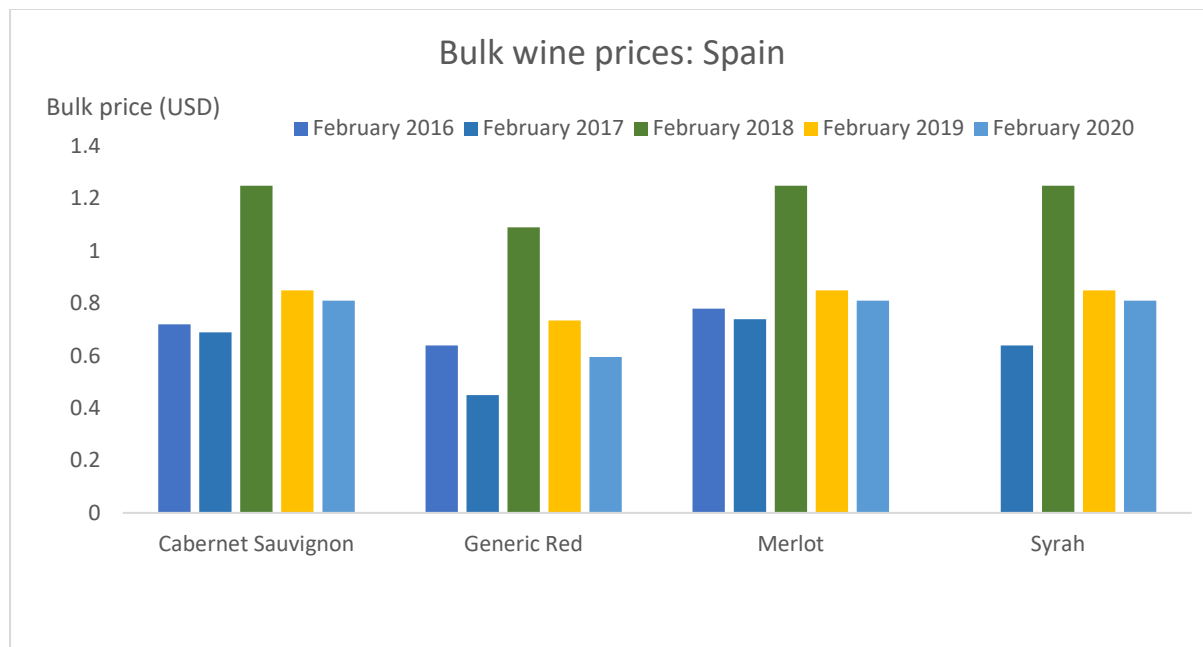


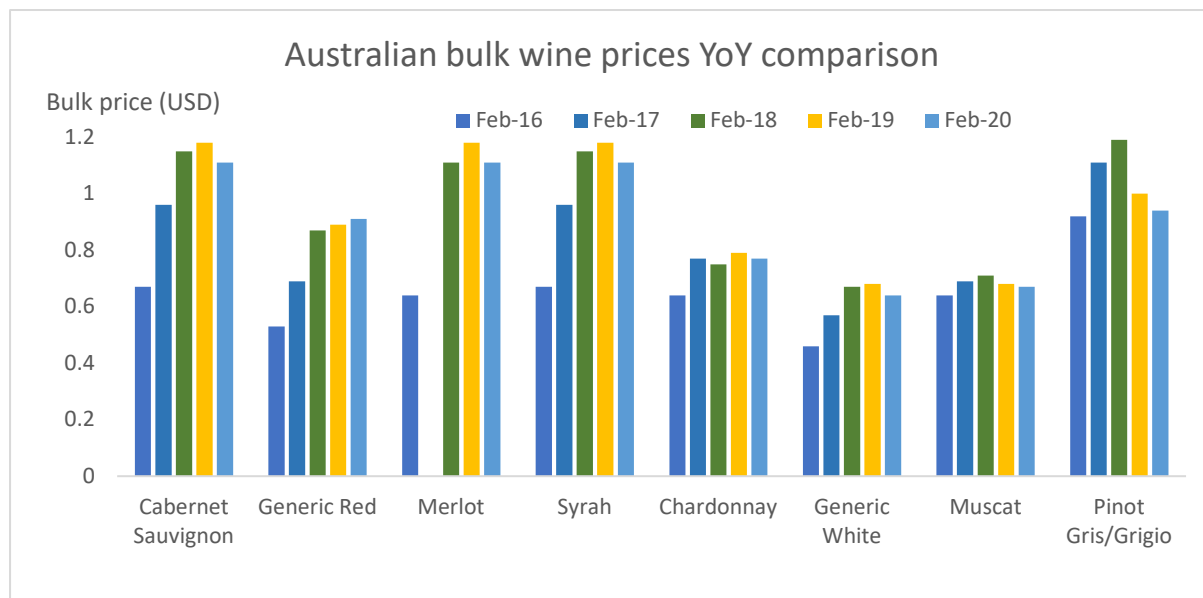
Bulk wine market update February 2020

Source: Ciatti Global Market Report February 2020 and historic data

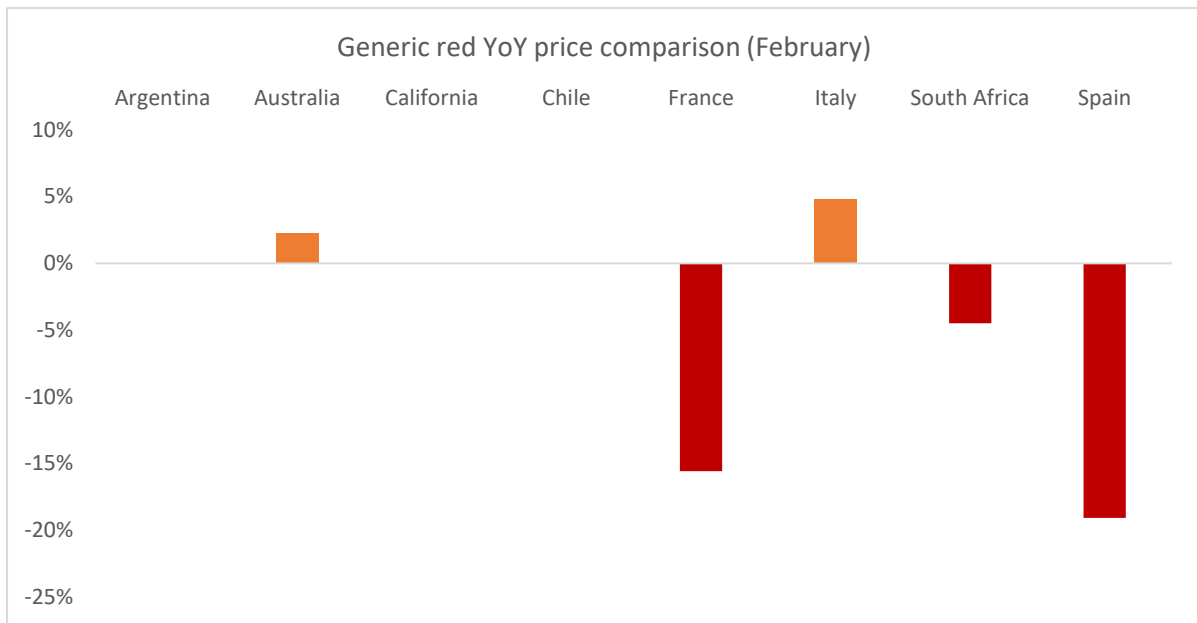
Global bulk wine prices have decreased significantly since reaching a peak in mid-2018 following the low harvest in 2017. The chart shows this for Spain, which is generally regarded as setting the baseline for bulk wine prices.



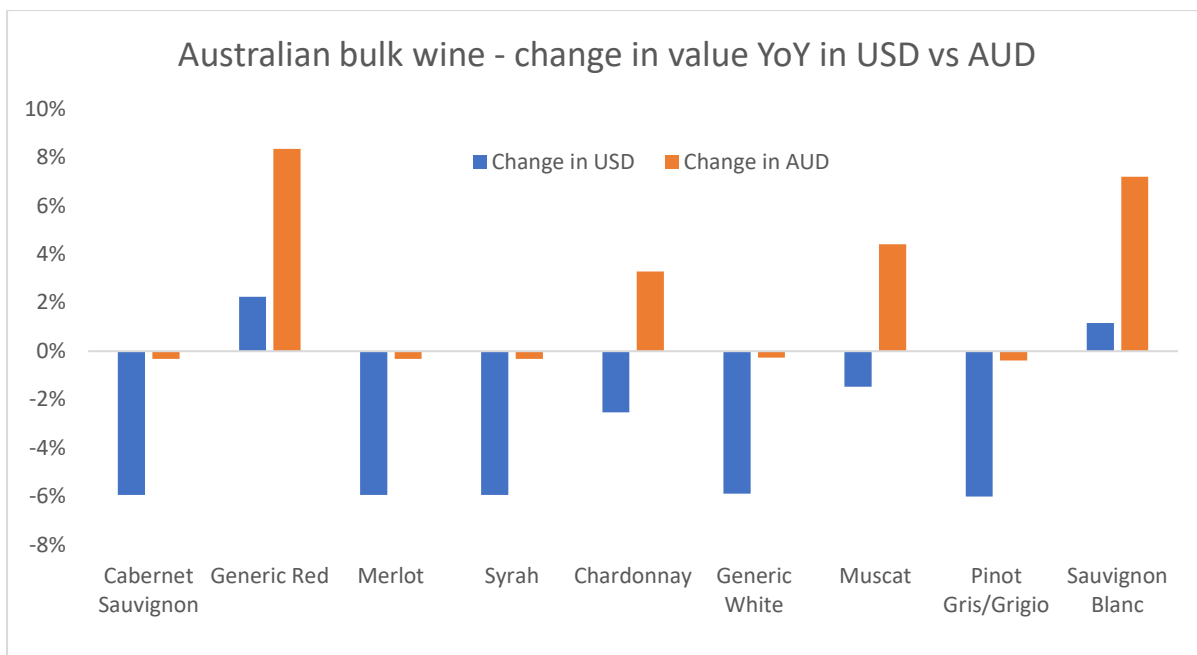
Australian bulk wine prices have been continuing to soften in the past 12 months. The prices of all major varieties except generic red were lower in February 2020 than the year before.



The decline in prices for Australian bulk wines has been less than for most other producing countries.

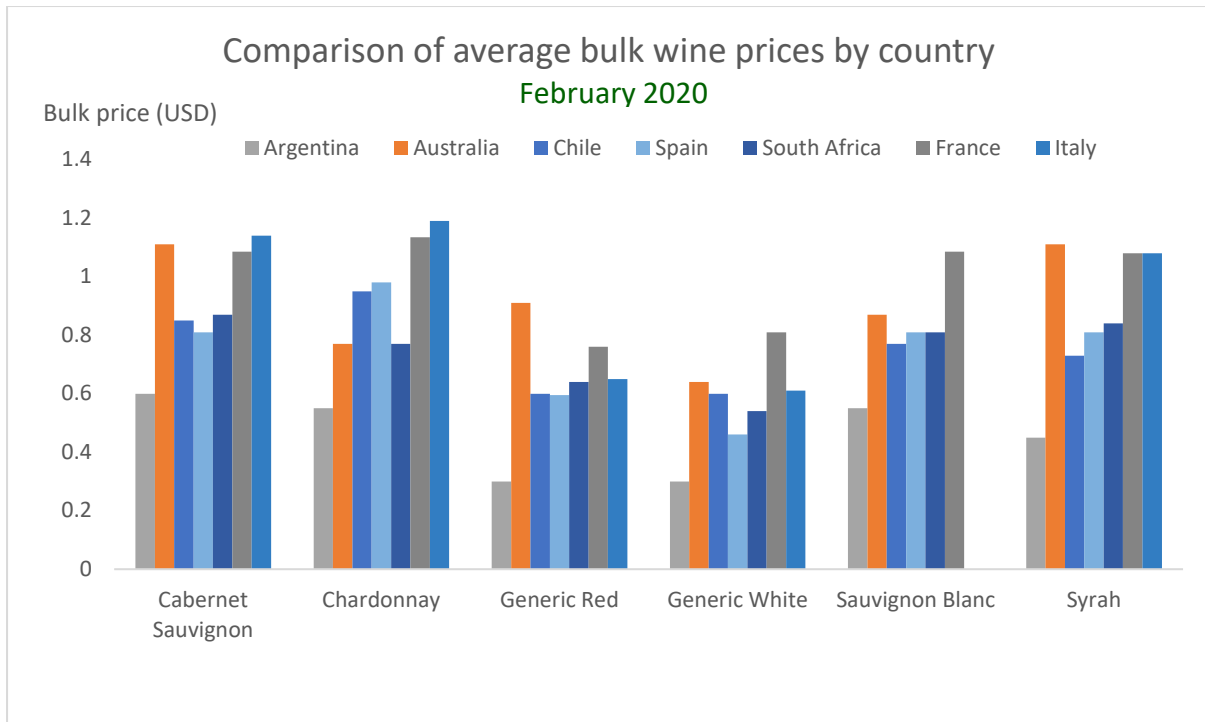


The exchange rate erosion in the past 12 months has generally compensated for the price decline, with the prices of the major varieties increasing in Australian dollars but declining in US dollars.



The price of generic red has remained relatively strong – reflecting a lack of available supply.

Australian red varieties: Shiraz, Cabernet Sauvignon and generic red are generally higher priced than those of the other major producers (excluding the USA) in February 2020. This indicates strong demand and tight supply for Australian bulk wine, but can also be a risk to medium-term competitiveness especially for non-branded products.



Summary of prices for major varieties (USD) – February 2020*

	Generic red	Cab Sauvignon	Shiraz/Syrah	Chardonnay	Sauvignon Blanc	Generic white
Argentina	0.30	0.60	0.45	0.55	0.55	0.36
Australia	0.91	1.11	1.11	0.77	0.87	0.64
California	1.05	1.85	1.58	1.59	-	0.99
Chile	0.6	0.75	0.73	0.95	0.77	0.60
France (VDF)	0.76	0.98	1.08	1.19	1.14	0.81
Italy	0.87	1.14	1.08	1.19	-	0.61
South Africa	0.64	0.87	0.84	0.77	0.81	0.54
Spain	0.54	0.81	0.81	0.98	0.81	0.43

*maximum price reported in Ciatti tables. Price in USD.

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