUARY - DECEMBER 2012



PROJECTIONS FOR 2013

Projections for the 2013 crop are good. There are particularly big expectations for Criolla grapes, considering that it is used for concentrate. Cheap dry white is in growing demand, so as we enter 2013, we can predict that this will create a hot grape market for dry white in February/March. Varietal wines will likely not be in high demand as they have been the previous two harvests. The economic scenario remains complicated, with inflation expected to be around 25% for 2013.

AUSTRALIA & NEW ZEALAND – JANUARY 2013

The Year That
Was 2012

Australia and New Zealand have seen a lot of activity in 2012, most of which was due to crop sizes and the influence of weather on crop levels. Early predictions for the 2012 Australian vintage were for a crop that would be slightly below average volume, but high in overall quality. This was a great relief for many winemakers after the poor weather conditions they faced in the 2011 season and flooding in mid-March 2012. The latest figures from ABS is that there are currently 145,000 hectares under vine in Australia.

Entry-level red wines, especially Shiraz, were high in demand during vintage and continued through to mid-2012, as many sought to replace a shortfall in material. Premium, cool climate areas were also in high demand, as these regions were short in volume and high in quality. The popularity for Shiraz and Cabernet Sauvignon from these regions has continued throughout the year.

New Zealand wines, especially Sauvignon Blanc from Marlborough, experienced an upward trend in pricing with the onset of cool weather, which consequently caused poor flowering. The internationally sought after wine has been high in demand since January, after the cool growing period caused flowering to occur late and at a slower rate than normal. Temperatures dropped to near 0°C and frost concerns were high. As the expected shortage of Sauvignon Blanc became apparent, prices crept up, beginning in the low \$3's/L in February and up to as high as the mid \$5's/L by November.

OVERALL 2012 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	0.70 – 1.00	↓	2012	Cabernet Sauvignon	1.00 – 1.30	↔
2012	Sauvignon Blanc	0.85 – 1.00	↔	2012	Merlot	1.00 – 1.30	↔
2012	NZ Marlborough SB	NZ 3.50 – 6.50	↑	2012	Shiraz	1.00 – 1.20	↔
2012	Pinot Gris	0.95 – 1.20	↔	2012	Muscat	0.90 – 1.20	↓

*This shows the overall annual price range, low to high, and the trend throughout the year 2012: up, down or flat

PROJECTIONS FOR 2013 - AUSTRALIA

For the upcoming 2013 year, grape bunches look to be loose and light in some areas, while abundant in other regions. Predictions are for the overall crush to be on par with 2012 quality depend on the weather. There is some anticipation over the weather as we enter 2013, but early indications are that weather patterns will be normal. Crop levels are still unknown, with mixed reports on the size of the crush. Some areas are down, while others areas are average, so we must wait to see the berry size in order to assess the overall crop size.

2013 grape pricing is expected to drop slightly for white wine varieties, but increase by a small amount for red grapes, such as Shiraz and Cabernet Sauvignon, as demand is still quite high. The high Australian dollar has continued to plague Australian exporters, as inflated prices cause international buyers to look elsewhere. The Australian Dollar reached a peak of \$1.0855 in late February and has maintained a level above \$0.95 for the last 12 months. Disappointed wine suppliers are seeing the effect of the long-term high, as buyers seek material in South America and South Africa.

PROJECTIONS FOR 2013 - NEW ZEALAND

Volumes for the 2013 vintage ex New Zealand are again expected to be down with many of the current suppliers locking in forward contracts for next years bulk surplus. Pricing is around NZD \$4.50/L, but again, this will be determined by the size of the crop. Many wineries are still trying to secure as much fruit as possible to keep up with supply and demand as sales continue to grow.

CALIFORNIA – JANUARY 2013

The Year That Was 2012

California bulk wine exports continued to decline throughout the year, as internal demand for limited inventory provided more attractive returns.

Imports in bulk wine to the US have continued, as major wine companies use the global approach of bottling at the sale market.

Significant new plantings and re-plantings of vineyards in California have begun. Competition for both suitable and available land, along with shortfall in nursery plant material, has proved to be a challenge.

The big wineries keep getting bigger, while mid-sized wineries continue to see a slower return on both growth and profitability.

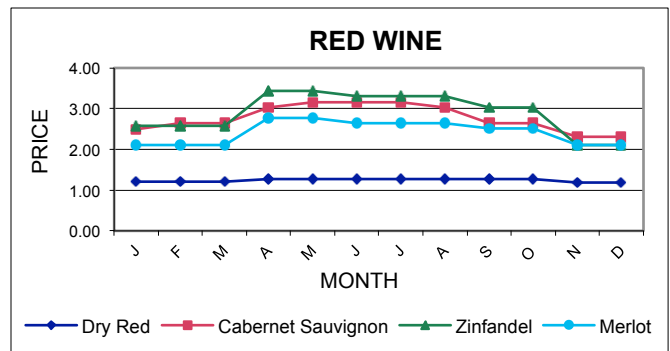
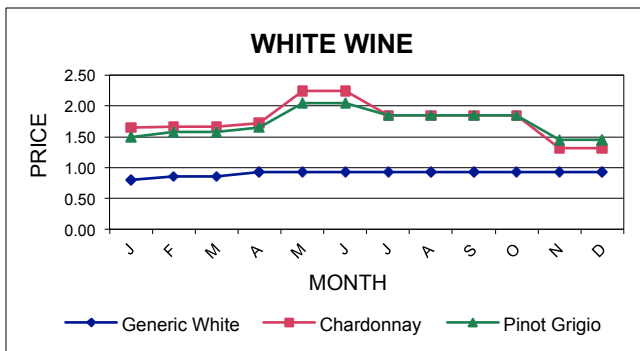
OVERALL 2012 MARKET PRICING

ALL PRICING IN USD PER LITER:

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2011	Generic White	0.75 – 1.05	↔	2011	Generic Red	1.05 – 1.45	↔
2011	Chardonnay	1.18 – 2.5	↓	2011	Cabernet Sauvignon	1.98 – 3.43	↓
2011	Pinot Grigio	1.32 – 2.25	↔	2011	Merlot	1.84 – 3.17	↓
2011	Muscat	1.18 – 2.11	↓	2011	Pinot Noir	1.84 – 3.17	↔
2011	White Zinfandel	1.18 – 1.70	↔	2011	Syrah	1.58 – 2.64	↔
2011	Colombard	0.80 – 1.18	↔	2011	Zinfandel	1.84 – 3.70	↓

*This shows the overall annual price range, low to high, and the trend throughout the year 2012: up, down or flat

BULK PRICING JANUARY – DECEMBER 2012



PROJECTIONS FOR 2013

The 2012 vintage has provided extra bulk wines to market. Pricing has yet to return to the bargains of the past. Look for modest softening as we enter 2013, but not a collapse in any variety.

California capacity was stretched during the 2012 season, due to large yields and imports currently in tank. Additional crushing and storage will be built or is already in the process of being built.

Mergers and acquisitions continue. Look for this trend to continue, with many vineyard and winery properties changing hands. Domestic and international buyers will all be included in the action.

CHILE – JANUARY 2013

The Year That Was 2012

The year in Chile began with low carry-over bulk inventory and strong grape market pricing. There was a lot of pressure from grape growers, as they had leverage in the market, and processors were forced to pay a premium for grapes destined to be sold as bulk wine. As sales were strong in 2011, processors filled their tanks with expensive wine, expecting the strong market to continue. Those expectations were realized in the first half of the year, as sales volumes and prices remained stable. The domestic market slowed, due to a combination of lower demand in Europe, a decrease in global case goods sales, and the realization that the crop was bigger than expected. During the third quarter, the bulk market began to see prices soften, as some processors felt the pressure of cash flow, coupled with a slow down in the action in the bulk market. As reports of a smaller European harvest were beginning to circulate, Chile witnessed the entrance of Spanish bulk buyers. These Spanish wineries represented new demand in Chile, and the generic market stabilized, as inventory disappeared. In contrast to the slow third quarter, the fourth quarter has been busy. In addition to the Spanish entrance into the market, we now see interest from around the world, including new demand from Italy.

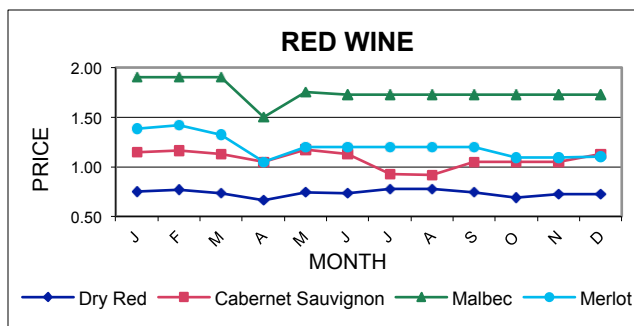
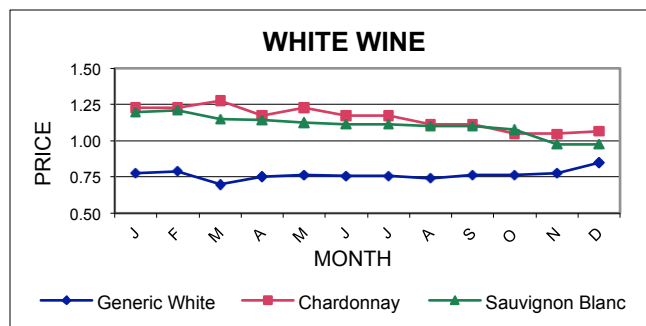
OVERALL 2012 MARKET PRICING

ALL PRICING IN USD PER LITER; FOB PORT:

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2012	Generic White	0.63 – 0.90	↑	2012	Generic Red	0.60 – 0.90	↑
2012	Chardonnay	0.85 – 1.40	↔	2012	Cabernet Sauvignon (Basic)	0.70 – 1.03	↓
2012	Sauvignon Blanc	0.70 – 1.30	↓	2012	Cabernet Sauvignon	0.95 – 1.30	↓
2012	Sauvignon Blanc (Casablanca)	1.05 – 2.50	↔	2012	Merlot	0.88 – 1.40	↔
2012	Pinot Noir	1.15 – 2.00	↔	2012	Malbec	1.45 – 2.00	↔
2012	Syrah	1.00 – 1.45	↔	2012	Carmenere	0.90 – 1.30	↔

*This shows the overall annual price range, low to high, and the trend throughout the year 2012: up, down or flat

BULK PRICING JANUARY – DECEMBER 2012



PROJECTIONS FOR 2013

The year finished with increased activity, and the grape market looks to be much lower in 2013 than it was this past year. Given new estimates for grape prices, the bulk market should be much more attractive to buyers as the new year begins. We are already seeing attractive offers in the market, as some producers are beginning to move their focus to the coming 2013 stock.

FRANCE – JANUARY 2013

The Year That Was 2012

2012 was a challenging year for French producers and buyers, quickly changing from an oversupply situation to a potential shortage for most wine categories. Meanwhile, prices reached notable highs and lows. The buying campaign was extremely slow to start and was launched in January/February 2012, when negociants and producers finally agreed on higher prices. Consequently, the market wasn't able to catch up was behind in terms of volume and pace of purchase. In the spring, producers were worried that huge volumes of wines remained unsold, so they started to release wines at low prices to generate much needed cash flow. Most wines saw a dramatic drop in price, until it became clear that the 2012 crop would be small. Negotiants reacted, buying the rest of the low priced wines, while producers increased prices. The 2012 crop indicates a total production of +/- 46 MHL, with historic generic wine producing regions being the most affected, causing price increases and limited availability. Varietal inventory is also low, with white and rosé varieties selling at high pace and price (+90% of volume contracted to date compared with 2011).

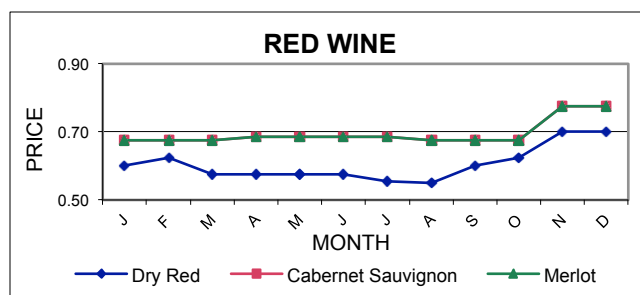
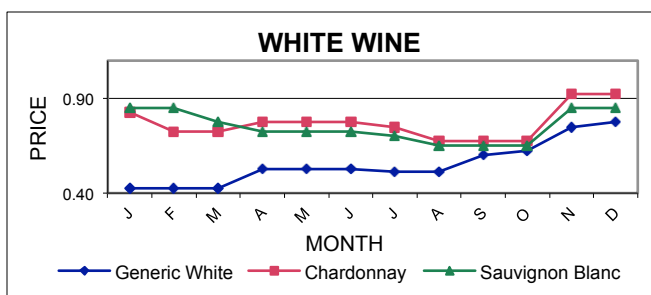
OVERALL 2012 MARKET PRICING

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2011	Generic White	0.40 – 0.65	↑	2011	Generic Red (VDF)	0.50 – 0.65	↑
2011	Chardonnay (VDF)	0.60 – 0.80	↑	2011	Cabernet Sauvignon (VDF)	0.65 – 0.70	↑
2011	Chardonnay (IGP OC)	0.65 – 1.00	↑	2011	Cabernet Sauvignon (IGP OC)	0.70 – 0.80	↑
2011	Sauvignon Blanc (IGP OC)	0.60 – 0.95	↑	2011	Merlot (VDF)	0.65 – 0.70	↑
2011	Generic Rosé (VDF)	0.60 – 0.70	↑	2011	Merlot (IGP OC)	0.70 – 0.80	↑
2011	Varietal Rosé (IGP OC)	0.60 – 0.80	↑	2011	Syrah (IGP OC)	0.65 – 0.80	↑

* This shows the overall annual price range, low to high, and the trend throughout the year 2012: up, down or flat

BULK PRICING JANUARY – DECEMBER 2012



PROJECTIONS FOR 2013

We are seeing French buyers widening their scopes in terms of purchase strategies, and are now open to other countries (Chile, South Africa, Eastern Europe) to replace their own and historic European entry range suppliers (for high price and low inventory reasons in Spain, Italy). We believe that France will still be a key player and strategic producer. In 2013, we will see inventory contracted rapidly within the first couple of months at regularly increasing prices, until they are eventually sold out in the spring. White and rosé categories are expected to be the first to be exhausted.

We believe big players will continue to grow, merging with other groups to widen their market share and scopes, or absorbing smaller companies to control their production, avoiding the market price explosion. Some companies that are too dependent on the free bulk market will experience difficulties in 2013.

GERMANY – JANUARY 2013

The Year That Was 2012

It has now been 12 years since implementing a system of quantity quotation per hectare in the major wine growing regions. Throughout the year, the German wine market was able to achieve more stability due to the implementation of this system. Even some single grape varieties, such as Dornfelder and Riesling, showed instability in price throughout the year. Growers continue to see their income per hectare increasing to a sufficient level.

An average sized crop as in 2011 and 2012 seems to have covered the demand for German wine. Therefore, a bigger crop, as seen in 2008, won't have a substantial effect on pricing, seeing as the maximum marketable volume has been capped. Only small crops, such as that seen in 2010, are undesirable, as there would not be enough wine available.

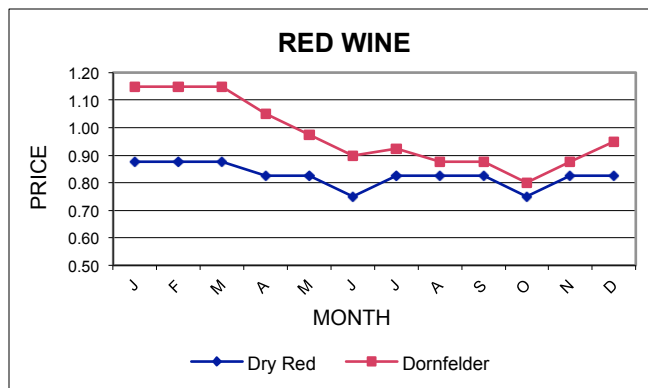
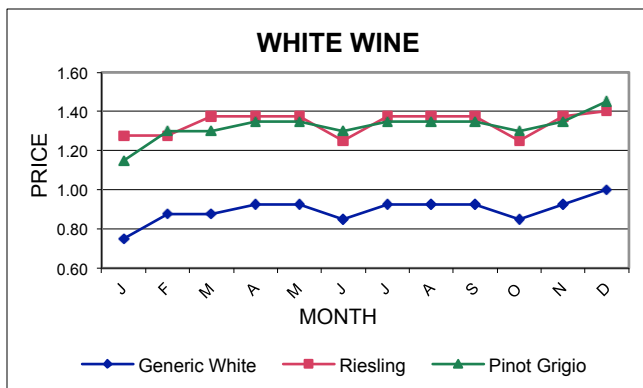
OVERALL 2012 MARKET PRICING

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

Vintage	Variety	Price	Trend
2011	White Wine	0.50 – 1.05	↔
2011	Pinot Grigio	1.00 – 1.50	↔
2011	Riesling	1.15 – 1.50	↔
2011	Red Wine	0.75 – 1.00	↔
2011	Dornfelder	0.80 – 1.20	↔

*This shows the overall annual price range, low to high, and the trend throughout the year 2012: up, down or flat

BULK PRICING JANUARY – DECEMBER 2012



PROJECTIONS FOR 2013

The market for German wine will remain stable as we enter the year 2013. Dornfelder is expected to end its current downward price trend. It is possible that the strong price increase on entry-level wines from the south of Europe will cause an increase in consumption of German wine, as we continue to see the price difference between both categories shrinking.

ITALY – JANUARY 2013

The Year That Was 2012

The 2011 crop was already shorter than in 2010, and 2012 came out even shorter, which corresponded to a rise in price. Demand remains greater than supply, so the market is tight. Generics remain the majority of sales contracts. Requests were generally made for generic white, both domestically and internationally. However, stocks remain low. Thus, pricing for generics continues to trend upwards. Expectations were for a bigger 2012 crop, but the trend of the last couple years has remained, and the 2012 vintage has been introduced to a new kind of competition. Instead of deals being only between wine buyers, this was the first time that concentrate producers, distillers and vinegar producers also competed to secure the raw material. The year 2012 was not in the favor of the small-medium size wineries, which struggled to survive. Only the biggest wineries, along with and those able to create value, will be able to make it in the long-term.

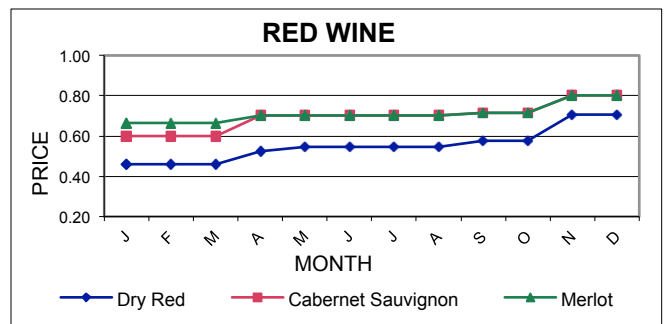
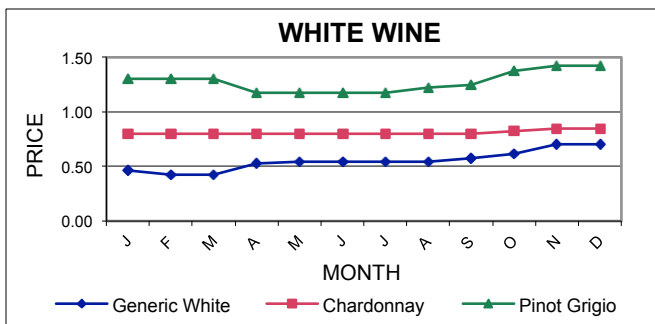
OVERALL 2012 MARKET PRICING

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2011	Generic White	0.40 – 0.60		2011	Generic Red	0.42 – 0.60	
2012	Generic White	0.55 – 0.75	↔	2012	Generic Red	0.55 – 0.75	↔
2011	Chardonnay	0.70 – 0.90		2011	Cabernet Sauvignon	0.50 – 0.75	
2012	Chardonnay	0.70 – 0.90	↑	2012	Cabernet Sauvignon	0.68 – 0.85	↑
2011	Pinot Grigio	1.10 – 1.35		2011	Merlot	0.63 – 0.75	
2012	Pinot Grigio	1.20 – 1.50	↑	2012	Merlot	0.68 – 0.85	↑

*This shows the overall annual price range, low to high, and the trend throughout the year 2012: up, down or flat

BULK PRICING JANUARY – DECEMBER 2012



PROJECTIONS FOR 2013

Suppliers and buyers that have a long-term partnership with producers in order to be sure they can get wines are the ones best suited to the changing marketplace. It is still difficult to predict whether prices will continue to increase, as the economy is showing signs of weakness. National consumption, meanwhile, continues to decrease. 2013 will be an electoral year for Italy, as the President of the Council will be changed. Mario Monti has made many positive changes for Italy regarding European standards, but the citizens are suffering from these policies. The need for cheap generic wines on supermarket shelves could push more players to consider new world wines as a substitute for national wines. It will be interesting to see the customs figures throughout 2013, and to see who sells the most to Italy. Another interesting question will be whether all of this wine imported will be consumed in Italy or re-sold to foreign customers interested more in price and specs, rather than in origin.

SOUTH AFRICA – JANUARY 2013

The Year That Was 2012

The year 2012 started off with hot, dry conditions, including some exceptional heat waves during harvest. The 2012 crop resulted in a 7.6% increase in volume compared to 2011, with good quality fruit. Coastal regions showed a general drop in volume, while more inland bulk areas recorded a 15% increase, compared to 2011. The larger crop, the slower economic conditions in most buying countries, and the resulting slower export shipments of bulk wine, had South African producers worried. Pricing remained consistent until

mid-September, when smaller crops in Spain, Italy and France became evident, and the South African Rand weakened against all major currencies. South Africa suddenly became the focus point for sourcing entry-level generic white and generic rosé wine for the last 4 months of 2012. Countries that showed an increase in volume of South African wine imported were Russia, France, Canada and the US. Resulting white wine carry-over stocks are extremely low and hard to find, while red varietal and generic red wine carry-over stock is at or just above average for annual carry-over stock for the end of 2012. This is mainly due to Chilean red wines still being more competitively priced than South African reds.

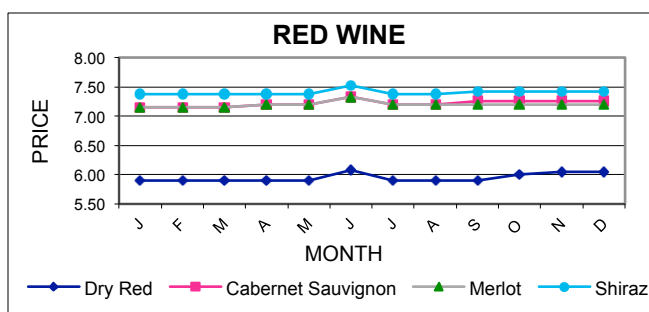
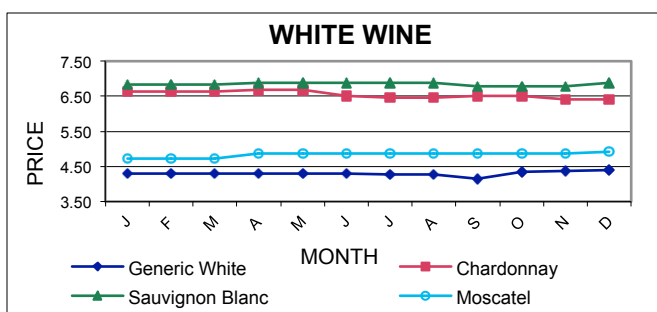
OVERALL 2012 MARKET PRICING

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2012	Generic White	4.00 – 4.50	↑	2012	Generic Red	5.50 – 6.30	↔
2012	Chardonnay	5.55 – 7.50	↔	2012	Cabernet Sauvignon	6.40 – 8.00	↔
2012	Sauvignon Blanc	5.75 – 8.00	↑	2012	Ruby Cabernet	5.80 – 6.40	↔
2012	Generic Rosé	4.65 – 6.00	↔	2012	Merlot	6.40 – 8.00	↔
2012	Cultivar Rosé	5.40 – 6.35	↔	2012	Pinotage	6.40 – 7.50	↔
2012	Chenin Blanc	4.25 – 5.20	↔	2012	Shiraz	6.50 – 8.25	↔
2012	Muscat	4.75 – 5.00	↔	2012	Cinsaut	5.75 – 6.40	↔

* This shows the overall annual price range, low to high, and the trend throughout the year 2012: up, down or flat

BULK PRICING JANUARY – DECEMBER 2012



PROJECTIONS FOR 2013

The pricing trend seen over the last 4 months will roll over into 2013, with similar or better pricing. Already, there are more pre-harvest contracts for 2013 generic white and rosé than the total number of contracts in 2012. Varietals, such as Chenin Blanc and Colombard, are already being contracted in place of generic white, due to lack of 2013 supply and low carry-over 2012 stocks. Expectations are for an average crop in 2013, and harvest will start during the third week of January. Sales, pricing and availability will depend on size and quality of the crop, new markets, pricing from other new world countries and strength of the South African Rand against the US dollar, the British Pound and the Euro. Producers are questioning the low demand for higher-priced varietals and all reds, where demand still seems to be slow in relation to supply and carry-over stock.

SPAIN – JANUARY 2013

The Year That Was 2012

2012 has been a challenging year for Spain, and we can say with little doubt that the country has played an important role in the global market paradigm. Since the outcrop program, put into place three years ago, there has been a loss of 90,000 ha of vineyards, and slightly lower than average crop figures. Increasing world demand, along with ever-decreasing national consumption, has caused many changes in terms of sales strategy. Spain moved from being the cheapest supplying country in Europe and a supplier to the entire global market, to being competitively priced country, in relation to France and Italy. 2011-2012 sales were more profitable than ever for Spanish producers, with exported volumes reaching 50% of the total production. In turn, hardly any inventory remained before the 2012 harvest started, causing worry for long-term supply in terms of price and volume. In order to face a lower than average 2012 harvest, a grape buying price increase, a non existing safety stock and be able to compete on the entry range market (Russia, Eastern Europe, Asia), Spanish merchants recently bought and loaded massive volumes of generics in South Africa, Chile and Argentina. Huge volumes of unsold dry red remain available at high prices, as Spanish producers can't compete with lower prices found in South America. Meanwhile, Spain is facing a shortage of dry white and rosé, as Spanish stocks have been committed.

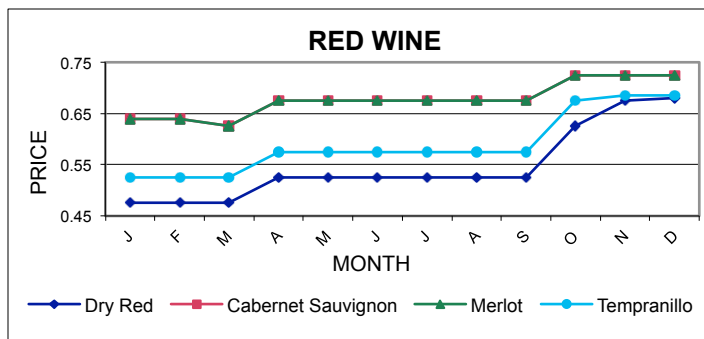
OVERALL 2012 MARKET PRICING

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

Vintage	Variety	Price	Trend	Vintage	Variety	Price	Trend
2012	Generic White	0.60 – 0.70	↑	2012	Generic Red	0.60 – 0.70	↔
2012	Generic Rosé	0.60 – 0.70	↑	2012	Cabernet Sauvignon	0.70 – 0.75	↔
2012	Moscatel	0.85 – 0.95	↔	2012	Merlot	0.70 – 0.75	↔
2012	Syrah	0.65 – 0.70	↔	2012	Tempranillo	0.65 – 0.70	↔

* This shows the overall annual price range, low to high, and the trend throughout the year 2012: up, down or flat

BULK PRICING JANUARY – DECEMBER 2012



PROJECTIONS FOR 2013

As none of their historical European and North American buyers followed Spain's new pricing strategy, it is believed that generic dry red prices may slightly decrease in 2013, especially if Chile and Argentina have a good 2013 harvest. There would be a significant amount of dry red stock remaining in Spain, but white and rosé inventories are already almost exhausted. This might also affect other wine-dependent industries, as Spanish distilleries and vinegar groups are now open to buying wines from other countries for industrial use. The companies specialized in the entry-level and low margin segments will lose profit month after month, which could result in bankruptcies for some suppliers, especially during the difficult financial time that Spain is currently facing.



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